



(Registered as the Henry Doubleday Research Association)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

Registered Charity No. 298104

Company Registered No. 2188402



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REFERENCE AND ADMINISTRATIVE DETAILS

Patron:
H R H The Prince of Wales, KG, KT, GCB

President:
Professor Tim Lang, PhD, FFPH

Vice Presidents:
Dr Bill Blyth
Raymond Blanc
Susan Hampshire
Thelma Barlow

Ambassadors:
Prof Chris Baines
Rosie Boycott
Bob Flowerdew
Pat Gallimore
Belinda Gooding
Caroline Holmes
Liz Kershaw
Alan Romans
Sebastian Parsons
Kim Wilde

The Council of Management:
Irene Wilkinson (Chair)
John Milligan (Vice Chair)
Alan Booth (Honorary Treasurer)
Dr Sally A Bucknall
Dr Bob A Haskins
Roger Key
Kate Pinder
Judy Steele
Caroline M Ungood-Thomas

APPOINTED
Julie A Hutt (22 May 2010)
Alan Roe (22 May 2010)
Elaine M Shaw (22 May 2010)

RESIGNED
Dave Allan (22 May 2010)
Martin Kunz (22 May 2010)
John R W Petrie (1 September 2010)

Finance Committee:
Alan Booth (Chairman)
Julie Hutt
Alan Roe
Irene Wilkinson

Board of Organic Enterprises Limited:
Mike Hitchins (Chairman)
Alan Booth
Dr Sally A Bucknall
Kate Pinder
Richard Soans

Company Secretary:
Julie Court

Chief Executive:
Myles Bremner

Charity registered number:
298104

Registered office:
Ryton Organic Gardens
Ryton on Dunsmore
Coventry
CV8 3LG

Registered number:
2188402

Auditors:
Wilkins Kennedy
Bridge House
London Bridge
London
SE1 9QR

Solicitors:
Wright Hassall LLP
Olympus Avenue
Leamington Spa
Warwickshire
CV34 6BF

Bankers:
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Southpoint House
Harcourt Way
Meridian Business Park
Leicester
LE19 1WF

Triodos Bank NV
Brunel House
11 The Promenade
Bristol
BS8 3NN

CHAIR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

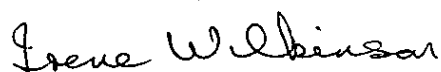
I took over from Dr Sally Bucknall as Chair of the Garden Organic Council of Members in August 2010 and, as a relatively new trustee, have benefited from her many years experience on the Council. Under Sally's term of office, the Charity developed its first Strategic Plan and is now much clearer about its organisational purpose and more focussed on delivering activities and services, which will achieve the desired impact for beneficiaries. On behalf of the Council, I thank her for a significant contribution to the Charity and its work.

We have now supplemented the Strategic Plan with a three-year Business Plan for 2011 – 2013, setting out how we will fulfil our organisational purpose of getting more people growing organically through a three-pronged approach comprising a Big Learning Agenda, the sustainable use of land, seed and resources, and promotion of the benefits of organic gardening. Annual Operational Plans incorporating Key Performance Indicators and Critical Success Factors will be the basis for short-term monitoring and evaluation, but we are aware of the importance of measuring the long-term impact of our work and are seeking funding to undertake qualitative evaluation.

The Governance Review begun early in 2010 has so far found that, although our governance was for the most part of good quality, there were some aspects in which we fell short of the desired standard. We have been working our way through these, starting with an audit of the skills and development needs of trustees, which informed our processes for inducting trustees new in 2010 and for recruiting the trustees who will join the Council in May 2011.

This Annual Report demonstrates the progress we have made in widening the range of our beneficiaries. Three examples in particular stand out. *Gardening Therapy*, our project works with young people with challenging behaviours and multiple and profound disabilities to get them involved in growing their own food, the *Sowing New Seeds* project is contacting many culturally diverse communities in the West Midlands to support them in growing exotic crops not traditionally cultivated in Britain, and the *One Pot Pledge* campaign has succeeded in introducing 20,000 people of all ages to growing.

Overall, 2010 was a year of significant achievements and the staff and volunteers have cause to be proud of their efforts. But we must not be complacent. The current economic climate is not favourable. We are already aware that some funding will be cut, whilst other sources will disappear completely, but we are confident that our enhanced ability to think strategically and longer term combined with a sounder financial position will enable us to overcome these difficulties.



Irene Wilkinson - Chair

COUNCIL OF MANAGEMENT ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

The Council of Management, who are the Trustees of Garden Organic ("the Charity") present their annual report for the year ended 31 December 2010 under the Companies Act 2006 and the Charities Act 1993, together with the audited financial statements for that year

Reference and Administrative Details

'Garden Organic' was adopted in October 2005 as the working name of the Henry Doubleday Research Association. Garden Organic is a registered charity (298104) and a company (2188402) limited by guarantee. Its registered office is as shown on page 1.

The Trustees, Patron, President, Vice-Presidents and the external advisers of the Charity are set out on page 1.

Objects, Objectives and Principal Activities of the Charity

The principal objects, as set down in our Memorandum and Articles of Association are to advance education and science for the public benefit by

- The improvement of scientific and practical horticulture and agriculture in all their branches through the application of organic methods and principles,
- Research into and the study of organic methods and principles of horticulture and agriculture and the dissemination of the useful results thereof,
- The advancement of awareness and knowledge of ecosystems and our impact on them by demonstrating the value of organic methods on a broad education front, both in the United Kingdom and overseas,
- The preservation and protection of the charity's properties and the conservation of the wildlife thereon as centre(s) for scientific research into the practical application of organic methods of agriculture and horticulture and their influence on the wildlife using the property as their natural habitat and to make the same available for inspection and study by members of the public.

Our Organisational Strategy

Gardening and growing offers great benefits for all – benefits for the environment and sustainability, for people's health and well-being, for food security and for building stronger communities. People's growing space, be it a garden, a windowsill, an allotment, a school or community garden, is valued as a place where people can relax and recharge both mentally and physically. Increasingly, it is also valued as an important space for learning, for reconnecting with nature and the food we eat, and a place where people can take practical actions to adopt sustainable lifestyles.

Using the organic approach to gardening and growing, which Garden Organic has been promoting for over 50 years, we are well placed to ensure that these benefits can be achieved and enjoyed to their full potential.

Our Vision is of a healthy and sustainable world that has embraced organic growing.

Our Purpose is to get more people growing organically.

Our Mission is to promote organic gardening, focusing on individual, community and school gardens throughout the UK. We will use innovative practices to inspire and encourage people to grow organically, collaborating with others to achieve the greatest impact.

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Our Aims Are To:-

- Inspire and educate the growers of today and tomorrow
- Be the UK's leading authority on practical organic growing
- Increase our presence and public profile
- Be financially responsible and ensure funding exceeds our costs

Which We Will Achieve By:-

- Becoming more effective in getting people growing organically through adapting our ways of working We will do this by innovating, enabling rather than doing, and working in partnership with others
- Becoming more effective in getting people growing organically through focusing our activities
- Ensuring the level of fixed costs (overheads and permanent staff) does not exceed our assured income
- Moving towards having a supporter based membership rather than a transactional one

The Council of Management agreed a three-year organisational business plan covering 2011-2013 in November 2010

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities

Achievements and Performance

The report of our 2010 achievements against set targets seeks to demonstrate how the organisation is working to our agreed strategic direction The following section outlines our performance against our stated operational charitable activities for 2010

Education

The delivery of the Food for Life Partnership (FFLP) (which constitutes nearly a quarter of our operational expenditure) continued on target, with our team of nine Education Officers supporting over 3,000 schools now signed up to the Programme The project has 132,000 beneficiaries to date During 2010 we completed the second FFLP manual, an essential resource that gives schools the knowledge, skills and practical examples of how to grow food for themselves, and delivered training sessions to 400 teaching staff and parents across all nine English regions The work of the Food for Life Partnership has been recognised by many national public bodies as an exemplar of delivery of the best holistic food culture in schools By combining good school food delivery and standards together with practical growing and cooking education, the Programme has demonstrated direct benefits linked to school meal uptake and changes in eating behaviours The current funding period comes to an end in 2011 and so the Partnership Board has focused efforts on securing funding for taking the programme forwards As yet a solution has not been secured but a range of options are being considered, and discussions are taking place with several potential partners

In partnership with Action for Children, our Gardening Therapy project has enabled young people with severe challenging behaviours and multiple and profound disabilities to get involved with growing their own food at five specialist schools Over the year, 815 skills sessions were run, enabling pupils and teaching staff to learn how to plan and manage organic growing, and by the summer students at all five schools were able to eat produce they had grown themselves We hope to build on our work in the Special Educational Needs sector over the coming years

Getting People Growing Organically

Our innovative Master Gardener programme has surpassed all targets set for 2010 The programme, which uses our innovative peer-to-peer learning model to encourage and support people to grow

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organically, was piloted in four areas in 2010 Warwickshire, North London, South London and Norfolk, in partnership with local authorities. In the first year we recruited 144 volunteers who have delivered a total of 2,486 volunteer hours and reached a total of 8,760 beneficiaries.

We trained 85 new Master Composters, taking our total to 585 active volunteers - exceeding target. Master Composters contributed 11,116 volunteer hours across the year, and a new Master Composter scheme was developed with Gloucestershire County Council.

We also secured £97,600 funding to lead and deliver a local growing project "Get Growing" through the Central Warwickshire's LEADER programme. The project aims to build stronger rural communities by supporting community growing and linking communities with rural businesses. The project was launched in October 2010 and within just two months of operation we were already developing projects with six groups.

The Sowing New Seeds project, which has attracted significant local and national PR, aims to research, document, celebrate and share the resources and expertise of exotic crop growers. In the first year of the project the team visited 40 allotment sites, conducted an in-depth survey with over 100 growers and hosted stands at a range of community events. In October we held the first ever Exotic Crop Fair at Ryton Gardens. The project is also starting to catalogue exotic crops grown in UK conditions, we have collected 110 seed samples and evaluated 50 accessions under field conditions at Ryton Gardens for possible inclusion in the Heritage Seed Library Collection. Work has started on an exotic crops demonstration garden at Ryton Gardens, as per our objectives. The recruitment, training and engagement of Seed Stewards will become a focus for the project in 2011.

Policy Engagement

Throughout the year, we responded to several policy consultations, including seed regulation and Defra's white paper entitled Natural England.

Professor Tim Lang invited Garden Organic to speak about its innovative approaches at a National Skills Symposium at City University in September, and our volunteer engagement programmes have been cited by policy makers as best practice examples of "Big Society" engagement.

We have refocused our work on the Code for Sustainable Homes as a new target in our 2011-2013 Business Plan. Garden Organic is a key partner in the "Every School a Food Growing School" manifesto, which was presented to the Department of Education and Department for the Environment and Rural Affairs (Defra) in December 2010. Following our involvement, we hope to take a lead on supporting further policy to require every school to have a food growing garden. We will report back on this progress in the 2011 report.

Knowledge Exchange

We adapted the way we provide membership advice during the year, and a new longer-term solution (more cost effective) is being considered, which will utilise the website and use of fact sheets in a better way. We successfully delivered our four planned members' experiments with national participation from our members.

Training for Adults

We worked in partnership with Groundwork and the Future Jobs Fund to provide structured work placements for 15 long-term unemployed in 2010, as outlined in our objectives for the year. These six-month placements were designed to help participants get back in to the workforce, and enable them to gain an insight into working in organic horticulture. Garden Organic benefited greatly from the energy and enthusiasm they brought to their roles.

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Through our partnership with sponsor Seeds of Change we were able to offer three organic apprenticeship placements, bringing young people into horticulture with accredited training, again delivering our target for the year

Horticultural / Garden Research

After a successful first quarter in securing commissions and contracts for short-term projects, the targets for 2010 were achieved. From quarter two, fundraising effort had to be reduced and focused on securing funds for projects starting 2011 and beyond. However, we are concerned at the lack of suitable projects to bid for, and the changes in both funding available and in the procurement of funding through commissioning, has prompted us to review our funding methodology.

Our ongoing research work has made us the UK's premier authority on the use of green manures and we were contracted by both the Horticultural Development Company (HDC) and LANTRA (the Sector Skills Council for land-based and environmental industries) to disseminate our knowledge of this area. We delivered seven training events for farmers and produced three fact sheets, published by HDC, to share findings and best practice in this area. We have also produced an independent publication on green manures for farmers and growers.

Heritage Seed Library (HSL)

Over the course of the year we collected a further 67 vegetable varieties, and after trialling we were able to add 37 to the Heritage Seed Library collection. Thirteen varieties were added to the HSL catalogue for the first time. During the year we attended four seed swap events and supplied seed to a further 38. We also recruited a further 31 volunteer Seed Guardians.

The Characterisation project was completed to target and has been a major enabler in setting out future plans for our National Seed Network. In accordance with our HSL objectives, we made strong representation to the FERA consultation on seed regulations, and have kept our members engaged through this process. The Organic Kitchen Garden at Audley End, managed by Garden Organic, grew and displayed 150 HSL varieties in 2010, 50% more than 2009.

International

Due to ongoing safety issues our consultancy project in Afghanistan remains frozen. However, the project in Uganda has progressed, although slower than anticipated. We are in discussions to establish a joint partnership, which will enable us to build on our track record and deliver international development projects with reduced financial risk. During the year we streamlined our overseas advisory service, with the majority of information provided online via email or via the website.

Ryton Gardens

The new relationship with Webbs Garden Centres (Webbs) has seen the launch of a number of new events at Ryton Gardens and development of plans for the site were started in time for the 2011 season. With our appointment of a Visitor Manager we are confident of increasing the numbers of visitors from 22,000 recorded in 2010.

There was some increase in the amount of produce grown for special events at Ryton Gardens, but overall we have found the gardens cannot supply produce in sufficient quantities to work effectively with our on-site catering team and so this objective is under review.

Members and Supporters

By the end of 2010 our membership numbers stood at 34,000. Whilst we recruited fewer new members over the year than predicted, our attrition rate of 13% was lower than expected, so overall our membership numbers remained stable. New membership and other support literature has been well received, especially the new Adopt-a-Veg campaign. The Christmas Appeal reached its target, and validates our future plans for targeted membership research into what prompts members to

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support beyond their annual membership donation. Significant legacies were received in the year as well as new enquiries for legacy giving, following articles within The Organic Way members' magazine.

Communications and external relations

The innovative One Pot Pledge Campaign has a target of 30,000 new growers within 18 months. We made strong progress towards this goal, signing up 20,000 new growers by year-end. We used the campaign as the focus for our external events at the Real Food Festival, Chelsea Flower Show, Glastonbury and the START Festival. The START Festival is a major sustainable living initiative organised by HRH The Prince of Wales' Charities office. Our ten-day presence was a significant investment of time, money and resource for the organisation, but we were able to engage with many thousands of people, sign up new members, acquire 5,000 One Pot Pledgers as well as create new contacts and links with other organisations.

Our press coverage for the year dropped slightly, following a refocus of staff effort from 2009. Nevertheless, some good national coverage was secured on specific campaigns and activities, especially Sowing New Seeds and the One Pot Pledge.

Supporting our Staff and Volunteers

We made some progress in the year in developing our staff and volunteers, with active engagement from the new Head of HR post. We will further develop this in 2011, which will include a review of our appraisal system.

Ryton Site Infrastructure

A review of our reed bed water treatment system confirmed that a replacement system will be required in the longer term. Active fundraising is continuing in 2011.

Future Plans

Our 2011-2013 Business Plan identifies our three key operational Critical Objectives to further our aim of getting more people growing organically. Our future plans are outlined below against these categories.

Objective 1: Developing and implementing a Big Learning Agenda

The Food for Life Partnership is having a real impact on food culture in schools and their communities. By the end of 2011 we aim to have enrolled 3,600 schools in this innovative project and for 1,000 of these to have reached the bronze FFLP Partnership Mark Food Award, recognising leadership in food quality, education and community involvement. We plan to deliver 44 training sessions for those involved in FFLP growing projects and produce four publications to support school growing which we will make freely available online.

Recognising the growing demand for organic horticultural training, and in line with our objectives to support people's growing, we will fundraise to develop a National Organic Training Centre at Ryton Gardens, offering a range of courses for professionals, students and the general public. Noting the benefits of gardening projects for young people, we will continue to work with school partners through Garden Organic for Schools and we will work with the Coventry Pupil Referral Unit (PRU) team to introduce organic gardening into PRUs in the area from the start of the 2011 growing season, directly benefiting at least 20 young people.

In line with our Big Learning Agenda objectives, our Master Gardener and Master Composter programmes are enabling and supporting people across the country to get involved with home growing and composting. In the Master Gardener Programme, we will recruit and train a further 160 volunteers in 2011 across four regions, funded by the Big Lottery Local Food Scheme, and an additional 40 volunteers in Lincolnshire, funded by the Health & Well-being Fund. We will deliver 10

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Foundation Courses to train 200 Master Gardeners, and at least 14 in-service training days for existing Master Gardeners. We will also maintain 550 active Master Composter Volunteers across nine regions in 2011, who we envisage will deliver over 10,000 volunteer hours promoting home composting with schools, communities and households. We will also deliver in-service training to 150 Master Gardeners across the year. In May 2011 we plan to host the first joint Master Gardener and Master Composter conference at Ryton Gardens.

Garden Organic works to encourage public participation in, and engagement with, science and sustainability through our nationwide members' experiments. In 2011 we will run three members' experiments, tying these in with both the One Pot Pledge and the Sowing New Seeds projects.

At Ryton Gardens we have the opportunity to inspire and educate 30,000 visitors each year, demonstrating how much can be achieved with organic growing. Over 2011 we plan to review and develop our gardens to enhance the learning journey for our visitors and to appeal to a wider audience, so enabling more people to celebrate and share organic growing. We will continue to work with Webbs to publicise Ryton Gardens and we aim for a 20% increase in group visits compared to 2010.

Objective 2: Ensuring Sustainable Use of Land, Seed and Resources

The use of peat in horticultural growing media is an area of real concern for Garden Organic. Not only have 97% of the UK's raised peat bogs been lost, but also the horticultural use of peat in the UK releases over 630,000 tonnes of carbon each year. We will develop a policy-led campaign in 2011 to address this issue. We will also lobby for food growing to be embedded within the schools framework, given the hugely positive results on health, well-being and learning that we have seen from school food growing projects.

As part of our Heritage Seed Library programme, we have been asked by grassroots community groups to develop and coordinate a National Seed Swap Network. Seed saving and swapping help promote crop diversity (essential for our food security), sustainable growing systems and community cohesion. We will seek funding to employ a project coordinator to lead this project, and to develop three demonstration sites with both national centres of horticultural expertise and at the local level with community gardens.

Linked to the delivery of our Big Learning Agenda, we will continue our existing research projects and seek new projects. We are developing a joint venture to form a new Centre for Agro-ecology and Food Security, drawing together expertise in organic systems from around the world to deliver research and share best practice on international sustainable agriculture and food. We will also contribute to the forthcoming Defra consultation on the use of peat, supporting Garden Organic's new policy led campaign in this area, and we will deliver four horticultural training courses in association with LANTRA.

Objective 3: Promoting, Celebrating and Sharing the Benefits of Organic Gardening

In the context of the "greenest government ever", increased consumer awareness and a growing movement towards sustainable living, we plan to bring public, industry and other stakeholders together for a national Gardening Conference at Ryton Gardens in May 2011, to promote sustainable gardening and celebrate organic growing. This three-day event will address the opportunities and challenges on the road to sustainability, and the role of gardening within this.

The Sowing New Seeds project is already having an impact, engaging exotic crop growers in sharing and promoting their expertise, adding new varieties to the HSL collection and increasing public awareness of, and access to, exotic crops. In the second stage of the project we will produce a Seed Steward training manual, deliver training for 20 exotic crop growers to become volunteer Seed Stewards, and bring the benefits of this work to community growing projects across the West Midlands – including at least 12 schools, 20 allotment groups and 20 community enterprises. We will

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attend at least three regional shows and two regional seed swaps and aim to work with refugees, housing groups and growing projects in areas of socio-economic deprivation. We will also create an exotic crop demonstration plot at Ryton Gardens to showcase varieties shared through the Sowing New Seeds project.

The second stage of the One Pot Pledge campaign will continue to support our existing pledgers and aim to recruit a further 10,000, to reach our target of 30,000. We will take the campaign to at least two major external events and will encourage volunteer involvement in promoting the One Pot Pledge at the local and community level.

Structure, Governance and Management

Garden Organic is governed by its Memorandum and Articles of Association, adopted on 16 October 1987, and last amended on 11 September 2004.

The Council of Trustees is responsible for the overall governance of the Charity. Trustees are elected or co-opted and the total number may not exceed fifteen. Trustees are elected by the members and serve a five-year term of office. All Trustees must be members of Garden Organic. One fifth of the Trustees, the longest serving since their last election to Council, shall resign annually and is eligible for re-election. There is an annual invitation to the membership to put themselves forward for the Council. The invitation to members highlights the specific skill areas required in order to strengthen Council and meet future needs.

The Council work closely with the Chief Executive and senior staff to ensure the charity is managed effectively. The Council meets together at least four times a year, both formally and informally to discuss the strategic plan and to look at divisional development and policies. Topics discussed during 2010 included finance, strategy, risk, performance against the operating plans, policies, the following year's budget and operational plan and the three-year business plan 2011-2013.

The Council delegates the exercise of certain powers in connection with the management and administration of the Charity. Regular reporting back to the Council controls this. The whole Council make all significant decisions on recommendations from the committees and working groups.

New Trustees undergo a comprehensive induction programme, with support from Council and the Chief Executive. New trustees are encouraged to join committees or working groups depending on their interest and skills.

In 2010, the Council of Management began a governance review. This review is looking at all aspects of the Charity's governance including the role of trustees and management, Committees structure and delegated authorities. This work will continue into 2011 and will be reported in the 2011 Annual Report.

Finance Committee

The Finance Committee comprises Trustees, who are independent of the management and free of any relationship that, in the opinion of the Council, would interfere with the exercise of independent judgement as members of the Committee. The Committee meets at least four times a year. It is responsible for reviewing and making recommendations to the Trustees on all financial matters.

Strategic Planning Committee

During 2010, the Strategic Planning Committee met regularly to discuss the charity's strategy, including a review of its vision, purpose and mission, confirming that the strategy agreed in 2009 was still valid.

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Audit and Risk Committee

The Audit and Risk Committee is made up of Trustees who are independent from management. It meets quarterly and is responsible for overseeing the internal audit, risk and health and safety processes for the charity, as well as liaising with the external auditors independently from management.

Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee meets at least annually and oversees the terms and conditions of employment, including pay reviews and benefits.

Chief Executive

The Chief Executive is responsible for the day-to-day management of the Charity's affairs and for implementing policies and the annual Operating Plan and budget as agreed by the Council of Management. The senior management team assists the Chief Executive.

Group Structure

The Charity has a wholly owned subsidiary, Organic Enterprises Limited. The subsidiary carries out non-charitable trading activities to raise funds for donation to Charity, and during the financial year it made an operating profit of £59,552 (2009 operating profit of £82,527).

In 2010, the Charity acquired a second wholly owned subsidiary, Garden Organic Limited. This company did not trade in the period under review.

Corporate Governance

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by budget holders, the senior management team and the Council. A programme of internal audits is in place.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- a strategic plan, an annual Operational plan, and an annual budget approved by the Trustees,
- regular consideration by the Trustees of financial results, variances from budgets and non-financial performance indicators,
- delegation of day-to-day management authority and segregation of duties, and
- identification and management of risks.

Risk Management

A risk register is maintained to monitor actions required to mitigate potential adverse events. These include the risks regarding income targets, expenditure budgets, insufficient internal collaboration and our relationship with key opinion formers. Risks are evaluated by the management team and scored for likelihood and impact, and mitigating controls are put in place.

The risk register is reviewed monthly by the Senior Management Team, quarterly by the Audit and Risk Committee and annually by the Council.

Workforce

Garden Organic aims to be an organisation where people feel part of a team and who work together for a shared purpose. All-staff meetings are held regularly, with updates from the senior management team on matters both strategic and financial, and from colleagues with work updates. Notes are taken and circulated to all staff, including those who are not based at Ryton Gardens.

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Garden Organic supports equal opportunities and has a policy of recruitment and promotion on the basis of aptitude and ability without discrimination. Garden Organic endeavours to make our sites as accessible as possible, given the constraints on the English Heritage historical property at Audley End. Garden Organic employs people with disabilities and our Growth programme works with people with learning difficulties in the gardens at Ryton.

Garden Organic is fortunate to have the services of a growing number of volunteers who help the organisation to do its work. Across the organisation, there are seed guardians, volunteer guides, gardeners, administration support and researchers. In addition, some of our off-site training schemes train volunteers to work in their community, such as the Master Composter scheme and the Master Gardener scheme.

Financial Review

For the second year running a net surplus was achieved on unrestricted funds. The major contribution to the surplus of £496,175 (2009 £15,342) for the year was legacy income of £502,246 (2009 £115,290). During the year action continued to be taken to control the Charity's costs such that the net result, excluding legacy income, significantly improved. This is particularly pleasing considering the difficult economic conditions prevalent during the year. With effect from 1 February 2010 the restaurant, shop & conference facilities were leased to Webbs Garden Centres. In 2010 a combination of bad weather, particularly before Christmas, and the fall in disposable income affected garden centre activity. However as our income is now more secure our net income from them exceeded 2009. The Charity is making strenuous efforts to reduce its dependency on uncertain and unpredictable income streams and continues to manage its expenditure in line with its income.

Restricted income from charitable activities fell by 18% in the year to £983,023. This was primarily due to income from the Food for Life Partnership falling by £315,705 to £681,629, which arises from the timing of the receipt of income. The Food for Life Partnership is due to be completed in December 2011 and the income for 2011 is expected to fall by a further 25%. The income from research projects reduced from £173,811 to £74,440 mainly due to a major project for DEFRA being completed. Funding was secured in 2010 for a number of new projects, in particular the Master Gardener Programme. It is hoped to secure new funding to continue and develop the work done by the Food for Life Partnership.

Cash balances have increased by £241,298 to £781,454 during the year whilst reducing trade creditors. Borrowings also reduced by £56,155. Of the cash balances £441,628 is held as advance payments in respect of restricted projects. The Charity has agreed with its bankers, Triodos, to replace the £250,000 short-term loan with a five-year loan repayable by equal instalments and an overdraft facility. This will reduce the cost of borrowings and improve the net current asset position.

Reserves

Reserves are needed to bridge the gap between the spending and receiving of resources and to enable the charity to cover unplanned emergency expenditure. In line with previous years, the Trustees have formed a view that a general reserve of £1m should be maintained, which is equal to 6 months unrestricted non-trading expenditure.

The closing unrestricted fund balance is now positive at £469,824 (2009 deficit of £26,351) for the first time in several years. This position had been due to some unexpected expenditure in the past, which led to operating deficits, but our position has improved over recent years where we have achieved operating surpluses. The charity's financial position is strengthening, but will need to improve further in future. The charity will continue to carefully monitor its sources of unrestricted income whilst managing its spending.

The Trustees are fully aware that the shortfall of free reserves, together with the economic backdrop, will provide a challenging environment in the year to come. However, the plans and budgets for

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2011 have been agreed on the basis that both unrestricted reserves and available cash will improve by the end of the year

Restricted Reserves

Restricted income remains central to the work of Garden Organic. During the year, we continued to run our restricted projects to further the charity's work in a variety of projects. A number of submissions for new work have been made, although the outcomes will not be known until later in 2011. The award of these restricted funds will enable Garden Organic to work in areas where it would not be able to work otherwise.

Pensions

Garden Organic offers a stakeholder pension scheme to its entire staff. Further details on the pension schemes are included in the notes to the accounts.

Statement of Trustees' Responsibilities

The trustees (who are also directors of Garden Organic 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. 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 judgements 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company'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.

COUNCIL OF MANAGEMENT ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

Auditors

A resolution for the re-appointment of Wilkins Kennedy as auditors will be proposed at the forthcoming Annual General Meeting

This report has been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005)

By Order of the Council



Irene Wilkinson - Chair

Date 19/04/11

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 DECEMBER 2010

We have audited the financial statements of Garden Organic for the year ended 31 December 2010 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Cash Flow Statement) and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, 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.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the consolidated financial statements

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 December 2010, 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 requirements of the Companies Act 2006.

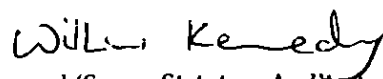
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the 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, or
- the 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.


J Howard (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy, Statutory Auditor
Date 13 May 2011

Bridge House
London Bridge
London SE1 9QR

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary Income:					
Donations, appeals and charitable gifts	3	465,871	245,760	711,631	805,141
Legacies	4	502,246	-	502,246	115,290
Membership		744,432	-	744,432	791,288
Activities for generating funds:					
Fees for garden services		160,385	140,192	300,577	295,418
Retail, catering & publications	5	228,872	-	228,872	820,419
Other income from activities	6	113,739	-	113,739	98,756
Investment income					
Interest receivable		467	-	467	1,007
Incoming resources from charitable activities:					
Admissions and grants	7	55,829	983,023	1,038,852	1,246,932
Total incoming resources		2,271,841	1,368,975	3,640,816	4,174,251
RESOURCES EXPENSED					
Costs of generating funds:					
Fundraising and publicity		121,137	-	121,137	129,578
Retail, catering & publications	5	72,782	-	72,782	720,771
Charitable activities		1,899,121	1,183,179	3,082,300	3,247,838
Governance costs		11,953	-	11,953	18,619
Total resources expended	8	2,104,993	1,183,179	3,288,172	4,116,876
Net incoming resources before transfers between funds					
		166,848	185,796	352,644	57,375
Transfer between funds	17	329,327	(329,327)	-	-
Net movement in funds		496,175	(143,531)	352,644	57,375
Fund balances at 1 January 2010					
		(26,351)	3,519,427	3,493,076	3,435,701
Fund balances at 31 December 2010	19	£469,824	£3,375,896	£3,845,720	£3,493,076

All of the results are from continuing activities and include all gains and losses recognised in this year and last.

The notes on pages 19 to 30 form part of these financial statements

CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 DECEMBER 2010

		Group		Charity	
	Notes	2010 £	2009 £	2010 £	2009 £
Fixed assets					
Tangible fixed assets	9	4,687,061	4,822,651	4,687,061	4,822,651
Investments	10	-	-	9	7
		<u>4,687,061</u>	<u>4,822,651</u>	<u>4,687,070</u>	<u>4,822,658</u>
Current assets					
Stock		6,884	64,994	-	-
Debtors	11	220,342	168,206	199,499	222,066
Cash at bank and in hand		781,454	540,156	781,360	506,219
		<u>1,008,680</u>	<u>773,356</u>	<u>980,859</u>	<u>728,285</u>
Creditors: Amounts falling due within one year	12	(1,105,418)	(1,298,517)	(1,077,606)	(1,253,453)
Net current liabilities		<u>(96,738)</u>	<u>(525,161)</u>	<u>(96,747)</u>	<u>(525,168)</u>
Total assets less current liabilities		<u>4,590,323</u>	<u>4,297,490</u>	<u>4,590,323</u>	<u>4,297,490</u>
Creditors: Amounts falling due after more than one year	14	(744,603)	(804,414)	(744,603)	(804,414)
Net assets		<u>£3,845,720</u>	<u>£3,493,076</u>	<u>£3,845,720</u>	<u>£3,493,076</u>
Funds					
Restricted funds	17	3,375,896	3,519,427	3,375,896	3,519,427
Unrestricted funds					
- other charitable funds	19	469,824	(26,351)	469,824	(26,351)
		<u>£3,845,720</u>	<u>£3,493,076</u>	<u>£3,845,720</u>	<u>£3,493,076</u>

The financial statements were approved by the Council of Management on 19/04/11 and signed on their behalf by -



Alan Booth - Honorary Treasurer

The notes on pages 19 to 30 form part of these financial statements

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 £	2009 £
Reconciliation of net incoming resources to net cash inflow from operating activities		
Net incoming resources	352,644	57,375
Investment income	(467)	(1,007)
Interest paid	30,438	38,694
Depreciation	150,321	159,262
(Profit)/loss on disposal of investments	-	(1,259)
(Increase)/decrease in stock	58,110	(1,204)
Decrease/(increase) in debtors	(52,136)	74,173
(Decrease)/increase in creditors	(196,755)	(111,426)
Net cash inflow /(outflow) from operating activities	£342,155	£214,608
Cash flow statement		
Net cash inflow from operating activities	342,155	214,608
Return on investment and servicing of finance	(29,971)	(37,687)
Capital expenditure	(14,731)	(38,014)
Net cash inflow/(outflow) before financing	297,453	138,907
Financing	(56,155)	(116,706)
Increase in cash	£241,298	£22,201
Reconciliation of net cash flow to movement in net debt		
Increase in cash in the year	241,298	22,201
Loans repaid	56,155	366,706
New loan advanced	-	(250,000)
Change in net debt	297,453	138,907
Net debt at 1 January	(527,053)	(665,960)
Net debt at 31 December	£(229,600)	£(527,053)

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 £	2009 £	
Gross cash flows			
Returns on investments and servicing of finance			
Interest received	467	1,007	
Interest paid	(30,438)	(38,694)	
	<u>£(29,971)</u>	<u>£(37,687)</u>	
Capital expenditure			
Payments for tangible fixed assets	(14,731)	(53,778)	
Proceeds from sale of investments	-	15,764	
	<u>£(14,731)</u>	<u>£(38,014)</u>	
Financing			
Secured loans repaid	(56,155)	(366,706)	
New secured loan advanced	-	250,000	
	<u>£(56,155)</u>	<u>£(116,706)</u>	
Analysis of changes in net debt	1 January 2010 £	Cash flow £	31 December 2010 £
Cash at bank and in hand	540,156	241,298	781,454
Debt due within one year	(303,784)	(1,917)	(305,701)
Debt due after one year	(729,373)	56,299	(673,074)
Finance leases	(34,052)	1,773	(32,279)
	<u>£(527,053)</u>	<u>£297,453</u>	<u>£229,600</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

1. Accounting policies

a) Accounting convention

The accounts are prepared under the historical cost convention (modified to include the revaluation of investments). In preparing the Financial Statements the charity follows best practice as laid down in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005.

b) Consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiaries Organic Enterprises Limited and Garden Organic Limited on a line-by-line basis. A separate statement of financial activities for the charitable company has not been presented as permitted by paragraph 397 of the SORP.

c) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Membership subscriptions are accounted for on an accruals basis providing an allowance for deferred income for subscriptions received in advance.

Legacy income has been accounted for on the basis of cash received, or where receipt of written confirmation of the charity's entitlement to a legacy has provided certainty of receipt.

Income from grants, including capital grants, is included in incoming resources when these are receivable unless entitlement is conditional on the delivery of a specific performance by the charity. Where donors impose conditions that must be met before the charity has unconditional entitlement, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

Donations are accounted for when received and treated according to the donor's wishes. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

d) Resources expended

Expenditure is accounted for on an accruals basis. Any irrecoverable element of VAT is included with the item of expense to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

e) Taxation

The company is a registered charity and is therefore entitled to the exemptions from corporation tax afforded by section 505 of the Income and Corporation Taxes Act 1988. Accordingly, there is no corporation tax charge in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

f) Tangible fixed assets

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, or lease period if shorter, as follows -

Freehold buildings	2% to 10% straight line
Grounds and research equipment	10% to 25% straight line
Fixtures and fittings	10% to 25% straight line

g) Fixed asset investments

Investments held as fixed assets are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

h) Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less cost of disposal.

i) Funds accounting

Restricted funds – these are funds that can only be used for specific restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Unrestricted general funds – these are funds that can be used in accordance with the charitable objects at the discretion of the trustees.

j) Pension costs

During the year, the Charity contributed to a defined contribution stakeholder scheme available to all. The assets of the scheme are held separately from those of the company in independently managed funds. The pension costs charge represents contributions payable by the Charity to the funds.

The Charity also contributed to a multi-employer defined benefit pension scheme for certain individuals. This scheme was closed to future accruals on 31 December 2008.

k) Finance and operating leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account on a straight line basis.

Rentals under operating leases are charged against income on a straight-line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

2. Net incoming/(outgoing) resources for the year:		2010	2009
		£	£
This is stated after charging:			
Depreciation on owned tangible fixed assets		144,740	156,137
Depreciation on assets held under hire purchase		5,581	3,125
Operating lease rentals – Plant and machinery		6,030	27,057
Interest payable on bank loans and overdrafts		27,477	34,811
Finance lease interest		2,961	3,883
Auditors' remuneration	- audit services (Charity £5,300)	8,027	8,150
	- other services	500	3,982
3. Donations, Appeals and Charitable Gifts			
	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	2010
			£
			2009
			£
Donations	176,753	48,977	225,730
Gift aid and tax recovery	193,563	337	193,900
Appeals	95,555	11,131	106,686
Charitable grants	-	185,315	185,315
	£465,871	£245,760	£711,631
			£805,141
4. Legacies			
An accrual for legacies received by 31 December 2010, but not paid, of £6,000 (2009 £nil) has been included in the financial statements			
5. Retail, Catering & Publications			
With effect from 1 February 2010, the restaurant, shop and conference facilities were leased to Webbs Garden Centres. This is the reason for the decrease in income and expenditure relating to these operations. The risk of operating them has been replaced by a certain and predictable income in the form of rent and payment of their attributable costs.			
6. Other Income from activities	£	£	£
			£
Royalty income	77,678	-	77,678
Rental and other income	36,061	-	36,061
	£113,739	-	£113,739
			£98,756
7. Admissions and Grants	£	£	£
			£
Admission charges	43,829	-	43,829
Government & commercial grants	12,000	983,023	995,023
	£55,829	£983,023	£1,038,852
			£1,246,932

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

8. Total Resources Expended

	Staff Costs	Depreciation	Direct costs	Support costs	Total Funds 2010	Total Funds 2009
	£	£	£	£	£	£
Costs of generating funds						
- Fundraising and publicity	69,218	-	51,919	-	121,137	129,578
- Retail, catering & publications	25,534	-	47,248	-	72,782	720,841
	<u>94,752</u>	<u>-</u>	<u>99,167</u>	<u>-</u>	<u>193,919</u>	<u>850,419</u>
Charitable activities:						
- Gardens and gardening	595,978	52,612	170,596	128,841	948,027	740,993
- Education	450,659	30,064	303,106	73,570	857,399	901,223
- Information and training	117,668	7,516	125,983	18,393	269,560	362,822
- Research	222,432	37,580	20,181	91,963	372,156	576,777
- Marketing and PR	172,026	15,032	203,324	36,785	427,167	450,866
- Executive	138,071	7,517	44,010	18,393	207,991	215,157
	<u>1,696,834</u>	<u>150,321</u>	<u>867,200</u>	<u>367,945</u>	<u>3,082,300</u>	<u>3,247,838</u>
Governance costs	-	-	11,953	-	11,953	18,619
	<u>1,791,586</u>	<u>150,321</u>	<u>978,320</u>	<u>367,945</u>	<u>£3,288,172</u>	<u>£4,116,876</u>

	2010 £	2009 £
The aggregate payroll costs were		
Wages and salaries	1,538,988	1,777,180
Social security costs	138,485	150,558
Other pension costs	114,113	112,001
	<u>£1,791,586</u>	<u>£2,039,739</u>

The average number of staff employed by the group during the financial year amounted to

	No.	No.
Total number of staff		
- Garden Organic	76	77
- Organic Enterprises Limited (staff transferred to Webbs Garden Centres on 1 February 2010)	1	32

The emoluments of one member of staff are within the range £70,001 to £80,000 (2010 one) Pension contributions of £5,356 (2009 £5,354) relating to this one employee were paid into the defined contribution stakeholders scheme

The trustees received no remuneration during the year under review Travelling expenses were reimbursed to 7 trustees totalling £3,585 (2009 £4,741 to 8)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

9. Tangible Fixed Assets

	Land & Buildings £	Grounds & Research Equipment £	Fixtures & Fittings £	Total £
Group and Charity				
Cost				
At 1 January 2010	5,278,280	112,739	1,105,583	6,496,602
Additions	-	-	14,731	14,731
Disposals	-	-	(3,823)	(3,823)
At 31 December 2010	5,278,280	112,739	1,116,491	6,507,510
Depreciation				
At 1 January 2010	700,844	107,401	865,706	1,673,951
Disposals	-	-	(3,823)	(3,823)
Charge for the year	92,284	898	57,139	150,321
At 31 December 2010	793,128	108,299	919,022	1,820,449
Net Book Value				
31 December 2010	£4,485,152	£4,440	£197,469	£4,687,061
31 December 2009	£4,577,436	£5,338	£239,877	£4,822,651

Included in Freehold Land and Buildings is £458,000 (2009 £458,000) relating to land

Included within fixtures and fittings are assets held under hire purchase with a cost at 31 December 2010 of £45,977 (2009 £31,245) and accumulated depreciation of £14,954 (2009 £9,374)

10. Investments

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Shares in group undertakings	£ -	£ -	£9	£7

10.1 Shares in Group Undertakings

Net income from the subsidiary trading activities

During the year Organic Enterprises Limited, a 100% subsidiary, was the sole trading subsidiary with the principal activities of leasing retail and catering premises and the production and distribution of certain publications. In the previous year, the company ran the shop and restaurant at its outlet but on 1 February 2010, the running of this business was transferred to Webbs Garden Centres Limited.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

The results for this subsidiary were as follows

	2010 £	2009 £
Profit and Loss account		
Turnover	123,181	767,965
Cost of sales	(127,782)	(639,918)
Gross (loss)/profit	(4,601)	128,047
Other income	70,567	65,776
Administrative expenses	(6,414)	(111,296)
Net profit prior to gift aid to the charity	<u>£59,552</u>	<u>£82,527</u>
Net assets at 31 December	<u>£7</u>	<u>£7</u>

On 1 June 2010, a new subsidiary, Garden Organic Limited, was acquired at an investment of £2 share capital
This company has not traded during the period under review

Investments in group undertakings comprise:

	£	£
Organic Enterprises Limited	7	7
Garden Organic Limited	2	-
	<u>£9</u>	<u>£7</u>

10.2 Other Investments

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Market value at 1 January 2010	-	14,505	-	14,505
Disposals	-	(14,505)	-	(14,505)
Market value at 31 December 2010	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>
Investments at market value comprise				
UK fixed interest securities	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>
Historical cost of UK fixed interest securities at 31 December	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

11. Debtors

	£	£	£	£
Trade debtors	131,676	106,957	105,013	89,875
Amount owed from group undertakings	-	-	14,536	82,527
Other debtors	69,822	35,195	61,106	25,195
Prepayments	18,844	26,054	18,844	24,469
	<u>£220,342</u>	<u>£168,206</u>	<u>£199,499</u>	<u>£222,066</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

12 Creditors: amounts falling due within one year

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Bank loan (note 15)	305,701	303,784	305,701	303,784
Trade creditors	117,314	173,359	94,282	145,835
Amount owed to group undertakings	-	-	2	1,942
Obligations under hire purchase (note 15)	18,096	13,621	18,096	13,621
Other taxation and social security	66,410	101,510	64,254	86,386
Other creditors	26,645	31,160	26,019	26,802
Accruals and deferred income (note 13)	571,252	675,083	569,252	675,083
	<u>£1,105,418</u>	<u>£1,298,517</u>	<u>£1,077,606</u>	<u>£1,253,453</u>

13. Deferred income

	£
Deferred income at 1 January 2010	588,528
Released during year	(538,423)
Deferred in 2010	444,348
Deferred income at 31 December 2010	<u>£494,453</u>

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Deferred income due with one year	437,107	533,918	437,107	533,918
Deferred income due after more than one year	57,346	54,610	57,346	54,610
	<u>£494,453</u>	<u>£588,528</u>	<u>£494,453</u>	<u>£588,528</u>

14. Creditors: amounts falling due after more than one year

	£	£	£	£
Bank loan (note 15)	673,074	729,373	673,074	729,373
Obligations under hire purchase (note 15)	14,183	20,431	14,183	20,431
Accruals and deferred income (note 13)	57,346	54,610	57,346	54,610
	<u>£744,603</u>	<u>£804,414</u>	<u>£744,603</u>	<u>£804,414</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

15. Borrowings

	£	£	£	£
An analysis of loans is given below:				
Amounts falling due within one year:				
Bank loan	305,701	303,784	305,701	303,784
Hire purchase	18,096	13,621	18,096	13,621
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Amounts falling due between one and two years:				
Bank loan	57,053	40,484	57,053	40,484
Hire purchase	11,285	13,621	11,285	13,621
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Amounts falling due between two and five years:				
Bank loan	179,600	130,988	179,600	130,988
Hire purchase	2,898	6,810	2,898	6,810
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Amounts falling due after five years:				
Bank loan	436,421	557,901	436,421	557,901
Hire purchase	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The charity has a loan facility with Triodos Bank, secured by a legal mortgage over the freehold property and a debenture over all assets and undertakings of the charity, both present and future. In 2010 a loan of £300,000 was repaid and a new loan of £250,000 was taken out at an interest rate of 3.5%, repayable after 12 months. In 2011, this loan of £250,000 has been repaid and a loan of £150,000 has been taken out at an interest rate of base + 2.5%, repayable over five years. Obligations under hire purchase contracts are secured on the assets acquired.

16. Pension Schemes

The Association together with its subsidiary, Organic Enterprises Limited, and other institutions participates in the Mercury Provident Pension Scheme, which provided benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Association, being invested with a pension fund management company. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees working lives with the Association. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2010, for which preliminary results were published on 7 January 2011. The assumptions, which have the most significant effect on the results of the valuation, are those relating to the rate of return on investments and the rates of increases in salaries and pensions. It was assumed that the investment returns would be between 3.25% to 7.75% per annum and that present and future pensions would increase at the rate of 0% to 3.55% per annum. The next triennial actuarial valuation of the scheme will be as at 31 March 2013.

The cost to the Association for the year in respect of the above scheme was £50,963 (2009 £45,722).

The pension scheme deficit has not been incorporated in the balance sheet of the company. Due to the nature of the scheme it is not practicable to extract from the scheme funds as a whole the amount attributable to Henry Doubleday Research Association. The following information applies therefore to the value of the pension scheme attributable to all participating institutions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

The fair value of the assets held by the pension scheme at the actuarial date were as follows

	2010 (draft) £'000
UK equities	4,793
Overseas equities	3,475
Bonds	2,636
Property	719
Other	359
Fair value of assets held	11,982
Liabilities to members	20,281
Deficit	£8,299

The Association also makes contributions to a defined contribution stakeholder scheme. The pension cost charged to the financial statements in the year in respect of this scheme was £63,150 (2009 £66,279). At the end of the year there were no outstanding contributions payable (2009 £nil).

17. Restricted funds	Balance at 1 January 2010	Movement in Resources & Transfers	Balance at 31 December 2010
Projects:			
Restricted appeals	-	11,132	(11,132)
Central Warwickshire Villages LEADER	664	54,568	(55,232)
Get Growing	-	-	(3,320)
One Pot Pledge Campaign	-	56,627	(51,293)
Sowing New Seeds	23,865	30,644	(43,364)
HSL Seed Swap Network	-	1,600	-
Gardens Network	-	50,000	(13,504)
HSL Characterisation Project	20,285	-	(20,285)
Biodynamic Garden	-	9,976	(9,976)
Ryton Gardens Apprentices	-	45,834	(28,616)
14 – 19 Curriculum	2,500	2,920	(4,720)
Food for Life Partnership	163,581	681,629	(755,595)
Fruitfull Schools Programme	(8)	10,658	(6,834)
Gardening Therapy	42,500	42,500	(26,910)
Gardening Research Projects	5,908	12,137	(14,569)
WRAP Compost Trials	(288)	-	288
Warwick/HRI Vegetables varieties	1,264	-	(1,264)
EU Leafy Veg Project	(13,516)	5,985	5,132
Defra Economic Organic Farming	1,175	-	(1,004)
Strawberry Defra Link	1,751	4,781	(6,532)
Organic Advisory Service	1,807	2,050	(461)
HDC Green Manures	1,331	14,130	(15,461)
Defra Fertility Building Crops	5,067	-	(5,067)
ADAS Weeds	(228)	-	228
Defra Socio-economics	526	-	(526)
HDC Disease Management in Brassicas	1,197	3,721	(4,206)
Modelling Spatial & Temporal			
Management of Land	2,184	3,077	(5,023)
RELU – scale	592	6,942	(7,534)
Methodology of Assessments Farming	-	11,234	(11,013)
Systems			
LANTRA Green Manures	-	6,382	(6,382)
Master Gardener Programme	40,553	159,178	(132,624)
Master Composter Schemes	277	137,270	(137,547)
Uganda Fruit	(750)	4,000	(9,036)

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FOR THE YEAR ENDED 31 DECEMBER 2010

Cuba Drought Dissemination	1,738	-	(1,738)	-
Afghan Mercy Corps	12,798	-	-	12,798
Prosopsis Chainsaw Milling	3,020	-	-	3,020
Projects Total	319,793	1,368,975	(1,385,120)	303,648
Capital Appeal				
Vegetable Kingdom Appeal	3,199,634	-	(127,386)	3,072,248
Total restricted funds	£3,519,427	1,368,975	(1,512,506)	£3,375,896

Projects:

Central Warwickshire Villages LEADER - a programme in partnership with Warwickshire County Council and the Local Action Group, providing grants to local communities groups for arts and gardening projects funded by LEADER

Get Growing – a project funded by Central Warwickshire Villages LEADER, supporting Warwickshire communities to undertake community growing activities

One Pot Pledge Campaign – a campaign to encourage 30,000 people to grow something edible for the first time in a pot or container

Sowing New Seeds, a new project building links within communities by encouraging growers to share knowledge and plant resources concerning exotic crops, funded by Local Food (Big Lottery Fund) and the Brook Trust.

HSL Seed Swap Network – linking grassroots seed saving and swapping activity across the country through the Heritage Seed Library

Gardening Network – a programme to work in partnership with other visitor attractions, enabling local engagement in delivering Garden Organic activity. It will be closely linked to the Seed Swap Network

HSL Characterisation project represents funding received to support the work of the Heritage Seed Library

The Bio-Dynamic Garden, funds received to maintain the Bio-Dynamic Garden built at Ryton Gardens

Ryton Gardens Apprentices – three gardening apprentices working at Ryton Gardens as they train towards their diploma qualification

14-19 curriculum, development work to support delivery of educational work to 14-19 year old pupils at Ryton Gardens and externally

The Food For Life Partnership (FFLP), a five year partnership between Garden Organic, the Soil Association, the Health Education Trust, and Focus On Food, to develop children's understanding of growing, cooking and eating food. Restricted income is received from the BIG Lottery Fund via the Soil Association

Fruitful Schools, working with secondary schools to establish local/regional heritage orchards

Gardening Therapy, a project working with special educational need schools setting up food growing gardens

Gardening Research Projects – a number of projects investigating methods and products for gardening, funded by industry

WRAP Compost Trials, field trials conducted to demonstrate the benefits of spreading green waste compost in organic field vegetable production, funded by Waste and Resources Action Programme (WRAP)

Warwick/HRI Vegetable Varieties, a project breeding and evaluating varieties for low input production systems, funded by DEFRA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

EU Leafy Veg Project, brings together a number of European partners active in the conservation and utilisation of plant genetic resources of the leafy vegetables most important in Europe, our role in this has been to evaluate the Heritage Seed Library lettuce varieties. This is funded by EU Genres

Defra Economic Organic Farming, a project which evaluates the economics of organic farming systems

Strawberry Defra LINK, is a project to improve disease control in strawberry production using bio fumigation techniques

Organic Advisory Service, the provision of support and advice, for growers

HDC Green Manures, a project to investigate the adoption of green manures in organic and conventional rotations to aid nitrogen management and maintain soil structure, funded by the Horticulture Development Company

Defra Fertility Building Crops, a project to improve fertility management in horticulture and agriculture

ADAS Weeds, a project to study the control of perennial weeds in organic farming, funded by Defra

Socio-economics, a project to analyse socio-economic aspects of local and national farming markets, funded by Defra

HDC Disease Management in Brassicas, a project to develop new techniques for seedling diseases of brassicas, funded by the Horticulture Development Company

Modelling Spatial & Temporal Management of Land, using modelling techniques to understand the impact on biodiversity of different land management approaches

RELU – SCALE, a project comparing organic with non-organic farming systems, our involvement is on the economic assessment and is funded by Rural Economics and Land Use Programme (RELU)

Methodology of Assessments Farming Systems – a Defra funded project examining appropriate ways of evaluating the environmental impact of farming

LANTRA Green Manures – a training programme for farmers in the West Midlands

The Master Gardener Programme, a new project establish volunteers mentoring networks to encourage and support people and communities to grow fruit and vegetables in their gardens and on communal land, funded by Local Food (Big Lottery Fund), Sheepdrove Trust and local authorities

The Master Composter Schemes, are a series of contracts with local authorities to deliver training to help increase composting and reduce waste. Funding is occasionally being received in arrears

Uganda Fruit, investigating the feasibility of organic fair-trade berry production for smallholder farmers in Uganda

Cuba Drought dissemination work, support and facilitation for the adaptation and adoption of appropriate vegetable varieties for the local region

The Afghan Mercy Corps, a project supporting local farming communities to export fair-trade organic raisins

The Prosopis Chainsaw Milling Project, advises local communities on low cost methods of forestry

The Vegetable Kingdom appeal, represents the funds received to pay for the construction of the facility. These are being amortised over the expected life of the building

18. 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 £1 per member of the Charity

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

19. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2010	Total Funds 2009
	£	£	£	£
Fund balances at 31 December 2010 are represented by				
Tangible fixed assets	1,614,819	3,072,242	4,687,061	4,822,651
Current assets	520,371	488,309	1,008,680	773,356
Current liabilities	(920,763)	(184,655)	(1,105,418)	(1,298,517)
Creditors amount falling due after more than one year	(744,603)	-	(744,603)	(804,414)
Total net assets	£469,824	£3,375,896	£3,845,720	£3,493,076

20. Operating lease commitments

At 31 December 2010 the Group had annual commitments under operating leases as set out below

	2010 £	2009 £
Office equipment		
Operating leases which expire		
Within one year	-	-
Between two and five years	6,030	13,674

21. Capital commitments

There were capital commitments of £Nil (2009 £Nil) at the year end



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Garden Organic is the working name of the Henry Doubleday Research Association Registered Charity no 298104