



(Registered as the Henry Doubleday Research Association)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Registered Charity No. 298104

Company Registered No. 02188402



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COMPANIES HOUSE

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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
James Wong

The Council of Management:
Irene Wilkinson (Chair)
John Milligan (Vice Chair)
Alan Booth (Honorary Treasurer)
Dr Sally A Bucknall
Dr Bob A Haskins
Julie A Hutt
Roger Key
Kate Pinder
Alan Roe
Elaine M Shaw
Judy Steele

APPOINTED
Maggi Brown (appointed 14 May 2011)
Gail Coleshill (appointed 14 May 2011)
Margaret Eyre (appointed 14 May 2011)
RESIGNED
Caroline M Ungood-Thomas (resigned 14 May 2011)

Finance Committee:
Alan Booth (Chair)
Gail Coleshill
Alan Roe
Irene Wilkinson

Board of Organic Enterprises Limited
Alan Roe (Chair)
Myles Bremner
Maggi Brown
Julie Court
Gary Hall
Elaine Shaw

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:
02188402

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

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

Bankers:
Lloyds TSB
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 2011

2011 was the first year of a three-year Business Plan for implementation of our strategic aims, and it is satisfying to report that 86% of the targets set for the year were achieved in full or were likely to be achieved within a delayed timescale. One major target we had set ourselves was getting 30,000 newcomers to food growing to sign up to the One Pot Pledge during the 18 months of the Pledge Campaign, and we passed this target in the Autumn of 2011.

We knew that the target had been achieved because of the monitoring and reviewing work we carry out in order to learn how successful our activities are. Internal evaluation is important, and something we are doing more of each year, but external evaluation of our work by independent organisations is also welcomed. We are very pleased that external evaluations of two projects – the Food For Life Partnership and the Master Gardeners – have been extremely favourable in respect of the outcomes achieved for the beneficiaries.

Our organisational strategy was developed to take account of the current difficult economic situation as well as significant changes in the policy and funding landscape and we are continuing to focus and adapt our activities and to work more and more in partnership with other organisations. Sometimes there are exciting new developments with long-standing partners, as with the opening of the Centre for Agroecology and Food Security – a joint venture with the University of Coventry. New partnerships are also pursued in achievement of our aims, for example, our Gardening Industry Conference in May 2011 brought together for the first time a wide range of retail and manufacturing businesses and gardening media representatives, to discuss how organic products and practices can be promoted to a larger audience.

Overall we had another challenging year but emerged stronger and even more determined to promote and support the practice of organic gardening. The next few years will be equally challenging for the voluntary sector. The regular reviews which are now built in to our operating, management and governance systems together with the continued generous support of our members and supporters should enable us to come through the difficult times successfully.



Irene Wilkinson - Chair

COUNCIL OF MANAGEMENT ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The Council of Management, who are the Trustees of Garden Organic ("the Charity") present their annual report for the year ended 31 December 2011 under the Companies Act 2006 and the Charities Act 2011, 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 (02188402) limited by guarantee. Its registered office is as shown on page 1.

The Trustees, Patron, President, Vice-Presidents, other Honorary Officers 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 offer great benefits for all – benefits for the environment and sustainability, for 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 to 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 a supporter-based membership rather than a transactional one, that is members who will join to actively promote the organic ethos rather than joining to expect personal benefit

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

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, its performance and in planning future activities

When reviewing annual performance progress against the agreed operational plan for 2011, the Trustees considered the range of beneficiaries that the Charity works with, both through our members and also the tens of thousands of individuals reached through our many charitable programmes in schools and the wider community. The Trustees are clear that there are health, well-being and environmental benefits in our work. The balance of research-related and practical knowledge dissemination matches well with our overall charitable objects.

As a membership organisation, around a quarter of our annual income is received from membership subscription. This income is used to fund our work through our agreed strategy. Our members are active supporters for the Charity and partake in research experiments, contribute to our campaigns, and support the dissemination of good organic gardening and horticultural practice.

Detail of our impact and public benefit can be seen in the Achievements and Performance section of this report below.

Achievements and Performance

The 2010 Annual Report's Future Plans section sets out three key operational Critical Objectives to further our aim of getting more people growing organically. The following section outlines our performance against our stated operational targets set last year.

Critical Objective 1. Developing and implementing a Big Learning Agenda

In 2011 two of our projects, the Food for life Partnership, FFLP, (for which Garden Organic delivers the food growing element) and our volunteer network of Master Gardeners, were reviewed and evaluated independently. These evaluations clearly demonstrate that Garden Organic is delivering significant impact to our targeted beneficiaries, an important validation for the delivery of Public Benefit.

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Food for Life Partnership

FFLP surpassed its target of working with 3,600 schools, with over 4,400 enrolled in the Programme by the end of 2011. Every school received Garden Organic's Food Growing in Schools Manual and we used our national network of FFLP Garden Education Officers to work directly with hundreds of schools. We exceeded our targets by training over 700 people through the delivery of 58 Continuing Professional Development (CPD) sessions for school professionals. This area of CPD work has won praise from funders, schools and professional bodies and we plan to use our experience to further develop this element of our work in 2012.

Bath University, (CREE) cited that Garden Organic's FFLP work impacts positively on children's learning and attainment and improves community engagement. The wider work of FFLP was also considered by many as an innovative and successful example of working in partnership, winning the prestigious Derek Cooper prize in the BBC Food and Farming Awards.

Whilst initial funding for phase one of FFLP drew to a close in December 2011, Garden Organic's involvement in securing a phase two of the Partnership's work remains a focus and we are committed to develop FFLP with our national partners, the Soil Association, Focus on Food, and the Health Education Trust.

14-19 Therapy Gardening

During 2011 we approached our funders, Santander, to adjust our project delivery in order to reach a wider range of 14-19 year olds and to bring young people to Ryton Gardens for long term work placements. This was successful and as a result we are now working with a number of schools and pupils across Coventry, working in partnership with several agencies, including the Pupil Referral Unit. Garden Organic delivered 428 Special Educational Needs sessions in 2011.

Food Growing in Schools Taskforce

Recognition of our work around educating and engaging the organic growers of the future also came in the appointment of Myles Bremner, Garden Organic's Chief Executive, as Chair of the **Food Growing in Schools Taskforce** – a Defra backed initiative to make recommendations on how to make every school a food growing school. The Taskforce consisted of representatives with interests and expertise in the delivery of food growing in schools. It included leaders and practitioners from schools, charities, corporate providers, voluntary and community organisations, the media and government departments. The Taskforce engaged with over 150 organisations and schools and used data from an independent national survey of 1,300 schools, to produce the final report and recommendations. Garden Organic's leadership and co-ordination of the Taskforce significantly raised our profile in the sector and new, important relationships for the future were formed.

Master Gardener and Composter Programmes – growing local networks

Our Master Gardener programme (funded by the Lottery, Sheepdrove Trust and Local Authorities), continued to expand during the year, delivering at a local level in Warwickshire, Norfolk, central London boroughs and Lincolnshire. Formal evaluation (conducted by Coventry University) investigated beneficiaries' impact on their environmental behaviours. A full report will be published by Coventry University in 2012 but indicative findings show clear positive outcomes on the households and families reached, as well as the active programme volunteers.

Our Master Gardener project in Lincolnshire secured additional funding through the local authority health budget. This further expansion shows the organisation's transition toward more profitable and commissionable ways of working.

The Master Composter programme continued to increase its reach, marking a decade of work, with over 500 Master Composters working in nine local authorities in England. We were invited to present at several national waste conferences, where our programme was used as a best practice example of community engagement initiatives looking at behavioural change for domestic waste management.

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Learning mentors

We received EU funding for a project (Grundtvig) which requires us to audit and share the types of organic horticulture training we are able to offer, with European partners. Volunteers and staff went on a trip to Hungary as a starting point for this and are working together to carry out the audit and share the information across the organisation and across the project partners.

Courses

Garden Organic continued to deliver a range of courses from its premises at Ryton Gardens, as well as CPD training to school professionals utilising the Master Composter and Master Gardener schemes. Work to develop the breadth of courses and training available at Ryton Gardens will be undertaken for 2012 – and plans remain to create a National Training Centre.

Ryton Gardens

Ryton Gardens welcomed nearly 20,000 visitors in 2011, including schools, groups, members and the general public, down slightly on 2010 visitor numbers. Despite this, Ryton Gardens gained significant media coverage, including several TV appearances, on Countryfile, Gardeners' World and the Hairy Bikers, which impacted positively on membership recruitment.

We continued our development of Ryton Gardens to ensure there is a better flow for visitors to the gardens and a more impactful experience bringing home the organic gardening message. Work began on opening up the garden entrance, extending the allotment garden, installing the new Exotic Garden and developments to remove, relocate and build the new Compost and Soil Fertility Garden. Our relationship with Webbs continues, and we worked together on several events, most notably our Potato Day weekend, which saw over 1,700 visitors over the two days.

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

Heritage Seed Library (HSL)

As part of our commitment to work in partnership with other organisations, in 2011 we formed new relationships as part of our ambition to develop a 'National Seed Swap Network'. We held 14 seed swap events and had permanent HSL displays with Kew's Millennium Seed Bank, Yeo Valley and the Eden Project, and continued to build on links with Brighton's Seedy Sunday. These relationships have helped raise the profile of our seed conservation work through increased Heritage Seed Library memberships, increased media profile and increased requests for seed.

Our expertise on varieties and genetic biodiversity is highly regarded and our knowledge much sought after and as such we were invited to feed into important policy engagement work on EU legislative changes.

Our conservation work is reaching wider audiences through the **Sowing New Seeds** project, which in 2011 achieved its targets, as well as collecting 96 new varieties (bringing the project total to 239), recruited 35 seed stewards and installed a brand-new demonstration space at Ryton Gardens. James Wong, our new Ambassador, opened this 'Exotic Garden' in August 2011.

Centre for Agroecology and Food Security

In 2011 the Centre for Agroecology and Food Security (CAFS) was launched – a joint venture between Garden Organic and Coventry University. The partnership between the two organisations enables greater funding capacity, shared expertise, and provides a secure future for the international development work of Garden Organic. One of our first jointly funded projects is an EU funded study to investigate short food- supply chains.

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Research projects

Conducting practical research, both as a contracted activity and to increase our own expertise and knowledge, is fundamental to achieve our strategic aim to be the practical leading authority on organic growing. As reported in 2010, the funding landscape for contracted horticultural research remains challenging, but we were able to secure some new contracts. In addition to delivery of projects secured in 2010, new contracts included an EU funded COST project on **organic glasshouse production**, a Waste Resource and Action Programme (WRAP) contract to facilitate **farmer events** discussing the use of compost on agricultural land.

Localised Activity

In line with our declared plans to work at a more localised level, several new projects were started or continued in the year. The **Get Growing** project, funded by the Central Warwickshire Villages LEADER, was awarded increased funding, extending it to June 2013 with a target to support a total of 30 growing projects in the central Warwickshire area. **Back to my Roots** is a new project funded by Local Food and led by Groundwork West Midlands and thus involves supporting food-growing communities in Coventry. We fostered a relationship with Orbit Heart of England Housing culminating in a pilot programme at Bishop's Itchington in Warwickshire, a small social housing project in Milton Keynes, a contract to manage the Sampson Close show house garden and engage with residents on two estates in Coventry and finally a commission to design and build two sustainable gardens in Wellesbourne, Warwickshire.

We also ran our three Members Experiments successfully, distributing their findings and knowledge through our members' magazine, *The Organic Way*.

Objective 3 Promote, celebrate and share benefits of organic gardening

With greater impact than in previous years thanks to a growing level of provision of localised activities, Garden Organic's volunteer mentor networks were all imperative in helping to spread awareness of organic gardening (and the work of Garden Organic) to a wide range of stakeholders and beneficiaries.

Garden Industry Conference

Garden Organic held its first Gardening Conference in May 2011, convening the main players within the garden retail industry, to address the opportunities and challenges on the road to sustainability. Our discussions around the supply chain prompted many horticultural retailers to assess how their gardening product is marketed and sold and won praise from the Garden Industry Manufacturers' Association (GIMA) for being the first event of its kind to bring the industry together in one place to discuss such issues. The Conference also demonstrated how Garden Organic is beginning to work more effectively at conveying our message to identified audiences that can influence change in the world of horticulture, with Government, the corporate sector and the public each targeted by the three-day event.

One Pot Pledge Campaign

Our One Pot Pledge campaign successfully hit its target of reaching 30,000 food-growing pledges. The campaign also aired at a number of high profile events including the Start Garden Party at Clarence House, the Real Food Festival, the Big Feastival, and very successfully at the Edible Garden Show. It was used as an effective engagement tool by our projects such as our Master Gardeners, who find the simplicity of the One Pot Pledge model the ideal way to engage people in food growing conversations, prior to developing a mentor relationship.

I Don't Dig Peat Campaign

In 2011 we developed and launched a policy-led campaign around cutting consumer use of peat. The I Don't Dig Peat campaign encouraged members, the public and garden centres to rethink their reliance on peat. We engaged with the government-backed Peat Taskforce, and have been appointed

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to the garden industry's Growing Media Initiative group. We also worked with several peat-alternative growing media producers, supporting them to raise awareness of alternative products for the public and wider horticultural industry, both through the Campaign and other events.

Membership and Marketing Activity

During the year, we continued to review how we manage and support our membership activity, looking at ways to engage better with our members and enable them to become active supporters. One such activity was to review and introduce new membership packs for both Garden Organic and Heritage Seed Library members.

As well as being active proponents of our work, engaging with us as volunteers or advocates of our many programmes, our members also give additional financial support through extra donations. In 2011, we held two Appeals and although it is clear that the external economic landscape had a detrimental impact on Appeal results, the importance of receiving extra income from our members cannot be underestimated. In light of the importance of legacy income, we also ran a successful legacy campaign, with many new pledges and intentions to leave a legacy for Garden Organic.

Importantly, The Finance Committee agreed in 2011 to important infrastructure investment in our membership administration system and website, and work implementing a new Customer Relationship Management (CRM) system commenced in the year. This should lead to better membership recruitment and retention management, and also offer us important trading activities through the website. This work will conclude in 2012.

At the end of 2011, we had a total of 33,000 memberships, a slight decline from our 34,000 memberships at the end of 2010. Importantly, increased and positively sustained media coverage towards the end of the year saw us reducing our decline, and we saw a rise in membership numbers in the last two months of the year.

We invested in new communication methods, especially use of email newsletters and developed social media. As well as enabling us to engage instantly with news and updates to members, we have also built up a considerable number of non-member supporters and followers. At year end, we had 32,000 registered monthly email newsletter recipients, 3,000 Facebook followers and over 9,000 Tweeters on Twitter. This clearly gives us a good basis to target new membership acquisition.

Future Plans

With continuing pressures on our finances, it is clear that 2012 will be a challenging year. We recognise we must develop our funding models, in line with changes to the policy and funding landscape. With a clear shift to devolved funding (through health, educational and other local authority budgets), we believe we have good opportunity to grow our programme work.

Our future plans are outlined below against the three key operational Critical Objectives set out in our 2011-2013 business plan.

Critical Objective 1 Developing and implementing a Big Learning Agenda

We will build upon our role within the Food for Life Partnership and anticipate entering into a second phase (funding dependent) to deliver Continual Professional Development (CPD) courses on a commission basis to teaching professionals, establishing Garden Organic as a provider of expertise for school food growing activity.

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Garden Organic will continue to deliver its 'Masters' programmes, seeking out further local authority support to enable training and skills in communities wanting to grow food and reduce waste. Garden Organic will look to extend delivery and pursue commissioning streams that relate to environment, health and well-being, and skills training.

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

Garden Organic will publish the outcomes and learning of the Birmingham University characterisation project of our Heritage Seed Library collection, which culminates in 2012. Working as part of the Centre for Agroecology and Food Security, new research will begin on an EU funded project on food planning and innovation for sustainable metropolitan regions (subject to contract).

Garden Organic will encourage public participation with science and sustainability through our members' experiments. In 2012 we will run three members' experiments, tying these in with key elements of our knowledge linked to domestic organic horticulture.

Objective 3: Promote, celebrate and share benefits of organic gardening

Garden Organic will use 2012 to undertake the total redevelopment of its existing website to better meet the needs of visitors to the site, maximise membership and donation opportunities and knowledge dissemination.

We will undertake a membership survey and brand review to help shape and define the organisation's public profile and determine how best to develop our future membership strategy. We will use our annual members conference as a shared learning opportunity.

Ryton Gardens has the opportunity to help visitors learn about organic gardening. We will continue work started in 2011 to develop the gardens in line with the Ryton Gardens site vision – reviewing this as necessary 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 our on-site partners Webbs to generate visitors and customers and to publicise Ryton Gardens.

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 are 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 2011 included finance, strategy, risk, governance, performance against the operating plans, policies, the following year's budget and operational plan and the three-year business plan 2011-2013.

New Trustees receive an induction pack containing background information on the Charity and on fellow Trustees along with other background information that is considered useful by the Chair and Chief Executive. New Trustees are encouraged to join committees or working groups depending on their interests and skills.

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

Governance Review

Significant progress was made in the year on the Governance Review and new governance procedures were put in place, drawing on identified best practice. This included new Role Descriptions for the Chair, Vice Chair, Honorary Treasurer and Trustees. The Review also updated the Trustee recruitment process, and the recruitment and performance process for the Chief Executive.

The Governance Review considered the delegated powers it gives to Committees and reviewed their respective Terms of Reference. Council agreed to the dissolution of the Human Resources and Remuneration Committee (with its responsibility being transferred to other Committees) and the creation of a Governance Committee.

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 overseeing and reviewing regularly all financial aspects of the Charity's activities including its operational and strategic plans so as to ensure its short and long term viability, and communicating these matters to Council in a timely manner.

Strategic Planning Committee

The Strategic Planning Committee provides guidance on the long term strategic direction that the Charity should pursue and identifies appropriate short term strategic responses to significant unforeseen events.

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 and reviewing regularly the effectiveness of the internal control, risk management and compliance systems, as well as liaising with the external auditors independently from management.

Governance Committee

The Governance Committee is responsible for ensuring that the Charity achieves and maintains a high standard of governance. It is currently reviewing the Charity's governing documents.

Chief Executive

The Chief Executive is responsible for the day-to-day management of the Charity's affairs and for implementing policies 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 trading activities to raise funds which it gift aids to the Charity, and during the financial year it made an operating profit of £38,668 (2010 operating profit of £59,552).

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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
- 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. At the end of 2011, we were monitoring six risks with the highest score.

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

People

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.

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 several of our operational programmes work with people with learning or physical difficulties, or special educational needs.

Garden Organic is fortunate to have the services of a growing number of volunteers who help the organisation to do its work. We are extremely grateful to our hundreds of 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 and Master Gardener schemes.

Financial Review

In a year when the economic climate for the country and specifically for charities was very difficult, it is pleasing to report that a positive net movement on unrestricted funds, £214,464, has been achieved (2010: £496,175). The decrease from the previous year is mainly due to the fall in legacy income from £502,246 to £297,880. Legacy income fluctuates greatly from year to year which is a major reason why both cash reserves and sustainable income need to be increased. All the other income lines, excluding

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fees for garden services, show decreases on the previous year. Fees for garden services increased because of an expansion of the Master Composter and Master Gardener schemes. Costs relating to unrestricted charitable activities increased mainly due to staff costs not being directly covered by income from restricted activities. The Charity is strenuously reviewing its activities and costs, as 2012 is expected to be another difficult year for income.

Restricted income fell by 22% to £1,068,092, in the main because of the fall in income from the Food for Life Partnership project forecast in last year's report. Work continues to expand the Master Gardener Programme and to build on the success of the Food for Life Partnership.

The balance sheet has been strengthened during the year with net current assets of £143,692 compared to net current liabilities of £96,738 in 2010. The balance on the unrestricted funds has increased by £214,464 to £684,288. Restricted funds fell in 2011 due primarily to a transfer of £127,381 relating to the release from the Vegetable Kingdom fund.

The accounting policies under which the financial results are prepared, are included in note 1 to the accounts.

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 six months unrestricted non-trading expenditure.

Although overall cash balances reduced from £781,454 to £577,950, these figures include cash for restricted projects. The amount of cash available, after deducting borrowings due within one year, for unrestricted activities has increased from £35,125 to £219,708. The new banking facilities which replace a short term loan of £250,000 with a loan of £150,000 repayable over five years and an overdraft facility of £100,000, are now in place.

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 for 2012 target the maintenance of the cash reserves during the year in which there will be great pressures on our income streams.

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 whilst developing opportunities for new funding. 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.

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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

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 18 April 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of Garden Organic for the year ended 31 December 2011 (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 12, 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. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011, 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

30 April 2012

Bridge House
London Bridge
London SE1 9QR

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		2011	2011	2011	2010
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary Income					
Donations, appeals and charitable gifts	3	436,155	238,449	674,604	711,631
Legacies	4	297,880	2,750	300,630	502,246
Membership		711,414	-	711,414	744,432
Activities for generating funds					
Fees for garden services		343,897	2,291	346,188	300,577
Retail, catering & publications	5	155,732	-	155,732	228,872
Other income from activities	6	80,916	-	80,916	113,739
Investment income					
Interest receivable		1,847	-	1,847	467
Incoming resources from charitable activities					
Admissions and grants	7	134,580	824,602	959,182	1,038,852
Total incoming resources		2,162,421	1,068,092	3,230,513	3,640,816
RESOURCES EXPENSED					
Costs of generating funds					
Fundraising and publicity		131,700	-	131,700	121,137
Retail, catering & publications	5	4,260	-	4,260	72,782
Charitable activities		2,038,107	995,128	3,033,235	3,082,300
Governance costs		12,511	-	12,511	11,953
Total resources expended	8	2,186,578	995,128	3,181,706	3,288,172
Net (outgoing)/ incoming resources before transfers between funds		(24,157)	72,964	48,807	352,644
Transfer between funds	17	238,621	(238,621)	-	-
Net movement in funds		214,464	(165,657)	48,807	352,644
Fund balances at 1 January 2011		469,824	3,375,896	3,845,720	3,493,076
Fund balances at 31 December 2011	19	£684,288	£3,210,239	£3,894,527	£3,845,720

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 2011

		Group		Charity	
	Notes	2011 £	2010 £	2011 £	2010 £
Fixed assets					
Tangible fixed assets	9	4,549,820	4,687,061	4,549,820	4,687,061
Investments	10	-	-	9	9
		<u>4,549,820</u>	<u>4,687,061</u>	<u>4,549,829</u>	<u>4,687,070</u>
Current assets					
Stock		3,474	6,884	-	-
Debtors	11	230,536	220,342	231,973	199,499
Cash at bank and in hand		577,950	781,454	575,189	781,360
		<u>811,960</u>	<u>1,008,680</u>	<u>807,162</u>	<u>980,859</u>
Creditors. Amounts falling due within one year	12	(668,268)	(1,105,418)	(663,479)	(1,077,606)
Net current assets/(liabilities)		<u>143,692</u>	<u>(96,738)</u>	<u>143,683</u>	<u>(96,747)</u>
Total assets less current liabilities		<u>4,693,512</u>	<u>4,590,323</u>	<u>4,693,512</u>	<u>4,590,323</u>
Creditors. Amounts falling due after more than one year	14	(798,985)	(744,603)	(798,985)	(744,603)
Net assets		<u>£3,894,527</u>	<u>£3,845,720</u>	<u>£3,894,527</u>	<u>£3,845,720</u>
Funds					
Restricted funds	17	3,210,239	3,375,896	3,210,239	3,375,896
Unrestricted funds					
- other charitable funds	19	684,288	469,824	684,288	469,824
		<u>£3,894,527</u>	<u>£3,845,720</u>	<u>£3,894,527</u>	<u>£3,845,720</u>

The financial statements were approved by the Council of Management on 18 April 2012 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 2011

	2011	2010
	£	£
Reconciliation of net incoming resources to net cash inflow from operating activities		
Net incoming resources	48,807	352,644
Investment income	(1,847)	(467)
Interest paid	29,410	30,438
Depreciation	147,741	150,321
Decrease in stock	3,410	58,110
(Increase) in debtors	(10,194)	(52,136)
(Decrease) in creditors	(210,212)	(196,755)
Net cash inflow from operating activities	£7,115	£342,155
Cash flow statement		
Net cash inflow from operating activities	7,115	342,155
Return on investment and servicing of finance	(27,563)	(29,971)
Capital expenditure	(10,500)	(14,731)
Net cash (outflow)/inflow before financing	(30,948)	297,453
Financing	(155,701)	(56,155)
(Decrease)/increase in cash	£(186,649)	£241,298
Reconciliation of net cash flow to movement in net debt		
(Decrease)/increase in cash in the year	(186,649)	241,298
Loans repaid	305,701	56,155
New loan advanced	(150,000)	-
Change in net debt	(30,948)	297,453
Net debt at 1 January	(229,600)	(527,053)
Net debt at 31 December	£(260,548)	£(229,600)

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 £	2010 £	
Gross cash flows			
Returns on investments and servicing of finance			
Interest received	1,847	467	
Interest paid	(29,410)	(30,438)	
	<u>£(27,563)</u>	<u>£(29,971)</u>	
Capital expenditure			
Payments for tangible fixed assets	(10,500)	(14,731)	
	<u>£(10,500)</u>	<u>£(14,731)</u>	
Financing			
Secured loans repaid	(305,701)	(56,155)	
New secured loan advanced	150,000	-	
	<u>£(155,701)</u>	<u>£(56,155)</u>	
Analysis of changes in net debt	1 January 2011 £	Cash flow £	31 December 2011 £
Cash at bank and in hand	781,454	(203,504)	577,950
Debt due within one year	(305,701)	221,113	(84,588)
Debt due after one year	(673,074)	(65,412)	(738,486)
Finance leases	(32,279)	16,855	(15,424)
	<u>£(229,600)</u>	<u>£(30,948)</u>	<u>£(260,548)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

e) Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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.

2	Net (outgoing)/incoming resources for the year	2011	2010
		£	£
	This is stated after charging:		
	Depreciation on owned tangible fixed assets	139,706	144,740
	Depreciation on assets held under hire purchase	8,035	5,581
	Operating lease rentals – Plant and machinery	6,030	6,030
	Interest payable on bank loans and overdrafts	27,532	27,477
	Finance lease interest	1,878	2,961
	Auditors' remuneration - audit services (Charity £5,500)	9,167	8,027
	- other services	500	500

3 Donations, Appeals and Charitable Gifts

	Unrestricted Funds	Restricted Funds	Total Funds 2011	Total Funds 2010
	£	£	£	£
Donations	107,091	6,500	113,591	225,730
Gift aid and tax recovery	191,042	-	191,042	193,900
Appeals	58,182	-	58,182	106,686
Charitable grants	77,291	231,115	308,406	185,315
Sponsorship	2,549	834	3,383	-
	£436,155	£238,449	£674,604	£711,631

4. Legacies

An accrual for legacies received by 31 December 2011, but not paid, of £21,000 (2010 £6,000) 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 predictable income in the form of rent and payment of their attributable costs.

6. Other Income from activities	£	£	£	£
Royalty income	44,916	-	44,916	77,678
Rental and other income	36,000	-	36,000	36,061
	£80,916	£ -	£80,916	£113,739

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

7. Admissions and Grants

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Admission charges	41,950	-	41,950	43,829
Government & commercial grants	92,630	824,602	917,232	995,023
	<u>£134,580</u>	<u>£824,602</u>	<u>£959,182</u>	<u>£1,038,852</u>

8. Total Resources Expended

	Staff Costs £	Depreciation £	Direct Costs £	Support Costs £	Total Funds 2011 £	Total Funds 2010 £
Costs of generating funds						
- Fundraising and publicity	61,550	-	70,150	-	131,700	121,137
- Retail, catering & publications	-	-	4,260	-	4,260	72,782
	<u>61,550</u>	<u>-</u>	<u>74,410</u>	<u>-</u>	<u>135,960</u>	<u>193,919</u>
Charitable activities:						
- Gardens and gardening	557,837	51,710	186,180	79,112	874,839	948,027
- Education	490,082	29,548	244,613	45,207	809,450	857,399
- Information and training	161,195	7,387	135,813	11,302	315,697	269,560
- Research	236,471	36,935	104,521	56,508	434,435	372,156
- Marketing and PR	202,606	14,774	138,596	22,603	378,579	427,167
- Executive	150,688	7,387	50,858	11,302	220,235	207,991
	<u>1,798,879</u>	<u>147,741</u>	<u>860,581</u>	<u>226,034</u>	<u>3,033,235</u>	<u>3,082,300</u>
Governance costs	-	-	12,511	-	12,511	11,953
	<u>£1,860,429</u>	<u>£147,741</u>	<u>£947,502</u>	<u>£226,034</u>	<u>£3,181,706</u>	<u>£3,288,172</u>

	2011 £	2010 £
The aggregate payroll costs were		
Wages and salaries	1,584,135	1,538,988
Social security costs	138,312	138,485
Other pension costs	137,982	114,113
	<u>£1,860,429</u>	<u>£1,791,586</u>

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

	No.	No.
Total number of staff		
- Garden Organic	78	76
- Organic Enterprises Limited (staff transferred to Webbs Garden Centres on 1 February 2010)	0	1

The emoluments of one member of staff are within the range £70,001 to £80,000 (2010 one). Pension contributions of £5,356 (2010 £5,356) 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 nine trustees totalling £4,928 (2010 £3,585 to seven).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

9. Tangible Fixed Assets

	Land & Buildings £	Grounds & Research Equipment £	Fixtures & Fittings £	Total £
Group and Charity				
Cost				
At 1 January 2011	5,278,280	112,739	1,116,491	6,507,510
Additions	-	-	10,500	10,500
At 31 December 2011	5,278,280	112,739	1,126,991	6,518,010
Depreciation				
At 1 January 2011	793,128	108,299	919,022	1,820,449
Depreciation charge	92,285	900	54,556	147,741
At 31 December 2011	885,413	109,199	973,578	1,968,190
Net Book Value				
31 December 2011	<u>£4,392,867</u>	<u>£3,540</u>	<u>£153,413</u>	<u>£4,549,820</u>
31 December 2010	<u>£4,485,152</u>	<u>£4,440</u>	<u>£197,469</u>	<u>£4,687,061</u>

Included in Freehold Land and Buildings is £458,000 (2010 £458,000) relating to land

Included within fixtures and fittings are assets held under hire purchase with a cost at 31 December 2011 of £45,977 (2010 £45,977) and accumulated depreciation of £22,989 (2010 £14,954)

10. Investments

	Group		Charity	
	2011 £	2010 £	2011 £	2010 £
Shares in group undertakings	<u>£ -</u>	<u>£ -</u>	<u>£9</u>	<u>£9</u>

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. Previously, 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 2011

The results for this subsidiary were as follows

	2011 £	2010 £
Profit and Loss account		
Turnover	115,304	123,181
Cost of sales	(116,263)	(127,782)
Gross (loss)/profit	(959)	(4,601)
Other income	41,905	70,567
Administrative expenses	(2,278)	(6,414)
Net profit prior to gift aid to the Charity	<u>£38,668</u>	<u>£59,552</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	2
	<u>£9</u>	<u>£9</u>

11. Debtors

	Group		Charity	
	2011 £	2010 £	2011 £	2010 £
Trade debtors	90,219	131,676	64,385	105,013
Amount owed from group undertakings	-	-	27,283	14,536
Other debtors	107,388	69,822	107,376	61,106
Prepayments	32,929	18,844	32,929	18,844
	<u>£230,536</u>	<u>£220,342</u>	<u>£231,973</u>	<u>£199,499</u>

12. Creditors: amounts falling due within one year

	£	£	£	£
Bank loan (note 15)	84,588	305,701	84,588	305,701
Trade creditors	109,700	117,314	109,700	94,282
Amount owed to group undertakings	-	-	47	2
Obligations under hire purchase (note 15)	11,286	18,096	11,286	18,096
Other taxation and social security	57,159	66,410	54,323	64,254
Other creditors	19,880	26,645	19,880	26,019
Accruals and deferred income (note 13)	385,655	571,252	383,655	569,252
	<u>£668,268</u>	<u>£1,105,418</u>	<u>£663,479</u>	<u>£1,077,606</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

13	Deferred income	£				
	Deferred income at 1 January 2011	494,453				
	Released during year	(494,453)				
	Deferred in 2011	383,587				
	Deferred income at 31 December 2011	£383,587				
			Group		Charity	
		2011	2010	2011	2010	
		£	£	£	£	
	Deferred income due with one year	327,226	437,107	327,226	437,107	
	Deferred income due after more than one year	56,361	57,346	56,361	57,346	
		£383,587	£494,453	£383,587	£494,453	
14.	Creditors: amounts falling due after more than one year	£	£	£	£	
	Bank loan (note 15)	738,486	673,074	738,486	673,074	
	Obligations under hire purchase (note 15)	4,138	14,183	4,138	14,183	
	Accruals and deferred income (note 13)	56,361	57,346	56,361	57,346	
		£798,985	£744,603	£798,985	£744,603	
15.	Borrowings	£	£	£	£	
	An analysis of loans is given below					
	Amounts falling due within one year:					
	Bank loan	84,588	305,701	84,588	305,701	
	Hire purchase	11,286	18,096	11,286	18,096	
	Amounts falling due between one and two years:					
	Bank loan	57,053	57,053	57,053	57,053	
	Hire purchase	4,138	11,286	4,138	11,286	
	Amounts falling due between two and five years:					
	Bank loan	242,396	179,600	242,396	179,600	
	Hire purchase	-	2,897	-	2,897	
	Amounts falling due after five years					
	Bank loan	439,037	436,421	439,037	436,421	
	Hire purchase	-	-	-	-	

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 2011, a loan of £250,000 was repaid and a loan of £150,000 was 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

16. Pension Schemes

Garden Organic 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 Garden Organic, 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 Garden Organic. 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, with the actuarial funding assessment published on 30 June 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 4.5% to 7.75% per annum and that present and future pensions would increase at the rate of 0% to 2.85% per annum. The next triennial actuarial valuation of the scheme will be as at 31 March 2013.

The cost to Garden Organic for the year in respect of the above scheme was £52,272 (2010 £50,963).

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 Garden Organic. The following information applies therefore to the value of the pension scheme attributable to all participating institutions.

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

	2010 £'000
UK equities	4,859
Overseas equities	3,576
Bonds	2,629
Property	683
Other	235
	<hr/>
Fair value of assets held	11,982
Liabilities to members	20,968
	<hr/>
Deficit	£8,986
	<hr/>

Garden Organic 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 £85,710 (2010 £63,150). At the end of the year there were no outstanding contributions payable (2010 £nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

17.	Restricted funds	Balance at 1 January 2011	Movement in Resources & Transfers	Balance at 31 December 2011	
	Projects*				
	Get Growing	(3,320)	58,462	(45,988)	9,154
	One Pot Pledge Campaign	5,334	25,365	(30,699)	-
	Sowing New Seeds	11,145	80,337	(73,912)	17,570
	HSL Seed Swap Network	1,600	1,250	(2,013)	837
	Gardens Network – Supporting Transition	36,496	50,000	(53,953)	32,543
	HSL Characterisation Project	-	5,000	-	5,000
	Ryton Gardens Apprentices	17,218	-	(17,218)	-
	14 – 19 Curriculum	700	-	(700)	-
	Food for Life Partnership	89,615	545,755	(619,870)	15,500
	Fruitfull Schools Programme	3,816	-	(3,816)	-
	14-19 Therapy Gardening	58,090	42,500	(30,461)	70,129
	Gardening Research Projects	3,476	-	(3,476)	-
	EU Leafy Veg Project	(2,399)	-	2,399	-
	Defra Economic Organic Farming	171	-	(171)	-
	Organic Advisory Service	3,396	-	(3,396)	-
	HDC Disease Management in Brassicas	712	-	(712)	-
	Modelling Spatial & Temporal Management of Land	238	-	(238)	-
	Methodology of Assessing Farming Systems	221	-	(221)	-
	Master Gardener Programme	67,107	197,379	(198,708)	65,778
	Uganda Fruit	(5,786)	-	5,786	-
	Afghan Mercy Corps	12,798	-	-	12,798
	Prosopis Chainsaw Milling	3,020	-	(3,020)	-
	Education Training Centre	-	1,000	-	1,000
	Food Growing in Schools Task Force	-	38,125	(17,345)	20,780
	Grundtvig - Growing Homes	-	13,669	(1,386)	12,283
	Ryton Gardens Development	-	7,250	(7,250)	-
	International	-	2,000	-	2,000
	Projects Total	303,648	1,068,092	(1,106,368)	265,372
	Capital Appeal				
	Vegetable Kingdom Appeal	3,072,248	-	(127,381)	2,944,867
	Total restricted funds	£3,375,896	£1,068,092	£(1,233,749)	£3,210,239

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Projects

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 - Supporting Transition, a programme to work in partnership with other visitor attractions, building relationships and public profile to enable local engagement in delivering Garden Organic activity through a new localised network

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

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

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

14-19 Therapy Gardening, 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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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

The Master Gardener Programme, a new project volunteers mentoring network 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

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

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

Education Training Centre, developing Ryton Gardens facilities to be a nationally recognised centre for training in organic horticulture

Food Growing in Schools Task Force, A Defra supported taskforce consisting of representatives from charities, commercial sector, government and community focused organisations. The overall aim of this taskforce is to ensure every school engages in food-growing activity

Grundtvig - Growing Homes, A project working with European projects looking at sharing a training curriculum for organic horticulture and seed saving

Ryton Gardens Development, making changes at Ryton Gardens to improve the visitor's experience and better deliver our educational messages

International – funds to provide support for organic growers in developing countries

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

19 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2011	Total Funds 2010
	£	£	£	£
Fund balances at 31 December 2011 are represented by				
Tangible fixed assets	1,604,964	2,944,856	4,549,820	4,687,061
Current assets	405,711	406,249	811,960	1,008,680
Current liabilities	(527,402)	(140,866)	(668,268)	(1,105,418)
Creditors amount falling due after more than one year	(798,985)	-	(798,985)	(744,603)
Total net assets	£684,288	£3,210,239	£3,894,527	£3,845,720

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

20. Operating lease commitments

At 31 December 2011 the Group had annual commitments under operating leases as set out below

	2011	2010
	£	£
Office equipment		
Operating leases which expire		
Within one year	-	-
Between two and five years	6,030	6,030
	<hr/>	<hr/>

21. Capital commitments

There were capital commitments of £27,500 (2010 £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



Companies House
— for the record —

COMPANY NAME: HENRY DOUBLEDAY RESEARCH
ASSOCIATION

COMPANY NUMBER: 2188402

Accounts removed from incorrect company - GARDEN ORGANIC LIMITED
7269077