



(Registered as the Henry Doubleday Research Association)

**REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2012

Registered Charity No. 298104

Company Registered No. 02188402

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GARDEN ORGANIC

(Registered as the Henry Doubleday Research Association)

REFERENCE AND ADMINISTRATIVE DETAILS

Patron

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

President

Professor Tim Lang, PhD, FFPH

Vice Presidents

Raymond Blanc
Susan Hampshire
Thelma Barlow

Ambassadors.

Prof Chris Baines
Rosie Boycott
Bob Flowerdew
Alys Fowler
Pat Gallimore
Caroline Holmes
Alan Romans
Sebastian Parsons
James Wong

The Council of Management:

Irene Wilkinson (Chair)
John Milligan (Vice Chair)
Alan Booth (Honorary Treasurer)
Maggi Brown
Dr Sally A Bucknall
Gail Coleshill
Margaret Eyre
Dr Bob A Haskins
Julie A Hutt – resigned 11 August 2012
Roger Key
Kate Pinder – resigned 14 May 2012
Alan Roe
Elaine M Shaw
Judy Steele
Martin Stott – appointed 14 May 2012
Judith Wayne – appointed 14 May 2012

Finance Committee:

Alan Booth (Chair)
Gail Coleshill
Alan Roe
Judith Wayne
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 LLP
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 2012

The past year has been a difficult one financially for Garden Organic, as it has been for many other charities, because of the effects of the ongoing economic conditions in the United Kingdom and beyond. We are pleased that, in spite of this, our operational activities have remained fairly constant and we continued to reach a wide range of beneficiaries.

By adapting existing projects, developing new projects and seeking a wider range of funding sources, we have demonstrated that we are forward-thinking, innovative, and flexible – qualities which are needed for success in these challenging times. An excellent example of this has been the follow-up work to the Food For Life Partnership Project, which is ensuring that the benefits for school pupils from this highly-praised Project will be carried on.

Significant further progress was made during 2012 to improve the governance and operational effectiveness of Garden Organic. A review of the Memorandum and Articles of Association was completed during the year, as the last major part of a three-year review of governance, and a revised, modernized version is being presented for adoption at the 2013 Annual General Meeting. The restructuring of the staff team was completed with the introduction of a new post of Operational Director, tasked with improving our capabilities to gain funding and deliver projects successfully.

The current Strategic Plan was approved in 2009. Although it has been reviewed annually, in 2012 it was decided that an in-depth review would be carried out, with the aim of approving a new Plan early in 2013. The review concluded that many of the elements in the 2009 Plan were still appropriate but the greater knowledge which we developed, through the review process, of our organizational strengths, the external environment and the wider benefits of organic growing, has enabled the new Strategic Plan to provide a sound basis for progress over the next few years.



Irene Wilkinson - Chair

COUNCIL OF MANAGEMENT ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The Council of Management, who are the Trustees of Garden Organic ("the Charity") presents its annual report for the year ended 31 December 2012 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.

COUNCIL OF MANAGEMENT ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

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 again in 2012. Work has commenced on producing a new three-year business plan for 2014-2016.

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 2012, 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 2011 Annual Report's Future Plans section sets out three key operational Critical Objectives to further our purpose of getting more people growing organically. Undoubtedly, Garden Organic has continuing challenges posed by the external economic climate together with a rapidly changing policy context. This has meant we have had to take a more pragmatic view on how we are able to deliver our strategic aims. Our membership numbers have declined in the year from 33,000 to 28,500 - although our members continued to be generous in supporting our campaigns and appeals.

COUNCIL OF MANAGEMENT ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

We are pleased that our operational activities have remained fairly constant, being able to replace projects that have lost funding streams with new projects elsewhere. We are pleased that we continue to reach out to a wide range of beneficiaries through our work. We have also made significant progress against our strategic aim of *"Increasing our presence and public profile"* through policy and campaigning work, especially within our schools work.

The following section outlines our performance against each Critical Objective and respective operational targets set last year.

Critical Objective 1 Developing and implementing a Big Learning Agenda

The Big Learning Agenda is our approach to how we generate, collate and disseminate knowledge about organic growing for members, the public and the gardening industry.

Supporting Objectives

- To establish well-informed, innovative, practical and localised activity
- Our projects generate new knowledge to support people in their growing activities
- To work in partnership with others in an enabling and innovative way

In 2011 we said

'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

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.'

Achievements in 2012

Food for Life Partnership and other schools work

Garden Organic has a long track record with supporting schools, and their teachers, pupils, parents and community volunteers in establishing successful and sustainable gardening and food growing activities. We worked across the UK in schools, but also welcomed over 1,600 pupils and teachers at our educational facilities at Ryton Gardens.

Working with a wide range of stakeholders in 2012, we continued to be at the forefront of activities and projects that work well for schools. Garden Organic is one of the four delivery partners in the award-winning Food for Life Partnership.

The Food for Life Partnership is a network of schools and communities across England committed to transforming food culture. Together, we are revolutionising school meals, reconnecting children and young people with where their food comes from, and inspiring families to grow and cook food. In 2012, The Food for Life Partnership was a proud recipient of a 2012 Health Promotion and Community Wellbeing Award from the Royal Society of Public Health for our work in the field of health and wellbeing.

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Further transitional funding received from the Big Lottery Fund in 2012 ensured we were able to prepare and deliver for Food for Life Partnership's second phase. Working with our three partners, the Soil Association, Focus on Food and the Health Education Trust, we have developed a commissioning model that we are taking out to the newly formed Local Authority Health and Wellbeing Boards, whose remit is to deliver public health initiatives in their local communities. This model includes Garden Organic's delivery of specific food growing training and support to schools.

In November, Garden Organic organised a showcase event for the Food Growing in Schools Taskforce and the Food for Life Partnership at Carshalton Boys Sports College. The event, hosted by Jamie Oliver and HRH The Prince of Wales, brought together over 100 government officers, funders and other stakeholders to celebrate and share how taking a holistic approach to school food and food education transforms school food culture and improves school outcomes.

As a result of our leadership in the Food Growing in Schools Taskforce (whose recommendations were published in March 2012, see <http://www.gardenorganic.org.uk/organicgardening/food-growing-in-schools.php>) our Chief Executive Myles Bremner was asked to join the Expert Panel for the Department of Education's School Food Review, reporting to Michael Gove, the Secretary of State for Education. We are confident that Garden Organic has been able to raise the importance of food education and hope to see positive policy announcements in 2013 when the Department of Education responds to the School Food Review's own recommendations.

We used additional funding to develop pilot activity for *Continuing Professional Development* opportunities for schools, aiming to focus our work in Coventry and Warwickshire, so that we could take advantage of our educational resources at Ryton Gardens. There is a challenge in identifying how to market this activity to funders, and we received funding from a charitable trust to help us deliver a viable model to roll out across the country.

Garden Organic continued delivering its 14-19 year old Therapy Gardening project at Ryton Gardens, providing intensive support to young people with profound special educational needs. We also maintained our contract with Warwickshire County Council and the 'Growth' project, which delivers horticultural therapy to adults with learning and physical disabilities.

Garden Organic became the official skills and resource provider for Morrison plc's *Let's Grow* programme, a gardening initiative that reaches over 26,000 schools and other youth groups. Using Morrison's voucher scheme and catalogue, we piloted innovative ways for schools to access training and skills resources by collecting vouchers, rather than paying for the courses. Based on the success of this pilot in 2012/13, we aim to increase the offer to schools for the 2013/14 campaign.

Master Composter and Master Gardener Programmes

Master Composters are volunteers who encourage and support householders to compost at home. The volunteers come from every age group and a wide variety of backgrounds and thus helps to make the scheme so effective - Master Composters can reach and influence 'people in ways that other compost promoting activities cannot - they talk to their friends, family and neighbours, write in their parish newsletter, attend village fairs and it has even been known for a Master Composter to hold a compost-themed children's birthday party! Master Composters really can make a difference in changing people's attitudes and behaviour and they are an essential part of the national strategy to increase environmental awareness and to reduce the amount of waste that just gets put in the rubbish bin.

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Despite the challenging local authority-funding environment, Garden Organic was able to continue its current Master Composter schemes with ten local authorities. This meant we were able to offer practical support to over 550 active Master Composter volunteers, who in turn support thousands of residents in their localities. At Ryton Gardens, we created new training and educational resources for our Master Composters with a new composting demonstration garden. We work closely with other partners, including WRAP, to make best use of these important resources, and many of the Master Composters supported the events on site during the year.

Our innovative, Big Lottery funded Master Gardener programme continued to reach out to more food growing households in its five pilot areas - now with 400 active Master Gardener volunteers having supported 48,000 people since the beginning of the programme in April 2010 and conducting in excess of 47,000 food growing conversations in their localities. Independent evaluation by Coventry University confirmed the benefits of the scheme, in fostering community cohesion, triggering green behaviours, encouraging volunteering and increasing well-being. In fact, Garden Organic is proud to report that according to the first tranche of evaluation results our Master Gardeners are officially 'happier' (using government's Life Satisfaction measure) since their engagement with the programme.

Importantly, we have begun to take the Master Gardener programme to commissioners, and are pleased to announce that late in 2012 we received confirmation of new programmes, at Medway and Ryehill prisons.

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

This objective is how we will enable successful organic growing by as many people as possible through supporting access to land, information and other key resources.

Supporting Objectives:

- To continue our conservation programme of Heritage Seed Library (HSL) varieties, to support biodiversity, both through members, HSL gardens and a seed savers network
- To influence policy and practices to enable people to have better access to growing spaces, including new housing, school and community gardens or other innovative growing schemes

In 2011 we said

'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.'

Achievements in 2012

Heritage Seed Library

Through our Heritage Seed Library we work to safeguard rare vegetable varieties that were once the mainstay of British gardens. Garden Organic published Birmingham University's characterisation project of our Heritage Seed Library collection, an important milestone in confirming the biodiversity importance of our hundreds of rare seed accessions.

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Together with our *Sowing New Seeds* programme, which enables allotment holders, schools and community groups in the Midlands to grow exotic crops not traditionally grown in the UK, Garden Organic has made important strides in recognising the opportunities of growing new types of fruit and vegetables in the UK. Fourteen new varieties from the Sowing New Seeds project were prepared in 2012 to be made available to our 7,500 Heritage Seed Library members in the 2013 catalogue, as we expand the project throughout the UK.

We continued to grow our network of partner organisations with whom we work to help promote the Heritage Seed Library, supporting public attended seed events at Kew's Millennium Seed Bank and 31 other venues throughout the UK.

We handed back our staffing of the Organic Kitchen Garden, with its 150 heritage varieties from our collection, at Audley End House in Essex to English Heritage, but still retain a consultancy arrangement to provide expertise and guidance in maintaining a Victorian food garden and develop new seed saving, potentially linked to the Heritage Seed Library. Garden Organic members still enjoy free entry.

Centre for Agro-Ecology and Food Security and other research work

Garden Organic's joint venture with Coventry University, the Centre for Agro-Ecology and Food Security (CAFS) continued to grow after its launch in 2011. Garden Organic has active engagement in a number of projects, including the EU-funded *Food Metres*, which is looking at food planning, governance and innovation for sustainable metropolitan regions, which started during the year.

Garden Organic was involved in variety of research and development projects in 2012. This important work contributes to vital skills development and dissemination through the horticultural industry – and although our research specialises in organic horticulture, we delivered specific training courses, funded by WRAP (Waste and Resources Action Programme) and other industry partners, to conventional farmers on best practice use of green manures, compost and digestate. Working together with Cambridge Eco Ltd, we also secured funding from WRAP for a project to investigate the use of digestate as a soil improver to grow energy crops on brownfield sites, a project which also started in 2012.

Influencing others to provide growing spaces

Garden Organic continued its relationship with Orbit Housing, working closely with residents to deliver successful growing spaces. During the year, Garden Organic trained Orbit staff in the One Pot Pledge concept (helping people to grow food for the first time) and delivered regular practical activity with communities on two housing estates in Coventry. In Bishops Itchington, a large Warwickshire village that includes significant Orbit housing, we created a new community growing space and encouraged local residents to join in food growing activity. We also began a relationship with Fry Housing Association, an organisation that specialises in accommodation and support for ex-offenders.

Using our members and supporters in public participation in Science

We conducted three Members experiments in 2012, but importantly also consulted with over 4,000 members on how they would like to get more engaged with advocacy and direct activity around food growing. This is covered in more detail below.

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

This Critical Objective brings gardeners together in the community, at home, in schools and elsewhere to celebrate the benefits of gardening organically.

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FOR THE YEAR ENDED 31 DECEMBER 2012

Supporting Objectives:

- To secure a programme of activities and campaigns
- To use our Policy Forum to develop appropriate policy and thus influence the government, the gardening industry and the general public

In 2011 we said

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

Achievements in 2012

Member Survey

In 2012, we conducted a robust members survey, completed by over 4,000 members and many non-members. We were able to gather considerable evidence about how our members currently engage with the organisation and, importantly, how they promote organic gardening, either as advocates or as practitioners in their respective communities. We were heartened by the opportunities the survey presented, not least in our members wanting more opportunity to take part in advocacy and campaigning. This was backed up in our engagement with hundreds of members at our Members' Day event at Ryton Gardens in the summer of 2012.

Campaigning

Our members' interest in campaigning prompted us to do more work in 2012 around biodiversity. We set up our *Fighting Fund* so that we could fund specific campaigns around biodiversity issues. Members responded to our funding requests generously, and we raised more than £70,000 for our Fighting Fund. Our first campaign, *Bee Heard*, in the latter half of 2012, found Garden Organic partner with Friends of the Earth in demanding that the Government produce a National Bee Action Plan.

Frustratingly, our plans to conduct a brand review and resultant website development work, were delayed, partly due to the longer timescales in implementing our new customer relationship management system. The brand review and website will be completed in 2013.

Working Locally

Despite improvements to Ryton Gardens to make it a better learning and educational experience for our visitors, the disastrous weather in 2012 made a serious dent in our visitor numbers to the site, and overall we saw an 18% drop in visitor numbers from 19,839 to 16,359.

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However, our plans to work more closely with communities in Coventry and Warwickshire were much more successful. Garden Organic administers the Central Warwickshire Villages LEADER programme (a £1.5m EU and regional development-funded project), which promotes community growing and arts initiatives and projects that bring villagers together with farming, forestry or other rural land-based activities. In 2012, we used LEADER funding to work with over 23 community-growing projects locally through a project called Get Growing. And we also worked in Coventry, providing staff to support citywide community growing projects through a national initiative called *The Big Dig*.

Influencing Policy

2012 proved more challenging to push the environmental agenda with the gardening industry. We submitted a formal response to the Government's Draft Action Plan for the Sustainable Use of Pesticides and managed our 'Bee Heard' campaign working in partnership with other organisations lobbying for the introduction of a National Action Plan for British Bees. The campaign helped to raise awareness of the issues of the dangers of using certain pesticides, such as neonicotinoids, with a successful petition with over 60,000 signatures from the partnership submitted to Downing Street and two major retailers removing neonicotinoids from the shop shelves.

Our Chief Horticultural Officer, Bob Sherman, was invited to speak to 300 delegates at the Garden Centre Association annual conference in January and, at this year's end, was invited to speak at the 2013 event. In both instances, sustainability and the potential for garden centres to deliver this agenda in association with Garden Organic was the key theme.

We started a project in partnership with Sustain. The Alliance for Better Food and Farming called 'Growing for Health and Wellbeing'. This research project, funded by the Tudor Trust, will investigate how community food growing can be used more directly to deliver health and wellbeing outcomes. We have started consulting with the new Health and Wellbeing Boards and the Clinical Commissioning Groups to best determine how to get gardening prescribed.

Product development and promotion

A series of products reflecting Garden Organic's brand and promoting the work of the organisation are now on sale. Unwins Organic Seed Range is being promoted at major garden centres across the UK with publicity literature promoting membership of the organisation at the point of sale in over 70 garden centres and in supermarkets across the UK. The Garden Organic Introduction to Vegetable Growing Course is now launched with Pearson Love to Learn and the course video was filmed at Ryton Gardens. We also developed our new phone Apps featuring Garden Organic's information including our 'Organic Guidelines'.

Working Internationally

Garden Organic's work with schools and in communities attracted significant international interest, and we attended several international conferences as guest speakers, including in France, South Korea and China.

Using Social media

With growth in our social media activity, we are increasingly recognising the engagement and influence we have around the globe. The number of likes on Facebook rose significantly from 2,597 to 4,519 and followers on Twitter increased from 6,987 to 13,703 with a new addition later in the year to 235 followers on Pinterest. The number of visitors to our website increased from 823,908 to 859,502, partly as a consequence of our increased focus on the use of social media.

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Future Plans

2013 offers much opportunity for Garden Organic, although we are mindful that the difficult economic climate will give us significant challenges

Building our Operational activity

Garden Organic will be further developing its 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, taking a more 'social enterprise' approach. Our successes in late 2012 with our Master Gardener programmes gives us some optimism that we will be able to commission food growing projects in schools, communities, prisons and workplaces.

With the evidence and evaluation accumulated now proving its benefits, Garden Organic will push the value for money and the return on investment aspects of our work to funders.

Building our supporter base

Garden Organic will work more closely with our members and other supporters in the year, knowing that we have a better understanding of how they can best support our aims and objectives. We will continue to campaign hard on important biodiversity issues, and our Fighting Fund will become a core aspect to our work. We will use this campaigning drive to increase the influence of our social media network, and drive membership and fundraising from this rapidly expanding network of supporters.

Our future plans are outlined below against the three key operational Critical Objectives set out in our Business Plan 2011-2013. As 2013 will be the last year of our current business plan (with a new Business Plan 2014-2016 being prepared during the year, we have set out to be much more specific in our targeted objectives. We will report on these in the next Annual Report.

Critical Objective 1 Developing and implementing a Big Learning Agenda

- 1 Secure new community engagement programmes with a net contribution of £40k
- 2 Deliver educational training events around the UK and at Ryton Gardens for at least 220 teachers
- 3 Achieve an increase in visitor levels at Ryton Gardens of 7% from 2012 levels, with a customer satisfaction rate of 95% on their learning experience
- 4 Increase the number of volunteer hours
- 5 Complete our brand review and deliver a new Garden Organic website in 2013

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

- 1 Add two new Heritage Seed Library network gardens to bring the total to six in 2013, and target those new gardens in areas of low membership coverage
- 2 Distribute 35,000 Heritage Seed Library seed packs to 5,000 members, and introduce 10 new varieties to our seed catalogue, using accessions gained from our *Sowing New Seeds* project
- 3 Secure and deliver new income from contracted projects using Garden Organic's Research team and through the Centre for Agroecology and Food Security

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

- 1 Grow our Social media activities, use it for our campaigns and increase the likes on Facebook and Twitter by 20%
- 2 Run two policy campaigns which also helps us secure new supporters and influence policy
- 3 Secure three new strategic partnerships in the private sector to improve the organisation's profile, positioning and potential to win business
- 4 Focus our efforts for Garden Organic to have a stronger voice on national policy or influencing bodies
- 5 Distribute two evaluation reports on Master Gardeners and Sowing New Seeds with a view to influencing policy and securing new commissioned projects

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 2012 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 undergo a robust induction and 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.

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

Our Governance work in 2012 focused on reviewing our current Memorandum & Articles of Association, against recent Charity Commission legislation and best practice guidance. We consulted widely with our membership on different aspects of how we should best be governed. Using 2006 and 2012 Model M&A documentation provided by the Charity Commission, the Governance Review has drafted updated and refreshed governing documentation. The revised Memorandum and Articles of Association will be brought to the 2013 AGM as a special resolution for adoption.

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.

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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. During 2012, the Committee were tasked with a review of our current strategy, in preparation for the new 2014-2016 Business Plan.

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 £43,273 (2011 operating profit of £38,668).

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

COUNCIL OF MANAGEMENT ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

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 2012, we were monitoring five 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.

Through 2012, we have invested in staff training and development, offering relevant courses and qualifications in management competencies, financial training and other skills required for our wide variety of roles. Garden Organic is committed to extending the resources we invest in supporting our staff. In 2013, we will ensure our staff training also supports our objective of securing new commissions for our operational activities. We will deliver specific commissioning focused training.

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. 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

The year was even more challenging than 2011 for charities particularly as regards raising income from their traditional sources. This has resulted in there being a small deficit of £21,024 (2011 £214,464 surplus) on unrestricted funds for the year. This has been caused by a fall in income of £232,909 the major element of this being a reduction in legacy income from £297,880 to £196,777. Legacy income has historically fluctuated greatly. Excluding fees from gardening services and rental income the other income streams declined during the year. Fees for gardening services were maintained at a similar level with a reduction in income rising from the cessation of direct involvement at Audley End (English Heritage) being offset by an increase from commercial programmes mainly the Master Composter schemes. Rental income increased as tenants were found for some of the surplus office accommodation. Efforts continue to be made to rent out more of the surplus. Although further restricted projects were acquired in the year the completion of the Food for Life Project in the previous year caused a fall in the recovery of overheads. Costs net of overhead recovery were held at £1,950,000.

COUNCIL OF MANAGEMENT ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

Restricted income fell from £1,068,092 to £631,027 primarily due to the initial Food for Life Project being completed at the end of 2011. Although income fell in respect of Master Gardener, due mainly to timing issues concerning payments due, the number of schemes continues to grow with two new schemes due to start in 2013.

Net current assets have fallen from £143,692 to £17,697 because cash balances fell by £148,227. During the year repayment of loans and finance leases amounted to £97,421 and the related net interest of £34,072 making a total of £131,493. Restricted funds fell by £136,597 to £3,073,642 due to the transfer of £127,386 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.

Overall cash balances fell to £429,723 of which £263,000 relates specifically to restricted projects. The amount of cash available to unrestricted activities fell to £81,000 from £219,708. However this is still an improvement on the position at the end of 2010. During the year all repayments of borrowings were made in accordance with agreed terms and outstanding creditors were kept within 60 days.

No changes were made in the year to the banking facilities other than the overdraft facility was not renewed as it had not been used and forecasts did not show that it would be needed in the next 12 months. The Charity continues to receive the support of its bankers.

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.

COUNCIL OF MANAGEMENT ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

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 4 April 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of Garden Organic for the year ended 31 December 2012 (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 2012, 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.

Wilks Kennedy LLP

J Howard (Senior Statutory Auditor)

For and on behalf of Wilks Kennedy, Statutory Auditor

Date 05 April 2013

Bridge House
London Bridge
London SE1 9QR

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		2012	2012	2012	2011
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary Income					
Donations, appeals and charitable gifts	3	352,526	216,698	569,224	674,604
Legacies	4	196,777	-	196,777	300,630
Membership		673,721	-	673,721	711,414
Activities for generating funds					
Fees for garden services		350,796	13,184	363,980	346,188
Retail, catering & publications		129,842	-	129,842	155,732
Other income from activities	5	120,710	-	120,710	80,916
Investment income					
Interest receivable		335	-	335	1,847
Incoming resources from charitable activities					
Admissions and grants	6	104,805	401,145	505,950	959,182
Total incoming resources		1,929,512	631,027	2,560,539	3,230,513
RESOURCES EXPENSED					
Costs of generating funds					
Fundraising and publicity		127,048	-	127,048	131,700
Retail, catering & publications		10,190	-	10,190	4,260
Charitable activities		1,980,461	571,496	2,551,957	3,033,235
Governance costs		28,965	-	28,965	12,511
Total resources expended	7	2,146,664	571,496	2,718,160	3,181,706
Net (outgoing)/ incoming resources before transfers between funds		(217,152)	59,531	(157,621)	48,807
Transfer between funds	16	196,128	(196,128)	-	-
Net movement in funds		(21,024)	(136,597)	(157,621)	48,807
Fund balances at 1 January 2012		684,288	3,210,239	3,894,527	3,845,720
Fund balances at 31 December 2012	18	£663,264	£3,073,642	£3,736,906	£3,894,527

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

The notes on pages 22 to 33 form part of these financial statements

CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 DECEMBER 2012

		Group		Charity	
	Notes	2012 £	2011 £	2012 £	2011 £
Fixed assets					
Tangible fixed assets	8	4,427,815	4,549,820	4,427,815	4,549,820
Investments	9	-	-	9	9
		<u>4,427,815</u>	<u>4,549,820</u>	<u>4,427,824</u>	<u>4,549,829</u>
Current assets					
Stock		3,396	3,474	-	-
Debtors	10	184,201	230,536	184,714	231,973
Cash at bank and in hand		429,723	577,950	424,056	575,189
		<u>617,320</u>	<u>811,960</u>	<u>608,770</u>	<u>807,162</u>
Creditors: Amounts falling due within one year	11	(599,623)	(668,268)	(591,082)	(663,479)
Net current assets		<u>17,697</u>	<u>143,692</u>	<u>17,688</u>	<u>143,683</u>
Total assets less current liabilities		<u>4,445,512</u>	<u>4,693,512</u>	<u>4,445,512</u>	<u>4,693,512</u>
Creditors: Amounts falling due after more than one year	13	(708,606)	(798,985)	(708,606)	(798,985)
Net assets		<u>£3,736,906</u>	<u>£3,894,527</u>	<u>£3,736,906</u>	<u>£3,894,527</u>
Funds					
Restricted funds	16	3,073,642	3,210,239	3,073,642	3,210,239
Unrestricted funds					
- other charitable funds	18	663,264	684,288	663,264	684,288
		<u>£3,736,906</u>	<u>£3,894,527</u>	<u>£3,736,906</u>	<u>£3,894,527</u>

The financial statements were approved by the Council of Management on 4 April 2013 and signed on their behalf by -



Alan Booth – Honorary Treasurer

The notes on pages 22 to 33 form part of these financial statements

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 £	2011 £
Reconciliation of net incoming resources to net cash inflow from operating activities		
Net (outgoing)/incoming resources	(157,621)	48,807
Investment income	(335)	(1,847)
Interest paid	34,407	29,410
Depreciation	152,778	147,741
Decrease in stock	78	3,410
Decrease/(increase) in debtors	46,335	(10,194)
(Decrease) in creditors	(61,603)	(210,212)
Net cash inflow from operating activities	£14,039	£7,115
Cash flow statement		
Net cash inflow from operating activities	14,039	7,115
Return on investment and servicing of finance	(34,072)	(27,563)
Capital expenditure	(30,773)	(10,500)
Net cash (outflow)/inflow before financing	(50,806)	(30,948)
Financing	(97,421)	(155,701)
(Decrease) in cash	£(148,227)	£(186,649)
Reconciliation of net cash flow to movement in net debt		
(Decrease) in cash in the year	(148,227)	(186,649)
Loans repaid	97,421	305,701
New loan advanced	-	(150,000)
Change in net debt	(50,806)	(30,948)
Net debt at 1 January	(260,548)	(229,600)
Net debt at 31 December	£(311,354)	£(260,548)

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 £	2011 £	
Gross cash flows			
Returns on investments and servicing of finance			
Interest received	335	1,847	
Interest paid	(34,407)	(29,410)	
	<u>£(34,072)</u>	<u>£(27,563)</u>	
Capital expenditure			
Payments for tangible fixed assets	(30,773)	(10,500)	
	<u>£(30,773)</u>	<u>£(10,500)</u>	
Financing			
Secured loans repaid	(97,421)	(305,701)	
New secured loan advanced	-	150,000	
	<u>£(97,421)</u>	<u>£(155,701)</u>	
Analysis of changes in net debt	1 January 2012 £	Cash flow £	31 December 2012 £
Cash at bank and in hand	577,950	(148,227)	429,723
Debt due within one year	(84,588)	(1,484)	(86,072)
Debt due after one year	(738,486)	86,477	(652,009)
Finance leases	(15,424)	12,428	(2,996)
	<u>£(260,548)</u>	<u>£(50,806)</u>	<u>£(311,354)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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 2012

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 2012

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	2012 £	2011 £
	This is stated after charging		
	Depreciation on owned tangible fixed assets	144,743	139,706
	Depreciation on assets held under hire purchase	8,035	8,035
	Operating lease rentals – Plant and machinery	7,666	6,030
	Interest payable on bank loans and overdrafts	33,215	27,532
	Finance lease interest	1,192	1,878
	Auditors' remuneration	9,250	9,167
	- audit services (Charity £5,750)		
	- other services	1,200	500
		<u> </u>	<u> </u>

3. Donations, Appeals and Charitable Gifts

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Donations	88,125	5,023	93,148	113,591
Gift aid and tax recovery	161,050	-	161,050	191,042
Appeals	72,223	-	72,223	58,182
Charitable grants	24,178	206,675	230,853	308,406
Sponsorship	6,950	5,000	11,950	3,383
	<u>£352,526</u>	<u>£216,698</u>	<u>£569,224</u>	<u>£674,604</u>

4. Legacies

An accrual for legacies received by 31 December 2012, but not paid, of £nil (2011 £21,000) has been included in the financial statements.

5	Other income from activities	£	£	£	£
	Royalty income	43,273	-	43,273	44,916
	Rental and other income	77,437	-	77,437	36,000
		<u>£120,710</u>	<u>£ -</u>	<u>£120,710</u>	<u>£80,916</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

6 Admissions and Grants

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Admission charges	28,000	-	28,000	41,950
Government & commercial grants	76,805	401,145	477,950	917,232
	<u>£104,805</u>	<u>£401,145</u>	<u>£505,950</u>	<u>£959,182</u>

7. Total Resources Expended

	Staff Costs £	Depreciation £	Direct costs £	Support costs £	Total Funds 2012 £	Total Funds 2011 £
Costs of generating funds						
- Fundraising and publicity	70,593	-	56,455	-	127,048	131,700
- Retail, catering & publications	-	-	10,190	-	10,190	4,260
	<u>70,593</u>	<u>-</u>	<u>66,645</u>	<u>-</u>	<u>137,238</u>	<u>135,960</u>
Charitable activities:						
- Gardens and gardening	455,923	38,194	135,544	68,958	698,619	874,839
- Education	228,625	53,473	112,205	96,541	490,844	809,450
- Information and training	178,647	7,639	170,080	13,792	370,158	315,697
- Research	245,958	30,555	116,921	55,166	448,600	434,435
- Marketing and PR	188,258	15,278	93,519	27,583	324,638	378,579
- Executive	158,240	7,639	39,427	13,792	219,098	220,235
	<u>1,455,651</u>	<u>152,778</u>	<u>667,696</u>	<u>275,832</u>	<u>2,551,957</u>	<u>3,033,235</u>
Governance costs	-	-	28,965	-	28,965	12,511
	<u>£1,526,244</u>	<u>£152,778</u>	<u>£763,306</u>	<u>£275,832</u>	<u>£2,718,160</u>	<u>£3,181,706</u>

	2012 £	2011 £
The aggregate payroll costs were		
Wages and salaries	1,272,835	1,584,135
Social security costs	110,959	138,312
Other pension costs	142,450	137,982
	<u>£1,526,244</u>	<u>£1,860,429</u>

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

	No	No
Total number of staff		
- Garden Organic	60	78
- Organic Enterprises Limited	0	0

The emoluments of one member of staff are within the range £70,001 to £80,000 (2011 one) Pension contributions of £6,222 (2011 £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 7 trustees totalling £4,081 (2011 £4,928 to 9)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

8. Tangible Fixed Assets

	Land & Buildings £	Grounds & Research Equipment £	Fixtures & Fittings £	Total £
Group and Charity				
Cost				
At 1 January 2012	5,278,280	112,739	1,126,991	6,518,010
Additions	-	-	30,773	30,773
At 31 December 2012	5,278,280	112,739	1,157,764	6,548,783
Depreciation				
At 1 January 2012	885,413	109,199	973,578	1,968,190
Depreciation charge	92,285	900	59,593	152,778
At 31 December 2012	977,698	110,099	1,033,171	2,120,968
Net Book Value				
31 December 2012	<u>£4,300,582</u>	<u>£2,640</u>	<u>£124,593</u>	<u>£4,427,815</u>
31 December 2011	<u>£4,392,867</u>	<u>£3,540</u>	<u>£153,413</u>	<u>£4,549,820</u>

Included in Freehold Land and Buildings is £458,000 (2011 £458,000) relating to land

Included within fixtures and fittings are assets held under hire purchase with a cost at 31 December 2012 of £45,977 (2011 £45,977) and accumulated depreciation of £37,272 (2011 £29,237)

9. Investments

	Group		Charity	
	2012 £	2011 £	2012 £	2011 £
Shares in group undertakings	<u>£ -</u>	<u>£ -</u>	<u>£9</u>	<u>£9</u>

9.1 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 2012

The results for this subsidiary were as follows

	2012 £	2011 £
Profit and Loss account		
Turnover	99,497	115,304
Cost of sales	(99,621)	(116,263)
Gross loss	(124)	(959)
Other income	50,047	41,905
Administrative expenses	(6,650)	(2,278)
Net profit prior to gift aid to the charity	£43,273	£38,668
Net assets at 31 December	£7	£7

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
	£9	£9

10. Debtors

	Group		Charity	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	137,412	90,219	112,911	64,385
Amount owed from group undertakings	-	-	26,759	27,283
Other debtors	22,984	107,388	21,599	107,376
Prepayments	23,805	32,929	23,445	32,929
	£184,201	£230,536	£184,714	£231,973

11. Creditors: amounts falling due within one year

	£	£	£	£
Bank loan (note 15)	86,072	84,588	86,072	84,588
Trade creditors	87,080	109,700	87,012	109,700
Amount owed to group undertakings	-	-	-	47
Obligations under hire purchase (note 15)	2,996	11,286	2,996	11,286
Other taxation and social security	56,618	57,159	53,564	54,323
Other creditors	18,703	19,880	17,320	19,880
Accruals and deferred income (note 13)	348,154	385,655	344,118	383,655
	£599,623	£668,268	£591,082	£663,479

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

12. Deferred income	£			
Deferred income at 1 January 2012	383,587			
Released during year	(329,569)			
Deferred in 2012	282,926			
Deferred income at 31 December 2012	£336,944			
	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Deferred income due with one year	280,347	327,226	280,347	327,226
Deferred income due after more than one year	56,597	56,361	56,597	56,361
	£336,944	£383,587	£336,944	£383,587
13. Creditors, amounts falling due after more than one year	£	£	£	£
Bank loan (note 15)	652,009	738,486	652,009	738,486
Obligations under hire purchase (note 15)	-	4,138	-	4,138
Accruals and deferred income (note 13)	56,597	56,361	56,597	56,361
	£708,606	£798,985	£708,606	£798,985
14. Borrowings	£	£	£	£
An analysis of loans is given below				
Amounts falling due within one year				
Bank loan	86,072	84,588	86,072	84,588
Hire purchase	2,996	11,286	2,996	11,286
Amounts falling due between one and two years:				
Bank loan	59,855	57,053	59,855	57,053
Hire purchase	-	4,138	-	4,138
Amounts falling due between two and five years				
Bank loan	282,092	242,396	282,092	242,396
Hire purchase	-	-	-	-
Amounts falling due after five years:				
Bank loan	310,062	439,037	310,062	439,037
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 2012

15. 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 when they become due in accordance with the payment plan. 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 £69,663 (2011: £52,272).

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
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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 £72,787 (2011: £85,710). At the end of the year there were no outstanding contributions payable (2011: £nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

16.	Restricted funds	Balance at 1 January 2012	Movement in Resources & Transfers		Balance at 31 December 2012
	Projects:				
	Get Growing	9,154	46,803	(40,980)	14,977
	One Pot Pledge Campaign	-	4,975	-	4,975
	Sowing New Seeds	17,570	106,933	(101,548)	22,955
	HSL Seed Swap Network	837	-	-	837
	Gardens Network – Supporting Transition	32,543	50,000	(50,849)	31,694
	HSL Characterisation Project	5,000	5,000	(7,633)	2,367
	Food for Life Partnership	15,500	104,819	(102,853)	17,466
	14-19 Therapy Gardening	70,129	-	(32,566)	37,563
	Master Gardener Programme	65,778	122,493	(210,840)	(22,569)
	Afghan Mercy Corps	12,798	-	(8,000)	4,798
	Education Training Centre	1,000	24,810	-	25,810
	Food Growing in Schools Task Force	20,780	5,000	(25,780)	-
	Grundtvig - Growing Homes International	12,283	666	(8,675)	4,274
	Food Metres SME	2,000	-	(2,000)	-
	Growing for Health - Tudor	-	11,455	-	11,455
	Food Growing in Schools	-	80,000	(36,078)	43,922
	Big Dig Coventry	-	51,865	(6,765)	45,100
	Farmer's Market – Growing for Market	-	-	(1,629)	(1,629)
	Master Gardener SCI	-	8,208	(4,042)	4,166
		-	8,000	-	8,000
	Projects Total	265,372	631,027	(640,238)	256,161
	Capital Appeal				
	Vegetable Kingdom Appeal	2,944,867	-	(127,386)	2,817,481
	Total restricted funds	£3,210,239	£631,027	£(767,624)	£3,073,642

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

Projects

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

One Pot Pledge (Phase 2), a project funded by Local Food Fund (Big Lottery) aiming to inspire and support 10,000 people, via Garden Organic's Master Composter and Master Gardener networks, to grow their own food for the first time using their home made growing media

Sowing New Seeds, a project building links within communities by encouraging growers to share knowledge and plant resources concerning exotic crops, funded by Local Food (Big Lottery Fund), the Brook Trust, Cadbury Trust, Grimmet Trust, Sheldon Trust, Oram Foundation and Open gate Foundation

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

The Food For Life Partnership (FFLP), a 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

14-19 Therapy Gardening, a project working with special educational need schools setting up food growing gardens

The Master Gardener Programme, a 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 Fund (Big Lottery), Sheepdrove Trust and local authorities

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

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

Growing Homes, A project working with European projects looking at sharing a training curriculum for organic horticulture and seed saving. The project is funded by Gruntvig

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

Projects (continued)

Foodmetres – Planung Food and Innovation for Sustainable Metropolitan Regions is an international research project investigating sustainable food planning and innovation in metropolitan regions. The project is funded by European Union (Framework 7), with a special interest in local food and short supply chains. Garden Organic is involved and through collaboration with Centre for Agroecology and Food Security, a joint centre between Coventry University and Garden Organic.

Growing for Health and Wellbeing – a project funded by The Tudor Trust and delivered in partnership with Sustain, the alliance for better food and farming. The aim of the project is to investigate barriers/opportunities/mechanisms for community food growing to deliver more directly to health outcomes and be integrated into the routine health care service provided by health care professionals.

Food Growing in Schools - taking forward the work of the Taskforce and working with school clusters to identify best ways of supporting schools with food growing activity.

The Big Dig – a nationwide project to get 10,000 people involved in community food growing project across England, led by Sustain, the alliance for better food and farming. The Big Dig is funded by the Cabinet Office's Social Action Fund. Six cities, Brighton, Coventry, London, Manchester, Middlesbrough and Sheffield, are taking part and Garden Organic is co-ordinating the activities in Coventry.

Farmer's Market – Growing for Market, in 2012 we delivered training and 11 advisory sessions to schools in the Warwick Leader area. We have developed a toolkit for schools to grow for market all year round.

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.

17 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.

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£	£
Fund balances at 31 December 2012 are represented by				
Tangible fixed assets	1,495,067	2,932,748	4,427,815	4,549,820
Current assets	360,472	256,848	617,320	811,960
Current liabilities	(483,669)	(115,954)	(599,623)	(668,268)
Creditors amount falling due after more than one year	(708,606)	-	(708,606)	(798,985)
Total net assets	£663,264	£3,073,642	£3,736,906	£3,894,527

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

19. Operating lease commitments

At 31 December 2012 the Group had annual commitments under operating leases as set out below

	2012 £	2011 £
Office equipment		
Operating leases which expire		
Between one and two years	-	6,030
Between two and five years	3,925	-
	<hr/>	<hr/>

20. Capital commitments

There were capital commitments of £nil (2011 £27,500) at the year end

21. Post balance sheet events

Webbs Garden Centres lease the retail and catering premises at Ryton Gardens. In January 2013 they have given notice of their intention to terminate this lease with effect from 31 January 2014



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