



(Registered as the Henry Doubleday Research Association)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Registered Charity No. 298104

Company Registered No. 2188402

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REFERENCE AND ADMINISTRATIVE DETAILS

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

President:
Professor T Lang, PhD, FFPH

Vice Presidents:
Dr W Blyth
R Blanc
S Hampshire
T Barlow

Ambassadors:
Prof C Barnes
R Boycott
B Flowerdew
P Gallimore
B Gooding
C Holmes
L Kershaw
A Romans
S Parsons
K Wilde

The Council of Management:
Dr S A Bucknall (Chairman)
J L Milligan (Vice Chairman)
K Pinder (Vice Chairman)
J R W Petrie (Hon Treasurer)
D Allan
A Booth
Dr R A Haskins
R Key
M Kunz
D Pearson (resigned 6th September 2009)
J Steele
C M Ungood-Thomas
I Wilkinson

Finance Committee:
J R W Petrie (Chairman)
A Booth
Dr S A Bucknall
I Wilkinson

Board of Organic Enterprises Limited:
M Hitchins (Chairman)
Dr S A Bucknall
J R W Petrie
K Pinder
R Soans

Company Secretary:
J Court

Chief Executive:
M Bremner

Charity registered number:
298104

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

Registered number:
2188402

Auditors:
Wilkins Kennedy
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London Bridge
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Solicitors:
Wright Hassall LLP
Olympus Avenue
Leamington Spa
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CV34 6BF

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

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

CHAIR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

Garden Organic is a dynamic organisation with a core purpose of getting more people growing organically. We recognise the need for change and we respond to it appropriately on behalf of our members and supporters. This year has been one in which there have been many changes.

There is no doubt that during 2009, the recession continued to affect the lives of many of us by destroying businesses and jobs, reducing the value of our savings and changing our life styles. However, thinking positively every cloud has a silver lining and the recession has galvanised people into thinking about the security of their food and growing their own in gardens and allotments. At Garden Organic we have seen this enthusiasm as a spring board for us to encourage both new and existing gardeners to use organic growing techniques and do their bit for the environment.

However, being proactive involves making difficult financial decisions and funds are always tight, constraining us in the projects we wish to undertake. This together with the economic downturn has led your Council to produce a new Strategy for the future of Garden Organic to guide us through difficult times.

We recognise the importance of partnerships and, with the support of HRH The Prince of Wales, we have held high level discussions with the Soil Association resulting in closer working and more joint projects to complement the Food for Life Partnership. We have also sought partnerships with other organisations culminating in the second half of the year with a formal agreement with Webbs, the Wychbold based garden centre business. Webbs now manage our shop and restaurant as tenants and are committed to organic practices on the Ryton site. Whilst it is early days, we see this is an important step forward, an exciting opportunity for both organisations and a way of improving our income so that we can continue with our mission.

I should like to assure you all that Garden Organic still depends on our donors, members and supporters to help us to drive on the growth of healthy, organic gardening. I thank you all for your past and I hope, continuing involvement and support. As this is my final report as Chair I should like to thank our staff for their dedication and commitment and especially my colleagues on Council without whose skills, guidance and advice my job would not have been so enjoyable.



Dr S A Bucknall - Chair

HONORARY TREASURER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

When the UK was in the worst recession for over sixty years it was not surprising that unrestricted income fell by £312,000 to £2.68 million. Membership income, our largest single income source fell by £50,000 but this was more than offset by legacies of £115,000 (£36,000 in 2008) and once again members responded generously to raise appeal income to a record £178,000 to help ensure that our work could continue in these difficult economic times.

Expenditure was closely controlled throughout the year to produce an Unrestricted Funds surplus of £15,000 and a surplus of £57,000 on total funds. Our single largest category of expenditure – staff costs – would have been lower than the previous year except that higher pension contributions and social security costs increased the total by £50,000. Staff costs included statutory payments to eight staff who unfortunately had to leave us following the restructuring which made their posts redundant.

The second largest expenditure item was the Food for Life Project (FFLP) on which nearly £700,000 was spent in 2009. FFLP is a 5 year partnership with the Soil Association, the Health Education Trust and Focus on Food to develop children's understanding of growing, cooking and eating food. The movement between a surplus of £42,000 in Restricted Funds this year compared with a deficit of £520,000 in 2008 is caused primarily by the timing of receipts and expenditure on this major project.

As the overhead costs of running the Ryton site now total almost a quarter of a million pounds, and are likely to continue to rise, we have sought for sometime to find a third party to share the site with us to spread these overhead costs. An agreement reached with Webbs Garden Centres Limited in December 2009 (as mentioned in the Chair's Report) has not only achieved this objective but has also removed from the charity the trading risks incurred by Organic Enterprises Ltd (OEL) in running the shop, catering and conference facilities and perhaps even more importantly for the future this arrangement means that visitor numbers should increase significantly as Webbs commit resources and expertise to marketing Ryton. The operating profit of OEL in 2009 was £82,527 (£103,095 in 2008).

On the balance sheet the main item of note is the improvement of £95,000 in the net current liability position. Bank debt and creditors were both reduced by £100,000, however, we still need to generate larger surpluses in future so that we can start to build a cash reserve. The strong cash balance reflects funds held for expenditure on the FFLP in the first quarter of 2010 and for other new restricted projects.

Garden Organic participates with a number of other institutions in a pension scheme, which provides benefits based on final pensionable pay. The scheme was closed to future accruals as at 31 December 2008. However, like many pension funds there is a substantial deficit in the scheme and although a plan to reduce this has been agreed with the Pension Regulator we are likely to be required to increase contributions to the scheme in future years.



J R W Petrie – Hon Treasurer

COUNCIL OF MANAGEMENT ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

The Council of Management, who are the Trustees of Garden Organic ("the Charity") present their annual report for the year ended 31 December 2009 under the Companies Act 2006 and the Charities Act 1993, together with the audited financial statements for that year

Reference and Administrative Details

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

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

Objects, Objectives and Principal Activities of The Charity

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

- The improvement of scientific and practical horticulture and agriculture in all their branches throughout the application of organic methods and principles,
- Research into the study of organic methods and principles of horticulture and agriculture and the dissemination of the useful results thereof;
- The advancement of the 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 a centre 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.

During 2009, the Council and Senior Management Team confirmed Garden Organic's -

- **Vision** is of a healthy sustainable world that has embraced organic growing.
- **Purpose** is to get more people growing organically
- **Mission** Garden Organic promotes organic gardening. Our focus is on individual, community and school gardens throughout the UK. We use innovative practices to inspire and encourage people to grow organically. We collaborate with others to achieve the greatest impact.
- **Values**
 - **Conviction**
We are driven by an enduring passion and belief, founded on 50 years of research and practice, that organic methods provide a healthy, sustainable life for us all
 - **Respect**
We have respect for the land, respect for each other, respect for our organic legacy, and respect for the need to provide a lasting future for our children
 - **Honesty**
We are open and transparent, honest in our dealings with the public, our members and our staff

COUNCIL OF MANAGEMENT ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

- **Strategic Aims**
 - To be financially responsible and ensure that funding exceeds our costs.
 - To be the UK's leading authority on practical organic growing
 - To increase our presence and public profile
 - To inspire and educate the growers of today and tomorrow
- We recognise, that in order to deliver our work to achieve the best possible outcomes, we must
 - *Adapt* the way we work by
 - Innovating
 - Enabling rather than doing
 - Working in collaboration with others
 - Prune our existing portfolio and *focus* on delivering our key charitable objectives
 - *Reduce* costs by
 - Becoming a leaner organisation
 - Ensuring our Ryton Site benefits the Charity
 - Move towards a supporter led strategy with our membership

A three-year organizational business plan is being prepared in the first half of 2010, and we will base our reporting in the 2010 Annual Report on the defined outcomes we seek over the next three years. In addition, Council have agreed to undertake a formal Governance review, and to implement any relevant activity that will improve our overall governance arrangements.

Public benefit

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

Achievements and Performance

Introduction

In 2009 we were awarded funding for three innovative new projects, engaged in a range of local and national partnerships, continued our cutting edge organic horticultural research; hosted a range of onsite events; and were represented at all levels of the organic movement, from grassroots gatherings through to international conferences. We have worked with local and national government, pushing home food growing up the political agenda, as well as local communities, supporting individuals in their homes, schools and allotments.

Our Board of trustees worked to devise a new strategy to take us forward with a focus on innovation, enabling and collaborative partnerships, recognising that one of the core strengths of the organisation is its innovation capacity. The achievements and performance set out below are set against the delivery of our strategic aims, as well as recognising our new strategy. We will be pleased to report further on our progress in delivering our new strategy over the coming years.

External context

Like many organisations we have been facing difficult economic circumstances, feeling the effects of the global recession. Our membership numbers declined over the year, although less than expected, as we were able to improve our average annual attrition rate to 14%, from a previous rate of 19%. Recruiting new members proved a more difficult challenge, though we embarked on a renewed presence at some gardening shows and events to see whether this was a successful form of member recruitment.

COUNCIL OF MANAGEMENT ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

Reacting to this challenging external context we launched an emergency appeal to members in October, which had raised approximately £87,000 by the end of the year. We are indebted to the support our members have shown in this regard, and it meant we were able to end the year in a much stronger financial position than was feared earlier in the year. The organisation also went through a staffing restructure, and was able to reduce its administrative costs, and improve the ratio of funded staff posts – important steps towards better financial stability.

New Projects

In 2009 we won funding for and started delivery of three new projects, enabling us to work towards our vision of a healthier, more sustainable world by helping more people to grow organically. The projects also showcase our new strategic intention of undertaking charitable activity that focuses on innovation, and working in partnership to enable other organisations to reach out with our work to as wide an audience as possible.

The first of these – the Master Gardener Programme aims to encourage and support people and communities to grow fruit and vegetables in their gardens and on communal land. The programme is based on our highly successful Master Composter programme and it will involve the engagement of community volunteers, who in return for training and support act as food growing ambassadors in their neighbourhood. Master Gardeners will promote the benefits of ‘growing your own’ and provide information, advice and hands-on support for people taking part. The Master Gardener Programme is funded through a three-year Beacon Grant by Local Food (Big Lottery Fund) with match funding from The Sheepdrove Trust and Local Authorities.

The Sowing New Seeds project is a unique initiative focusing on exotic crops, such as callaloo, dudu, black-eye beans and water chestnuts, being grown by allotment holders and gardeners in the Midlands. The project aims to discover, document and celebrate these crops, gathering stories of where they came from and how they can best be grown in our region. Sowing New Seeds will also work to build links within communities, encouraging growers to share both their knowledge and their plant resources. This project has been made possible by grants from the Big Lottery Local Food Fund and the Brook Trust.

The third innovative project started in 2009 is Gardening Therapy, generously funded by the Abbey Charitable Trust. This three year project will work with young people with severe challenging behaviours and multiple disabilities to establish productive organic gardening within five specialist schools, enabling pupils to experience the health, therapeutic and educational benefits of food growing.

Throughout 2009 we were in talks to develop work based training as part of the 14-19 curriculum, enabling young people to gain practical experience of organic horticulture. Delivery of this project will start in 2010.

Ongoing work

Policy Engagement

Objective for 2009: to increase our presence and public profile

Following the seminar “Gardening for Food Security” hosted by Our President Tim Lang, Professor of Food Policy at City University in late 2008 our work to champion the benefits of organic gardening continued throughout 2009. We formulated the case for why organic gardening and home food production really matters for sustainable development, collecting evidence of the benefits for the environment, for human health and well being, for food security and for building stronger communities.

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FOR THE YEAR ENDED 31 DECEMBER 2009

We engaged with government throughout the year on various strategic initiatives relating to Food Policy, which has culminated with the recent publication of the Food 2030 Report. We are pleased that through our influences, we have ensured that domestic, community and school food growing activities are recognised in the wider strategic debate of our national food policy.

In May 2009, Garden Organic together with Swedish University of Agricultural Sciences organised a seminar on "Organic Gardening for Sustainable Development" as part of the Nordic Organic Farming Conference in Goteborg, Sweden and this was a great success with participants from all over Europe

The Benefits of Organic Gardening was also the theme for the afternoon session of our Annual General meeting in September. We invited speakers from projects and activities that Garden Organic has had engagement with and showcased how growing projects are delivering defined beneficial outcomes. A number of key policy makers and opinion formers attended the event, as well as over 170 of our members.

Organic Gardening Guidelines

We concluded the wide consultation with our members on re-issuing our Organic Gardening Guidelines, the definitive definition of what constitutes organic gardening. Based on a progressive approach, the new Guidelines set out the best practice, acceptable and unacceptable methods of gardening within an organic gardening system. This new approach serves to recognise that for many people, organic gardening is a continual journey. We will publish the updated Guidelines in 2010 and make sure they are as widely available to the general public and gardening trade as possible.

Membership

Objective for 2009: improve our financial position and increase our public profile

At the start of the year our membership department initiated a monthly e-newsletter. Packed with news, events, features and growing tips, this has proved a real hit with members and non-members alike, and complements the perennially popular Organic Way. We sent three appeals to our members, which raised over £150,000 over the year, showing great levels of commitment from our supporters.

Garden Organic's Advisory team handled hundreds of queries from experienced and new growers, many of which concerned issues of aminopyralid contamination. The team also developed a pack to start people growing, with growing trays, seeds and easy-to-follow instructions, which was successfully trialled at our onsite Get Set Grow event and subsequently used at external events such as BBC Gardeners World and the Children's Food Festival.

International Development

Objective for 2009: to continue to deliver our core charitable activities

Working in collaboration with Fairtrade company Tropical Wholefoods, and their Ugandan business partner Fruits of the Nile, Garden Organic has been researching the feasibility of organic Fairtrade berry production for smallholder farmers in Uganda. The project found that fruits such as cape gooseberry (a native crop), blueberries, strawberries and raspberries, all grow well in the tropics and recommended undertaking trials of soft fruit production. If successful, this could enable farmers to supplement their incomes and reduce the risks of crop failure by growing a variety of fruit.

In Kenya we have continued our work on community management of the Prosopis tree, known in Europe as Mesquite. The loss of traditional indigenous knowledge of how to use this very hardy tree meant that it was being viewed as an invasive weed. Garden Organic has worked with marginal communities to gather and share knowledge of how this tree can be used to safeguard livelihoods and provide both food and fuel.

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FOR THE YEAR ENDED 31 DECEMBER 2009

Education

Objective for 2009: to recruit 1,000 new schools to our Garden Organic for Schools programme

Nine continuous professional development (CPD) events were organised for staff involved with FFLP schools, to run a Master Composter for schools training event, to organise 19 courses and workshops at Ryton, to develop new opportunities to support learning for all

Whilst continuing to support and work with over 6,500 school partners through our Garden Organic for Schools programme and welcoming over 63 schools on educational visits to our site at Ryton, over 2009 our education team focused their efforts on delivering the Food for Life Partnership (FFLP). This was partly prompted by the end of the funding programmes that had supported Garden Organic for Schools, but strategically because the mantle of school growing has increasingly been adopted by larger, better funded bodies. We therefore re-evaluated our educational delivery and decided to concentrate on collaborative working through the FFLP.

This project funded by the Big Lottery, in partnership with the Soil Association, the Focus on Food campaign and the Health Education Trust, works with schools and their communities to transform food culture from plot to plate. Garden Organic's expertise in horticulture and experience in community work has been invaluable to our role in the delivery of this groundbreaking project. In June 2009 Garden Organic published the Bronze FFLP manual, outlining the steps and standards needed for schools to attain the bronze FFLP partnership award. The pack includes booklets, posters, practical activities and growing instructions and we have received great feedback from schools. In line with our targets for 2009, we ran 15 CPD events for teachers and staff at FFLP schools across the country and in April welcomed 198 pupils from 14 schools to Ryton for a very successful Master Composter training event.

During 2009 we organised 20 courses and workshops at Ryton, including Herbal Lotions and Potions, Permaculture for Beginners and courses on pruning and herb gardens, attracting over 250 participants throughout the year.

In line with our aim to develop new opportunities for learning, in 2009 we strengthened partnerships and laid the groundwork to start new learning projects in 2010, particularly the NVQ in Organic Horticulture in collaboration with Warwickshire College, and a joint project with Groundwork and the Future Jobs Fund to offer horticultural training to long term unemployed young people.

Heritage Seed Library

Objective for 2009: to continue to deliver our core charitable activities

In 2009, our Heritage Seed Library (HSL) which was generously supported by Seeds of Change, trialed and tested nearly 100 varieties and added 20 new accessions to the collection. These included the Llanover Pea, grown for over 80 years in the same village in Wales, and the Bloody Warrior lettuce. Over 8,600 HSL catalogues were distributed over the year and HSL seeds were sent to over 50,000 people, including hundreds of schools and community groups. We welcomed 46 new Seed Guardians, meaning we now have over 350 of these valued volunteers around the UK, growing heritage crops and saving seed to return to the HSL collection. Throughout the year the HSL has welcomed many new volunteers, and September saw the start of the HSL student placement. At the grassroots level, HSL has taken part in seed swaps all over the country, giving talks on seed saving and heritage varieties, and working with grassroots organisations to build the national seed swap network. HSL's work has also been featured on the BBC TV's Country File and also on Japanese TV.

We are extremely grateful to Seeds of Change who have supported our Heritage Seed Library with vital funds over the last two years.

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FOR THE YEAR ENDED 31 DECEMBER 2009

Sustainable Waste Management

Objective for 2009: develop four new sustainable waste training projects in partnerships with schools, local authorities and the private sector

In accordance with our aims for 2009, we achieved a considerable expansion in our Master Composter programme over the year. Over 160 delegates attended our Master Composter Conference in July, where Alys Fowler of BBC Gardeners' World was guest speaker. The conference generated lots of enthusiasm and positive feedback from all participants. Over the year we ran foundation courses and established programmes around the country, we trained over 200 new Master Composters, and ran additional in-service training for our experienced Master Composter volunteers. Extending the reach of our sustainable waste management work, we also ran two very well attended "Muck & Magic" home composting courses, plus compost awareness events at Ryton and a three-day home composting training course in Edinburgh. In these ways we are able to promote composting and sustainable waste management to many thousands of people over the year.

Horticulture Research and Development

Objective for 2009: to launch eight new research and development projects

A significant part of our horticulture research work in 2009 has been the ongoing Defra-funded project developing the use of green manures. Garden Organic has been coordinating field trials at six organic farms across the UK and presented findings from this work at the Organic Producer Conference in January and held a seminar for farmers in August. We continued the EU funded project to evaluate leafy vegetable varieties (lambs lettuce and rocket) and completed work with Waste Resources Action Programme on the use of green waste compost in agriculture. New projects included working in partnership with the University of Warwick to develop an impact assessment methodology tool, a working IFOAM funded project to investigate group certification schemes for organic growers, research into organic management of seed borne diseases of brassicas, and continued the EU-funded leafy vegetable trials. Researchers worked on two books for Crowood Press, *Organic Fruit Production and Viticulture* was published in the summer and the manuscript for a book on *Organic Pest and Disease Management* was submitted in the autumn.

Garden Organic at Ryton Gardens

Objective for 2009: Conduct a comprehensive site review; refurbish and expand our Café; and build a toddlers' play area

In April we successfully bid for funding to build an outdoor children's play area, providing a safe area where young children can play within sight of their parents, gaining enjoyment, physical activity and an understanding of where food comes from through gardening related play and engaging display boards. Situated adjacent to the café, the new play area should encourage families to stay longer, enjoying locally sourced, organic refreshments whilst their children play safely. In addition we refurbished, updated and extended our very popular café, giving it a fresh, modern feel and enabling the café to cope with greater visitor numbers.

During 2009 we conducted a visioning exercise for the Ryton site on how we would like the visitor experience and story to unfold. Towards the end of the year we entered into talks with Webbs Garden centre, a family owned West Midland based firm, regarding the future management of the site, with our site plans and development moving forward into 2010. From 1 February 2010, Webbs have taken on the management, under contract, of our retail, catering and conference facilities at Ryton. They have agreed to continue to manage their operations according to our newly updated Organic Gardening Guidelines.

Events

Objective for 2009: to increase our public profile

At our demonstration gardens at Ryton we welcomed 27,927 visitors in 2009, with our seasonal programme of events proving highly popular. These included Potato Day, the UK's largest Seed Potato event. Get Set Grow, welcoming over 1,000 new growers and providing seeds, pots, compost

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and instructions to help people get growing our Harvest Produce Show, and the Mad Hatters Tea Party, offering disadvantaged members of the community the opportunity to share a silver service picnic and performance in the gardens

2009 marked the 10th anniversary of Garden Organic's management of the walled kitchen garden at Audley End. Lovingly restored to its late Victorian splendour, this beautiful organic garden showcases all manner of fruit, vegetables, herbs and flowers that were popular in the nineteenth century, complementing the estate's extensive landscaped gardens and the magnificent Jacobean house itself

Promoting the benefits of organic growing amongst new audiences forms a key part of our work, and increasing our public profile was a key strategic aim for 2009. In light of this the Garden Organic team could be found at events across the UK in 2009 - including BBC Gardeners' World Live, the Children's Food Festival, Glastonbury and Godiva festivals

Knowledge sharing and exchange

Objective for 2009: Create new opportunities to support learning for all

Sharing ideas and disseminating knowledge is central to our educational remit. As such, Garden Organic teams have given papers and seminars at a number of national and international conferences over the year

The HSL team were represented at the UK Plant Genetic Resources Group and on the steering committee of the European Seed Network in Barcelona. Closer to home, Garden Organic researchers presented at both the Association of Applied Biologists Conference and the Organic Producer Conference, sharing findings about computer modelling of on-farm nitrogen use and crops for building soil fertility

Partnerships

Objective for 2009: strengthen influential relationships

We partnered with Greenpeace on the "Airplotment" campaign, highlighting issues around climate change and the expansion of aviation by establishing an organic 'veg plot' on the site of the proposed third runway at Heathrow. Pushing forward the Grow Your Own agenda we provided HSL seeds for the Queen's organic vegetable patch at Buckingham Palace – the first time since the Second World War that vegetables have been grown in the grounds of the palace

We were a major partner in the Government's national "Eat Seasonably" campaign, funded by DEFRA as a pilot study to see the impact of growing-your-own as a pro-environmental behaviour change. Working with other organisations, including the Royal Horticulture Society (RHS) and the National Trust, Garden Organic was increasingly used as an area of expertise and advice. We received good national media coverage, and the collaboration has helped us strengthen ties with DEFRA

We supported the first year of a national initiative called "The Big lunch", lead by The Eden Project, where over two million Britons sat down to lunch together in their local communities. We supported the initiative by supplying gardening tips and advice, and also received national media coverage, on BBC Breakfast and editorial in The Sun

In our local area we engaged in partnerships with Rugby in Bloom and Growing Coventry to encourage home vegetable growing, which had the additional benefit of attracting visitors to Ryton Gardens

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Future Plans

Throughout 2009 we worked hard to deliver our simple charitable purpose of getting more people growing organically, we have worked with a range of partners and successfully delivered a diverse portfolio of projects, and we aim to continue this success in 2010.

Our new strategy calls for some considerable changes to the type of work we do, and the way we will work. We have strived hard in 2009 to focus our work on innovation, and to work in collaborative partnerships to reach out to as wide an audience as possible. We have exciting projects that have secured funding for 2010, as well as other initiatives we want to do as and when we secure additional support. But key to our future success will be the creation of a three-year business plan. We will clearly lay out the outcomes that we want to see as an organisation, linked to our Vision, Mission and organisational values. In this way, we will be able to demonstrate more effectively the benefits and changes we are bringing to our targeted beneficiaries.

Our key operational charitable activities for 2010 are summarised below

Education

We will continue to deliver our work in the groundbreaking Food for Life Partnership, and work proactively to provide a lasting legacy once the main programme's funding ends in 2012. Our Special Schools project in collaboration with Action for Children will enable us to acquire new learning and skills in this important developmental area for us. And we will continue to work collaboratively with other partners to ensure that the successes brought by our main Garden Organic for Schools programme is carried forward.

Getting People Growing organically

We will rollout our Master Gardener programme to our pilot areas, with a particular focus in 2010 of London (where we will work collaboratively with Capital Growth) and locally in Warwickshire. In our Sowing New Seeds project, we will recruit and train 80 seed stewards and begin work on our exotic garden at Ryton Gardens.

Our major campaign for 2010 is the *One Pot Pledge Campaign* - a new flagship project for Garden Organic. This is a nationwide campaign that aims to get more people growing their own food, to show that food growing is accessible, easy and fun and to act as a catalyst for more sustainable lifestyles. The project aims to recruit 30,000 pledgers over 18 months. To publicise the One Pot Pledge and to recruit pledgers, Garden Organic will be attending national gardening events over the summer, including RHS Chelsea Flower Show and BBC Gardeners' World Live.

Knowledge Exchange

We will deliver our four planned member experiments, and look to plan for 2011 and beyond, making sure our members' experiments tie in with our three year desired outcomes. We will also revamp how we provide information and advice to our members and the general public, making much more efficient use of the website and new media.

Training for Adults

We are keen to make the most of Ryton Gardens' potential as a community and educational resource. In 2010 we hope to offer more opportunities for volunteer placements and work-based learning. This includes our planned work developing an offering for the 14-19 curriculum and an NVQ in organic horticulture, in partnership with Warwickshire College, and we are in talks with environmental regeneration charity Groundwork to provide horticultural skills training for young people via the Future Jobs Fund. In addition, we are in discussion with Seeds of Change, who have sponsored HSL, about establishing an Organic Apprentice Scheme.

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Horticultural and Garden Research

We will deliver our contracted research programmes, which include advisory training on green manures. We will also seek new contracts, especially where we can work with others in a collaborative way.

Heritage Seed Library

Our Heritage Seed Library is looking to develop a more formal network of seed swap groups across the country, recognising the importance of seed saving and swapping in sustainable community based growing projects. We will continue discussions with the Food and Environment Research Agency (FERA) and other partners on the future legislation for heritage seed, pending EU legislation and UK interpretation. We will investigate the potential for releasing certain heritage varieties under licence to seed manufacturers. Finally, we will continue to use our garden at Audley End House to showcase over 100 varieties from our seed collection.

Working with Webbs at Ryton Gardens

We are excited about the opportunities we have now that Webbs are a key partner at Ryton Gardens. With Webb's expertise in retail and marketing, combined with the organic horticulture expertise of Garden Organic staff, this partnership promises to make the most of Ryton Gardens' potential as a visitor attraction, increasing our visitor numbers and so giving more people the chance to be inspired by organic growing. We will also increase the amount of produce that we grow on site at Ryton Gardens for use in the café and restaurant and for sale in the award winning shop – which is a great way to share our resources and to promote fresh, local, seasonal food.

Our plans are to make Ryton Gardens much more cost effective for us as an organisation, and we will report back on our progress next year.

New projects

We have a number of desired innovative projects that we will seek funding for. Examples of this include "hens@home", to encourage and support householders to keep hens in their gardens, and extending our Continual Professional Development work for teaching professionals. Our work on our new three year business plan will help to confirm our intended outcomes and thus the precise nature of our future work.

Structure, Governance and Management

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

The Council of Trustees is responsible for the overall governance of the Charity. Trustees are elected or co-opted and the total number may not exceed fifteen. Trustees are elected by the members and serve a five-year term of office. All Trustees must be members of Garden Organic. One fifth of the Trustees, the longest serving since their last election to Council, shall resign annually and is eligible for re-election. There is an annual invitation to the membership to put themselves forward for the Council, advertised in our journal, *The Organic Way*. The invitation to members highlights the specific skill areas required in order to strengthen Council and meet future needs. In 2009, no new Trustees were elected to Council. Dr R A Haskins and D Allan resigned by rotation and were re-elected to the Council.

The Council works 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 2009 included finance, strategy, risk and development against the operating plans, policies, and the following year's budget.

COUNCIL OF MANAGEMENT ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

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 Chairman 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, and all significant decision-making is taken by the whole Council on recommendations from the committees and working groups.

Finance Committee

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

Strategic Planning Committee

During 2009, the Strategic Planning Committee met regularly to discuss the charity's strategy, including a review of its vision, purpose and mission. It recommended a new strategy for the Charity, which was adopted by the Council in July 2009.

Audit and Risk Committee

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

Human Resources and Remuneration Committee

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

Chief Executive

The Chief Executive is responsible for the day-to-day management of the Charity's affairs and for implementing policies agreed by the Board of Trustees. The Chief Executive is assisted by the senior management team.

Group Structure

The Charity has a wholly owned subsidiary: Organic Enterprises Limited. The subsidiary carries out non-charitable trading activities to raise funds for donation to Charity, and during the financial year it made an operating profit of £82,527 (2008: operating profit of £103,095).

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, derived from a comprehensive risk assessment.

COUNCIL OF MANAGEMENT ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

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

Risk Management

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

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

Workforce

Garden Organic aims to be an organisation where people feel part of a team and who work together for a shared purpose. All-staff meetings are held regularly, with updates from the senior management team on matters both strategic and financial, and from colleagues with work updates. Minutes 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 currently employs people with disabilities and our Growth programme works with people with learning difficulties in the gardens at Ryton.

Volunteers

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

Financial Review

A review of our financial performance for 2009 is included in the Honorary Treasurer's Report.

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 £1.1m should be maintained, which is equal to 6 months unrestricted non-trading expenditure.

COUNCIL OF MANAGEMENT ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

Actual unrestricted reserves are negative with a deficit of £26k. This position is due to some unexpected expenditure in the past, which led to operating deficits, but our position has improved over recent years where we have achieved operating surpluses. However, the charity continues to be in a difficult financial position and is carefully monitoring its sources of unrestricted income whilst utilising improved budgeting and cost controls processes to manage its spending.

The Trustees are fully aware that the lack of free reserves, together with the economic backdrop, will provide a challenging environment in the year to come. They will need to incorporate plans that take other factors into account, such as creditors and repayment of long term borrowings. However, the Trustees do have plans in place to improve the situation and to restore the reserves to a nil balance in 2010, with a view to generating free reserves in the following years.

Restricted Reserves

Restricted income remains central to the work of Garden Organic. During the year the number of restricted funds increased due to the start of a number of new projects. A number of submissions for new work have been made, although the results of these bids will not be known until later in 2010. The award of these restricted funds will enable vital research into areas that Garden Organic would not be able to work in on its own.

Pensions

Garden Organic offers a stakeholder pension scheme to its entire staff. The defined benefit scheme, which had previously been available, was closed to future accruals at 31 December 2008.

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 2009

Statement of Trustees' Responsibilities

The charity trustees (who are also directors for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law and the law applicable to charities in England and Wales requires charity trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources of the charitable company for that period. In preparing the financial statements the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 1993 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a trustee/director in order to make himself or herself aware of any relevant audit information and to establish that the charitable company's auditors are 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



Dr S A Bucknall - Chair

Date 29 April 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 DECEMBER 2009

We have audited the financial statements of Garden Organic for the year ended 31 December 2009, which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 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 a Report of the Auditors 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

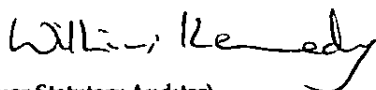
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent charitable company's affairs at 31 December 2009 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Annual Report is consistent with the financial statements.



J Howard (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy, Statutory Auditor

Bridge House
London Bridge
London SE1 9QR

Date 29 April 2010

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2009 £	Unrestricted Funds £	Restricted Funds £	Total 2008 £
INCOMING RESOURCES							
Incoming resources from generated funds:							
Donations, appeals and charitable gifts	3	616,520	164,567	781,087	779,603	262,172	1,041,775
Legacies	4	115,290	-	115,290	35,706	-	35,706
Sponsorship		24,054	-	24,054	51,730	-	51,730
Incoming resources from charitable activities							
Admission, subscriptions and grants	5	841,032	1,197,188	2,038,220	890,405	77,477	967,882
Activities for generating funds.							
Fees for garden services		166,602	128,816	295,418	165,393	238,677	404,070
Shop & restaurant income		716,592	-	716,592	873,827	-	873,827
Conference, fee & publication income		103,827	-	103,827	88,684	-	88,684
Other income	6	98,143	613	98,756	94,616	1,104	95,720
Investment income	7	1,007	-	1,007	15,444	-	15,444
Total incoming resources		2,683,067	1,491,184	4,174,251	2,995,408	579,430	3,574,838
RESOURCES EXPENSED							
Costs of generating funds:							
Fundraising and publicity		129,578	-	129,578	115,739	-	115,739
Shop & restaurant costs		696,290	-	696,290	839,252	-	839,252
Publication costs		24,551	-	24,551	21,530	-	21,530
Charitable activities		2,142,668	1,105,170	3,247,838	2,201,019	864,566	3,065,585
Governance costs		18,619	-	18,619	19,271	-	19,271
Total resources expended	8	3,011,706	1,105,170	4,116,876	3,196,811	864,566	4,061,377
Net (outgoing)/incoming resources before transfers between funds							
		(328,639)	386,014	57,375	(201,403)	(285,136)	(486,539)
Transfer between funds	17	343,981	(343,981)	-	234,691	(234,691)	-
Net movement in funds		15,342	42,033	57,375	33,288	(519,827)	(486,539)
Fund balances							
at 1 January 2009		(41,693)	3,477,394	3,435,701	(74,981)	3,997,221	3,922,240
Fund balances at 31 December 2009	19	£(26,351)	£3,519,427	£3,493,076	£(41,693)	£3,477,394	£3,435,701

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 32 form part of these financial statements

CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 DECEMBER 2009

	Notes	Group		Charity	
		2009 £	2008 £	2009 £	2008 £
Fixed assets					
Tangible fixed assets	9	4,822,651	4,928,135	4,822,651	4,928,135
Investments	10	-	14,505	7	14,512
		<u>4,822,651</u>	<u>4,942,640</u>	<u>4,822,658</u>	<u>4,942,647</u>
Current assets					
Stock	11	64,994	63,790	-	-
Debtors	12	168,206	242,379	222,066	223,796
Cash at bank and in hand		540,156	517,955	506,219	502,564
		<u>773,356</u>	<u>824,124</u>	<u>728,285</u>	<u>726,360</u>
Creditors: Amounts falling due within one year	13	(1,298,517)	(1,443,915)	(1,253,453)	(1,346,158)
Net current liabilities		<u>(525,161)</u>	<u>(619,791)</u>	<u>(525,168)</u>	<u>(619,798)</u>
Total assets less current liabilities		<u>4,297,490</u>	<u>4,322,849</u>	<u>4,297,490</u>	<u>4,322,849</u>
Creditors: Amounts falling due after more than one year	14	(804,414)	(887,148)	(804,414)	(887,148)
Net assets		<u>£3,493,076</u>	<u>£3,435,701</u>	<u>£3,493,076</u>	<u>£3,435,701</u>
Funds					
Restricted funds	17	3,519,427	3,477,394	3,519,427	3,477,394
Unrestricted funds					
- other charitable funds	19	(26,351)	(41,693)	(26,351)	(41,693)
		<u>£3,493,076</u>	<u>£3,435,701</u>	<u>£3,493,076</u>	<u>£3,435,701</u>

The financial statements were approved by the Council of Management on 29 April 2010 and signed on their behalf by:-


J R W Petrie - Hon Treasurer

The notes on pages 22 to 32 form part of these financial statements

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 £	2008 £
Reconciliation of net incoming resources to net cash inflow from operating activities		
Net incoming/(outgoing) resources	57,375	(486,539)
Investment income	(1,007)	(15,444)
Interest paid	38,694	76,285
Depreciation	159,262	167,809
(Profit)/loss on disposal of investments	(1,259)	2
(Increase)/decrease in stock	(1,204)	954
Decrease/(increase) in debtors	74,173	(10,570)
(Decrease)/increase in creditors	(111,426)	224,397
Net cash inflow /(outflow) from operating activities	214,608	(43,106)
 Cash flow statement		
Net cash inflow from operating activities	214,608	(43,106)
Return on investment and servicing of finance	(37,687)	(60,841)
Capital expenditure	(38,014)	-
Net cash inflow/(outflow) before financing	138,907	(103,947)
Financing	(116,706)	247,857
Increase in cash	£22,201	£143,910
 Reconciliation of net cash flow to movement in net debt		
Increase in cash in the year	22,201	143,910
Loans repaid	366,706	52,695
New loan advanced	(250,000)	(300,000)
Change in net debt	138,907	(103,395)
Net debt at 1 January	(665,960)	(562,565)
Net debt at 31 December	£(527,053)	£(665,960)

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 £	2008 £
Gross cash flows		
Returns on investments and servicing of finance		
Interest received	1,007	15,444
Interest paid	(38,694)	(76,285)
	<u>£(37,687)</u>	<u>£(60,841)</u>
Capital expenditure		
Payments for tangible fixed assets	(53,778)	-
Proceeds from sale of investments	15,764	-
	<u>£(38,014)</u>	<u>£ -</u>
Financing		
Secured loans repaid	(366,706)	(52,143)
New secured loan advanced	250,000	300,000
	<u>£(116,706)</u>	<u>£247,857</u>

Analysis of changes in net debt	1 January 2009 £	Cash flow £	Other changes £	31 December 2009 £
Cash at bank and in hand	517,955	22,201	-	540,156
Overdrafts	-	-	-	-
	<u>517,955</u>	<u>22,201</u>	<u>-</u>	<u>540,156</u>
Debt due within one year	(338,278)	103,084	(68,590)	(303,784)
Debt due after one year	(797,963)	-	68,590	(729,373)
Finance leases	(47,674)	13,622	-	(34,052)
	<u>£(665,960)</u>	<u>£138,907</u>	<u>£ -</u>	<u>£(527,053)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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 subsidiary Organic Enterprises Limited on a line-by-line basis. A separate statement of financial activities for the charitable company has not been presented as permitted by paragraph 397 of the SORP.

c) Incoming resources

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

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

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

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

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

d) Resources expended

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

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

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

e) Taxation

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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 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.

The pension costs charge represents contributions payable by the Charity to the funds.

k) Finance and operating leases

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

2. Net incoming/(outgoing) resources for the year:			2009	2008
			£	£
This is stated after charging:				
Depreciation on owned tangible fixed assets			156,137	164,685
Depreciation on assets held under hire purchase			3,125	3,124
Operating lease rentals – Plant and machinery			27,057	34,097
Interest payable on bank loans and overdrafts			34,811	75,496
Finance lease interest			3,883	5,821
Auditors' remuneration			8,150	8,000
- audit services (Charity £5,100)				
- other services			3,982	1,000
3. Donations, Appeals and Charitable Gifts				
	Unrestricted Funds	Restricted Funds	Total Funds 2009	Total Funds 2008
	£	£	£	£
Donations	197,776	121,824	319,600	434,660
Gift aid and tax recovery	252,578	-	252,578	219,567
Appeals	165,253	12,743	177,996	140,267
Charitable grants	913	30,000	30,913	247,281
	<u>£616,520</u>	<u>£164,567</u>	<u>£781,087</u>	<u>£1,041,775</u>
4. Legacies	£	£	£	£
Legacies	<u>£115,290</u>	<u>£ -</u>	<u>£115,290</u>	<u>£35,706</u>
5. Admissions, Subscriptions and Grants	£	£	£	£
Admission charges	49,744	-	49,744	49,966
Membership subscriptions	791,288	-	791,288	840,439
Government & commercial grants	-	1,197,188	1,197,188	77,477
	<u>£841,032</u>	<u>£1,197,188</u>	<u>£2,038,220</u>	<u>£967,882</u>
6. Other Income	£	£	£	£
Royalty income	65,781	-	65,781	73,929
Rental and other income	32,362	613	32,975	21,791
	<u>£98,143</u>	<u>£613</u>	<u>£98,756</u>	<u>£95,720</u>
7. Investment income	£	£	£	£
Bank interest	<u>£1,007</u>	<u>£ -</u>	<u>£1,007</u>	<u>£15,444</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

8. Total Resources Expended

	Staff Costs	Depreciation	Direct costs	Support costs	Total Funds 2009	Total Funds 2008
	£	£	£	£	£	£
Costs of generating funds						
- Fundraising and publicity	57,954	-	71,624	-	129,578	115,739
- Shop and restaurant costs	214,519	-	481,771	-	696,290	839,252
- Publication costs	12,717	-	11,834	-	24,551	21,530
	<u>285,190</u>	<u>-</u>	<u>565,229</u>	<u>-</u>	<u>850,419</u>	<u>976,521</u>
Charitable activities:						
- Gardens and gardening	458,102	55,742	76,402	150,747	740,993	924,837
- Education	363,398	31,852	419,832	86,141	901,223	438,912
- Information and training	171,438	7,963	161,886	21,535	362,822	380,129
- Research	338,667	39,815	90,619	107,677	576,777	664,848
- Marketing and PR	271,387	15,926	120,482	43,070	450,866	405,414
- Executive	151,557	7,964	34,099	21,537	215,157	251,445
	<u>1,754,549</u>	<u>159,262</u>	<u>903,320</u>	<u>430,707</u>	<u>3,247,838</u>	<u>3,065,585</u>
Governance costs	-	-	18,619	-	18,619	19,271
	<u>£2,039,739</u>	<u>£159,262</u>	<u>£1,487,168</u>	<u>£430,707</u>	<u>£4,116,876</u>	<u>£4,061,377</u>

	2009 £	2008 £
The aggregate payroll costs were		
Wages and salaries	1,777,180	1,776,837
Social security costs	150,558	141,592
Other pension costs	112,001	70,995
	<u>£2,039,739</u>	<u>£1,989,424</u>

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

	No.	No.
Total number of staff		
- Garden Organic	77	82
- Organic Enterprises Limited	<u>32</u>	<u>38</u>

The emoluments of one member of staff are within the range £70,001 to £80,000 (2008 one) Pension contributions of £5,354 (2008 £5,924) 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 eight trustees totalling £4,741 (2008 £6,822 to 9)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

9. Tangible Fixed Assets

	Land & Buildings £	Grounds & Research Equipment £	Fixtures & Fittings £	Total £
Group and Charity				
Cost				
At 1 January 2009	5,267,710	123,309	1,051,805	6,442,824
Additions	-	-	53,778	53,778
Transfer	10,570	(10,570)	-	-
At 31 December 2009	5,278,280	112,739	1,105,583	6,496,602
Depreciation				
At 1 January 2009	597,988	117,071	799,630	1,514,689
Charge for the year	92,286	900	66,076	159,262
Transfer	10,570	(10,570)	-	-
At 31 December 2009	700,844	107,401	865,706	1,673,951
Net Book Value				
31 December 2009	£4,577,436	£5,338	£239,877	£4,822,651
31 December 2008	£4,669,722	£6,238	£252,175	£4,928,135

Included in Freehold Land and Buildings is £458,000 (2008 £458,000) relating to land

Included within fixtures and fittings are assets held under hire purchase with a cost at 31 December 2009 of £31,245 (2008 £31,245) and accumulated depreciation of £9,374 (2008 £6,249)

10. Investments

	Group		Charity	
	2009	2008	2009	2008
	£	£	£	£
Shares in group undertakings	-	-	7	7
Other investments	-	14,505	-	14,505
	£ -	£14,505	£7	£14,512

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 running shops and restaurants at the charity's outlets, and the production and distribution of certain publications

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

The results for this subsidiary were as follows

	2009 £	2008 £
Profit and Loss account		
Turnover	767,965	894,961
Cost of sales	(639,918)	(756,022)
Gross profit	128,047	138,939
Other income	65,776	68,916
Administrative expenses	(111,296)	(104,760)
Net profit prior to gift aid to the charity	<u>£ 82,527</u>	<u>£103,095</u>
Net assets at 31 December	<u>£7</u>	<u>£7</u>
Investments in group undertakings comprise -	£	
Organic Enterprises Limited	7	
	<u>£7</u>	

10.2 Other Investments

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
Market value at 1 January 2009	14,505	15,057	14,505	15,057
Disposals	(14,505)	(552)	(14,505)	(552)
Market value at 31 December 2009	<u>£ -</u>	<u>£14,505</u>	<u>£ -</u>	<u>£14,505</u>
Investments at market value comprise				
UK fixed interest securities	<u>£ -</u>	<u>£14,505</u>	<u>£ -</u>	<u>£14,505</u>
Historical cost of UK fixed interest securities at 31 December	<u>£ -</u>	<u>£14,505</u>	<u>£ -</u>	<u>£14,505</u>

11. Stock

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
Stocks for resale	<u>£64,994</u>	<u>£63,790</u>	<u>£ -</u>	<u>£ -</u>

12. Debtors

	£	£	£	£
Trade debtors	106,957	157,181	89,875	145,939
Amount owed from group undertakings	-	-	82,527	7,428
Other debtors	35,195	55,024	25,195	40,255
Prepayments	26,054	30,174	24,469	30,174
	<u>£168,206</u>	<u>£242,379</u>	<u>£222,066</u>	<u>£223,796</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

13. Creditors: amounts falling due within one year

	Group		Charity	
	2009	2008	2009	2008
	£	£	£	£
Bank loan and overdraft (note 15)	303,784	338,278	303,784	338,278
Trade creditors	173,359	271,886	145,835	202,407
Amount owed to group undertakings	-	-	1,942	-
Obligations under hire purchase (note 15)	13,621	13,621	13,621	13,621
Other taxation and social security	101,510	93,568	86,386	72,322
Other creditors	31,160	24,489	26,802	17,457
Accruals and deferred income (note 13a)	675,083	702,073	675,083	702,073
	<u>£1,298,517</u>	<u>£1,443,915</u>	<u>£1,253,453</u>	<u>£1,346,158</u>

13a. Deferred income

	£
Deferred income at 1 January 2009	652,611
Released during year	(601,621)
Deferred in 2009	537,538
Deferred income at 31 December 2009	<u>£588,528</u>

	Group		Charity	
	2009	2008	2009	2008
	£	£	£	£
Deferred income due with one year	533,918	597,479	533,918	597,479
Deferred income due after more than one year	54,610	55,132	54,610	55,132
	<u>£588,528</u>	<u>£652,611</u>	<u>£588,528</u>	<u>£652,611</u>

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

	£	£	£	£
Bank loan (note 15)	729,373	797,963	729,373	797,963
Obligations under hire purchase (note 15)	20,431	34,053	20,431	34,053
Accruals and deferred income (note 13a)	54,610	55,132	54,610	55,132
	<u>£804,414</u>	<u>£887,148</u>	<u>£804,414</u>	<u>£887,148</u>

15. Borrowings

	Group		Charity	
	£	£	£	£
An analysis of loans is given below				
Amounts falling due within one year:				
Bank loan & overdraft	303,784	338,278	303,784	338,278
Hire purchase	13,621	13,621	13,621	13,621
Amounts falling due between one and two years:				
Bank loan	40,484	41,106	40,484	41,106
Hire purchase	13,621	13,621	13,621	13,621
Amounts falling due between two and five years:				
Bank loan	130,988	142,458	130,988	142,458
Hire purchase	6,810	20,432	6,810	20,432

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Amounts falling due after five years:

Bank loan	557,901	614,399	557,901	614,399
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. Additionally, in 2009 a loan of £300,000 was repaid and a new loan of £250,000 was taken out at an interest rate of 3.5% and is repayable after 12 months. Obligations under hire purchase contracts are secured on the assets acquired.

16. Pension Schemes

The Association together with its subsidiary, Organic Enterprises Limited, and other institutions participates in the Mercury Provident Pension Scheme, which provided benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Association, being invested with a pension fund management company. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees working lives with the Association. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2007, updated at 31 March 2009. 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 5% to 7% per annum and that present and future pensions would increase at the rate of 2.4% to 2.8% per annum.

The cost to the Association for the year in respect of the above scheme was £45,722 (2008 £25,627).

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

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

	2009 £'000
UK equities	3,029
Overseas equities	2,472
Bonds	2,781
Other	-
Property	683
Other	901
Fair value of assets held	9,866
Liabilities to members	21,600
Deficit	11,734

The pension scheme deficit has not been incorporated in the balance sheet of the charity.

The scheme was closed to future accruals as at 31 December 2008.

The next triennial actuarial valuation of the scheme will be as at 31 March 2010.

The Association also makes contributions to a defined contribution stakeholder scheme. The pension cost charged to the financial statements in the year in respect of this scheme was £66,279 (2008 £45,368). At the end of the year there were no outstanding contributions payable (2008 £nil).

17. Restricted funds	Balance at 1 January 2009 £	Movement in Resources & Transfers £	Balance at 31 December 2009 £
Appeals:			
Adopt-A-Veg	-	7,310	(7,310)
Education Appeal	-	5,433	(5,433)
International Appeal	305	-	(305)
Appeals Total	305	12,743	(13,048)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Projects:				
Leader	4,811	16,163	(20,310)	664
Sowing New Seeds	-	30,500	(6,635)	23,865
14 – 19 Curriculum	-	2,500	-	2,500
Fruitfull Schools	-	-	(8)	(8)
Carbon Gold	-	3,235	-	3,235
Wrap Compost Trials	3,932	4,800	(9,020)	(288)
HRI Vegetables varieties	1,307	4,206	(4,249)	1,264
EU Leafy Veg	-	-	(13,516)	(13,516)
MAFF Economic Organic Farming	3	1,175	(3)	1,175
Strawberry Fruit Link	2,398	17,288	(17,935)	1,751
Misc Restricted projects	5,650	7,886	(12,458)	1,078
DEFRA Weeds	18	28	(46)	-
EU Rotate	(3)	-	3	-
Overseas Advisory Work	863	944	-	1,807
HDC Green Manures	6,337	1,080	(6,086)	1,331
DEFRA Fertility Building Crops	23,003	90,811	(108,747)	5,067
ADAS Weeds	(682)	1,520	(1,066)	(228)
Socio – Economics	4,018	1,958	(5,450)	526
Disease Management in Brassicas	-	3,221	(2,024)	1,197
Spatial & Temporal Management of Land	-	8,695	(6,511)	2,184
UK Rotate	-	10,428	(10,428)	-
Bio Dynamic Garden	1,118	-	(1,118)	-
Uganda Fruit	-	-	(750)	(750)
Cuba Dissemination	15,438	1,348	(15,048)	1,738
Afghan Mercy Corps	12,936	-	(138)	12,798
Prosopsis Chainsaw Milling	4,565	150	(1,695)	3,020
Therapy Garden For Children	-	50,000	(7,500)	42,500
RELU – scale	2,649	10,251	(12,308)	592
Lillian Goldman Trust	25,459	44,146	(49,320)	20,285
Food for Life Partnership	(7,952)	996,334	(824,801)	163,581
Master Gardener Programme	-	45,150	(4,597)	40,553
Buckinghamshire Master Composter Scheme	1,807	8,716	(9,603)	920
Warwickshire Master Composter Scheme	1,628	3,925	(5,292)	261
Worcestershire Master Composter Scheme	2,392	13,010	(14,803)	599
WRAP Training	4,995	11,985	(16,980)	-
Norfolk Master Composter Scheme	5,159	40,014	(42,728)	2,445
Shropshire Master Composter Scheme	2,810	-	(8,915)	(6,105)
Enfield Master Composters	1,906	-	(871)	1,035
Pembrokeshire Master Composters	680	189	(443)	426
Suffolk Master Composters	3,523	7,793	(10,086)	1,230
Oxfordshire Master Composters	5,669	9,882	(16,926)	(1,375)
Other Research	8,321	5,285	(12,011)	1,595
Cheshire Master Composters	6,203	11,881	(16,338)	1,746
Leicestershire Master Composters	(898)	11,944	(11,951)	(905)
Projects Total	150,063	1,478,441	(1,308,711)	319,793
Capital Appeal				
Vegetable Kingdom Appeal	3,327,026	-	(127,392)	3,199,634
Total restricted funds	£3,477,394	£1,491,184	£(1,449,151)	£3,519,427

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Projects:

Leader, (Central Warwickshire Villages LEADER) a programme in partnership with Warwickshire County Council providing grants to local communities groups for arts and gardening projects

Sowing New Seeds, a new project building links within communities by encouraging growers to share knowledge and plant resources concerning exotic crops

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

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

Carbon Gold, a project evaluating an organic growing medium

WRAP Compost Trials, field trials conducted to demonstrate the benefits of spreading green waste compost in organic field vegetable production

HRI Vegetable Varieties, a project breeding and evaluating varieties for low input production systems

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

MAFF Economic Organic Farming, a project which evaluates the economics of organic horticulture systems

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

DEFRA Weeds, a completed project using participatory approaches for studying the management of weeds in organic systems

EU Rotate, a completed project to develop computer models to help farmers manage nitrogen better

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

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

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

Socio-Economics, a project to analyse socio-economic aspects of local and national farming markets

Disease Management in Brassicas; a project to develop new techniques for seedling diseases of brassicas

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

UK Rotate, a short project to test computer models for nitrogen management in horticultural rotations

The Bio-Dynamic Garden, fund represents the balance of unallocated funds received to construct and maintain the Bio-Dynamic Garden built at Ryton in 2007

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Therapy Garden for Children, a project working with Special educational Need Schools setting up food growing gardens

RELU – scale, a project comparing organic with non-organic farming systems and economics, our involvement in the RELU/Scale project is looking at the impact of clusters of organic and non-organic farms

The Lillian Goldman Trust, represents funding received to support the work of the Heritage Seed Library

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

The Master Gardener Programme, a new project establish volunteers mentoring networks to encourage and support people and communities to grow fruit and vegetables in their gardens and on communal land

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

WRAP Training, a contract that provides local authority and WRAP home compost personnel with training on home composting

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 2009	Total Funds 2008
	£	£	£	£
Fund balances at 31 December 2009 are represented by:				
Tangible fixed assets	1,623,017	3,199,634	4,822,651	4,928,135
Investments	-	-	-	14,505
Current assets	165,908	607,448	773,356	824,124
Current liabilities	(1,010,862)	(287,655)	(1,298,517)	(1,443,915)
Creditors amount falling due after more than one year	(804,414)	-	(804,414)	(887,148)
Total net assets	£(26,351)	£ 3,519,427	£3,493,076	£3,435,701

20. Operating lease commitments

At 31 December 2009 the Group had annual commitments under operating leases as set out below

	2009 £	2008 £
Office equipment		
Operating leases which expire		
Within one year	-	4,049
Between two and five years	13,674	1,508

21. Capital commitments

There were capital commitments of £Nil (2008 £Nil) at the year end

22. Post balance sheet events

With effect from 1 February 2010, the subsidiary company, Organic Enterprises Limited, has transferred the running of its shop and catering facilities to Webbs Garden Centres Limited



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