

REGISTRAR OF COMPANIES

The A Team Foundation Limited

**Annual Report and Financial
Statements**

5 April 2019

Company Limited by Guarantee
Registration Number
03775136 (England and Wales)

Charity Registration Number
1077094

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Reference and administrative information

Directors	Mr Benjamin Arbib Mrs Tamara Arbib
Registered office	61 Grosvenor Street London W1K 3JE
Company registration number	03775136 (England and Wales)
Charity registration number	1077094
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	C Hoare & Co 37 Fleet Street London EC4P 4DQ
Investment managers	Thesis Asset Management Ltd Exchange Building, St John's Street Chichester West Sussex PO19 1UP
Solicitors	Wilsons Alexandra House St Johns Street Salisbury SP1 2SB

Directors' report Year ended 5 April 2019

The directors present their statutory report together with the financial statements of The A Team Foundation Limited for the year ended 5 April 2019.

This report has been prepared in accordance with Part VIII of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out on pages 15 to 18 of the attached financial statements and comply with the Memorandum and Articles of Association of The A Team Foundation Limited, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

GOVERNANCE, STRUCTURE AND MANAGEMENT

Constitution

The A Team Foundation Limited is a company limited by guarantee (Registration Number 03775136) and a registered charity (Registration Number 1077094).

Directors

The names of the directors who served during the period are set out as part of the reference and administrative information on page 1 of these Annual Report and Financial Statements.

The Articles of Association require a minimum of two directors and a maximum of seven. Directors may co-opt any person duly qualified to fill a vacancy in their number or as an additional director. Decisions on investments and donations are taken by all directors.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of The A Team Foundation Limited and of its income and expenditure for the financial year then ended. In preparing these financial statements, the directors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Directors' responsibilities statement (continued)

- ◆ 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 charity will continue in operation.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. The directors 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.

Each of the directors confirms that:

- ◆ so far as the director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Risk management

The directors have identified the major risks to which the charity is exposed and remain confident that they have in place systems and procedures to mitigate the risks. They feel that the main risk to which the charity is exposed is the protection of assets and income. The income of the charity is mainly derived from the portfolio of investments held within the charity. The directors monitor the performance of the investments and regularly review their investment policy, meeting on a quarterly basis to consider the investment yields and capital growth.

Key management personnel

The directors are the key management and as such have not at any time received any remuneration for their services.

OBJECTIVES, ACTIVITIES AND RELEVANT POLICIES

Charitable objectives and activities

The charity's principal activity is its grant-making programme. In accordance with its Articles of Association the charity is to promote any charitable purpose or support any charity selected by the directors. The directors seek through their grant-making programme to support charitable projects in areas identified as being of particular interest to them. These areas include the promotion of a greater understanding of the links between the consumption and production of foods and their effects on human health, social wellbeing and the environment. The directors do not anticipate any changes to their grant making priorities.

The directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year. Whilst the directors are mindful of their own obligation to ensure that the charity benefits the public generally, they take some assurance from the fact that recipients of grants are themselves regulated to ensure that they operate for the public benefit.

Grant making policy

The directors take a strategic approach to grant-making and do not respond to unsolicited applications. Potential recipients of grants are identified by the directors individually, in areas where it is perceived that public benefit will be achieved. The opportunity to benefit is not restricted in any way except that grants are principally made to charitable organisations within the UK, not least to facilitate the directors being able to follow up on efficacy of the grants made.

Investment policy

The investment strategy is set by the directors, who consider the charity's income requirements, the risk profile and the view of economic and market conditions. The investment objectives are to obtain a balanced return from both capital growth and income. The directors meet on a regular basis to consider the charity's portfolio and investment performance.

Fundraising

The Foundation does not fundraise directly with individuals and therefore is not registered with the Fundraising Regulator. No fundraising activities are undertaken and if donations from individuals were received, the Foundation would aim to protect personal data and would never sell data or swap data with other organisations.

ACHIEVEMENTS AND PERFORMANCE

During the year ended 5 April 2019, grants payable amounted to £115,375 (2018 - £927,293). Details of the grants and recipients are provided in note 3 to the accounts. An impact assessment of three grants made in recent years is provided below.

Agroecology Fund (AEF)

Contributions into the Fund for Agroecology, £19,920 grant in 2018/19

The AgroEcology Fund (AEF) is a pooled donor fund focused on agroecology globally. Since establishment AEF has grown from four to twenty-one donors. Their four grant cycles have awarded \$4 million to 201 collaborating organizations over multiple continents. Their philanthropic model pools the wisdom and expertise from among their grantees, advisors and donors to further collaboration among groups amplifying sustainable food systems that respect the knowledge of small farmers, women, youth and indigenous communities. Grantees are expanding farmer knowledge and practice, strengthening women's leadership, and are advocating for favourable policies conducive to agroecology.

AEF began its work in 2012 and is currently supported by a diverse group of U.S, Asian and European funders with all committed to international grant making to advance agroecology. While each organisation maintains its independent programs, they are united by their interest in amplifying agroecological practices and policies throughout the world. In six years, AEF has awarded \$4.03m to 36 collaboratives that include a total of 202 organisations in Africa, Asia, Europe, Latin America and the USA. The 5th round of grant making was completed in June 2019.

An example of the one of the projects from the 2018 cohort was a collaborative piece by La Via Campesina (LVC), ETC Group, and GRAIN. They have a decades-old alliance to promote food sovereignty and resist corporate-controlled industrial agriculture. LVC is a global alliance of small farmers working in over 70 countries which initiated the struggle for food sovereignty globally. GRAIN and ETC are cutting edge research institutions that analyze policies affecting our food system, particularly in the areas of biotech, climate change and land use.

The three collaborating organizations have defended and amplified the peasant-led agroecology and seeds agendas, globally and in farmers' fields, by strengthening the capacities and strategies of farmers' movements and their allies. They have been actively supporting civil society participation and campaigning together at UN forums such as the UNFAO in Rome, the UNCHR in Geneva, UNFCCC, UNCBD, as well at the national level of many countries to promote agroecology and peasants' rights. A recent achievement was the approval, by a large majority, of the Declaration of Peasants Rights at the United Nations General Assembly in December 2018. This was the result of a twenty year-long campaign involving allies across sectors and regions. The Declaration is a new human rights instrument that will help in advocacy to protect and defend the rights of small-scale food producers to seeds, land, biodiversity, water, fair prices, accessible markets, healthy food and against repression. The Declaration has many critical elements linked to agroecology that can be used as legal instruments to advance agroecology globally.

ACHIEVEMENTS AND PERFORMANCE (continued)

Gaia Foundation

Seed Sovereignty Programme, grants in excess of £250,000 made over last three years

The Seed Sovereignty Programme supports the development of a bio-diverse and resilient seed system in the UK and Ireland, underpinned by the pillars of food and seed sovereignty. Seeds are the starting point of 9 out of 10 bites of food available in the world today. Enlightened seed production is faced by a barrage of challenges; loss of biodiversity, corporate consolidation, industrialised food system, greater regulations, privatisation of plant breeding, loss of knowledge and skills, limited resources, and lack of awareness. The seed sovereignty programme provides an enlightened alternative.

The programme has three objectives:

- To support and cultivate regional and national connections and collaboration to provide coherence across the food and seed sector.
- To support farmers and growers with further skills, resources and information.
- To foster a more supportive environment for a biodiverse and ecologically sustainable seed system to thrive.

The Seed Sovereignty UK & Ireland Programme is now established and gaining interest from small-scale growers from a diverse range of landscapes. Due to demand and capacity, the 5 part-time coordinators have primarily focused on reaching out to growers and existing small-scale seed producers and providing trainings for those interested in furthering their skills. Attendees have ranged from growers considering seed production as a viable business, and therefore building on their existing seed saving experience, to those private growers looking to produce seed on a smaller scale as a supplier for the likes of the Seed Cooperative or Real Seeds.

The training courses for seed growing and saving are receiving strong feedback. From the growers that attended training events in 2018 many are now growing for seed for the first time. For example, in South-West England, 13 growers have produced seed for the first time. 4 growers were producing seed for their own use, exchange and for sale. 1 grower just for their own use. 4 growers had increased their production and the number of varieties. This success is being repeated in the other regions of the UK.

In early December 2018, the programme coordinated the first 'Seed Week' to highlight the importance of local and organic seed, and where to buy it. This was done in collaboration with partners and it was a great way to drive interested parties towards sustainable seed suppliers and Regional Coordinators for more information; even featuring on BBC Wales. Their second Seed Week ran through March which highlighted the increasing concentration of the seed industry into just a few companies.

ACHIEVEMENTS AND PERFORMANCE (continued)

In addition to grants, the charity has made loans to the following organisations in the year:

Almendrehesa

Harvest Support, €100,000 short term loan

Almendrehesa accesses the national and international markets for regenerative, high quality organic almonds harvested by farmers that carry out organic regenerative agriculture. Simultaneously, but in smaller amounts, La Almendrehesa commercialises organic almonds, not necessarily from regenerative farms but from certified organic production of different local producers.

The idea of La Almendrehesa was born in 2015 during the initial stages of Commonlands and AlVelAls landscape restoration intervention. It was designed to add value to local produce that came as a result from the landscape and farm restoration activities. Being part of the movement of restoring natural, social and economic "landscapes", activities are based on Commonland's business and restoration model:

"4 returns, 3 zones, 20 years - A Return of Inspiration, a Return of Social Capital, a Return of Natural Capital and a Return of Financial Capital; a Natural Zone, a Mixed Zone and an Economic Zone and a 20-year vision, since it takes at least one generation to restore a landscape".

Within this framework Almendrehesa S.L.- with brand name La Almendrehesa® - was established in September 2016 to serve as a financial driver for landscape restoration in South-eastern Spain.

The loan of €100,000 was provided for the upfront purchase of almonds from the 2018 (late summer/early autumn) harvest by farmers committed to regenerative agriculture. The loan contributed to the working capital that purchased 86t of almonds. Sales of the Almonds started in November 2018.

The purchase of almonds was successful and even with some challenges, the loan will be repaid on schedule.

The challenges range from existing customers ordering lesser amounts to a delay in supplying stock for Almendrehesa's strategy of adding value through roasting the almonds in herbs. It was expected and budgeted that one German supermarket, was to purchase Almendrehesa's specialty almonds. However they pulled out, likely due to a combination of analyzing that their existing permaculture lines do not presently sell well due to a lack of education by the consumer around permaculture and the potential for the supermarket to be sold. This was the biggest negative influence on this year's trading.

The consequences of the situation is that Almendrehesa may end the year without breaking even (but without effecting the loan repayment). Although this is undesirable, it hasn't prevented them considering this year's harvest and they have asked to open conversations again after the loan is to be repaid (late summer 2019).

ACHIEVEMENTS AND PERFORMANCE (continued)

Investment performance

There were various acquisitions and disposals of investments during the year. The realised investment gain on disposals for the year ended 5 April 2019 was £496,100 (2018 – gains of £25,545) while the unrealised loss on changes in the market value of investments amounted £130,123 (2018 – gain of £1,620,910).

The Investment portfolio yielded dividends and interest amounting to £196,580, (2018 - £258,681) in the year. The directors consider investment performance to be in line with market conditions. In addition, interest was earned on cash held in short term deposit accounts and secured loans amounting to £8,068 (2018 - £3,333).

FINANCIAL REVIEW

Results for the period

During the year ended 5 April 2019, total unrestricted income of £231,265 (2018 - £276,324), mainly from investments, and incurred expenditure of £258,778, (2018 - £1,039,748) of which 42% related to grants payable, which resulted in a net deficit on unrestricted funds of £27,513. After foreign exchange gains of £168,206 (2018: loss of £26,644, and a transfer of £87,670 (2018 - £801,865) to the expendable endowment fund, gave a balance of £482,907 (2018 - £254,544) on the unrestricted funds as at 5 April 2019.

After investment management fees of £16,168, net investment gains of £365,977 (2018 – net investment gains of £1,646,455) and the transfer of £87,670 to the unrestricted fund the expendable endowment fund totalled £15,401,324 (2018 - £15,139,185) at 5 April 2019.

Reserves policy and financial position

As at 5 April 2019 total funds of £15,884,231 were carried forward in accordance with the directors' policy on reserves. The policy is to expend the income generated by the endowment fund to the fullest extent possible, in as much that the directors are able to identify suitable recipients during the year. The endowment will be invested with the intent to, as far as possible, retain its capital value and produce an annual income.

FUTURE PLANS

The directors are satisfied with their grant making policy and it is their intention to support a wide and varied number of charities.

Approved by the directors and signed on their behalf by:



Director

Benjamin Arbib

Approved on: 28 / 12 / 2019

The A Team Foundation Limited

Independent auditor's report to the members of The A Team Foundation Limited

Opinion

We have audited the financial statements of The A Team Foundation Limited (the 'charitable company') for the year ended 5 April 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 5 April 2019 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the directors' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other

Independent auditor's report Year ended 5 April 2019

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to

Independent auditor's report Year ended 5 April 2019

influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



2 January 2020

Katharine Patel, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities year to 5 April 2019

	Notes	Unrestricted funds £	Expendable endowment £	Total 2019 £	Total 2018 £
Income from:					
Investment income	1	196,580	-	196,580	258,681
Interest receivable	2	8,068	-	8,068	17,043
Donations received		26,617	-	26,617	600
Total income		231,265	-	231,265	276,324
Expenditure on:					
On charitable activities	3/4	258,778	16,168	274,946	1,051,294
Total expenditure		258,778	16,168	274,946	1,051,294
Net expenditure before gains on investments and foreign exchange		(27,513)	(16,168)	(43,681)	(774,970)
Net gains/(losses) on foreign exchange		168,206	-	168,206	(26,644)
Net gains on investments	7	-	365,977	365,977	1,646,455
Net income before transfers		140,693	349,809	490,502	844,841
Transfer between funds		87,670	(87,670)	-	-
Net movement in funds for the year		228,363	262,139	490,502	844,841
Fund balances brought forward at 6 April 2018		254,544	15,139,185	15,393,729	14,548,888
Fund balances carried forward at 5 April 2019	13	482,907	15,401,324	15,884,231	15,393,729

All recognised gains and losses are included in the statement of financial activities.

All of the charity's activities are derived from continuing operations.

Balance sheet as at 5 April 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Investments	7		15,237,771		14,374,443
Current assets					
Debtors:	8				
Amounts falling due within one year		-	-	-	-
Amounts falling due after one year		557,858		317,496	
		557,858		317,496	
Cash at bank	9	361,911		1,220,748	
		919,769		1,538,244	
Current liabilities					
Creditors: amounts falling due within one year	10	(273,309)		(279,008)	
Net current assets			646,460		1,259,236
Total assets less current liabilities			15,884,231		15,633,679
Non-current liabilities					
Creditors: amounts falling due after more than one year	11		-		(239,950)
Net assets			15,884,231		15,393,729
The funds of the charity					
<i>Capital funds</i>					
Expendable endowment fund			15,401,324		15,139,185
<i>Income funds</i>					
Unrestricted funds – general fund			482,907		254,544
Total charity funds	13		15,884,231		15,393,729

Approved by the directors and signed on their behalf by:

 Benjamin Arbib
Director

Approved on: 28/12/2019

The A Team Foundation Limited

Company Registration Number 03775136 (England and Wales)

Statement of cash flows Year to 5 April 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(566,134)	(726,927)
Cash flows from investing activities:			
Investment income		196,580	258,681
Interest received		8,068	3,333
Proceeds from the disposal of investments		9,531,581	1,561,103
Purchase of investments, less capital distributions		(10,028,932)	(1,154,361)
Net cash (used in) provided by investing activities		(292,702)	668,756
Change in cash and cash equivalents in the year		(858,837)	(58,171)
Cash and cash equivalents at 6 April 2018	B	1,220,748	1,278,919
Cash and cash equivalents at 5 April 2019	B	361,911	1,220,748

Notes to the statement of cash flows for the year to 5 April 2019.

A Reconciliation of net movement in funds to net cash used in operating activities		
	2019 £	2018 £
Net movement in funds (as per the statement of financial activities)	490,502	844,841
Adjustments for:		
Interest receivable	(8,068)	(17,043)
Investment income	(196,580)	(258,681)
Movements in market value of investments	130,123	(1,620,910)
Gains on disposal of investments	(496,100)	(25,545)
(Increase) in debtors	(240,362)	(169,551)
(Decrease)/Increase in creditors	(245,649)	519,962
Net cash used in operating activities	(566,134)	(726,927)
B Analysis of cash and cash equivalents		
	2019 £	2018 £
Cash at bank and in hand	361,911	1,220,748
Total cash and cash equivalents	361,911	1,220,748

Principal accounting policies 5 April 2019

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. The financial statements have been prepared under the historical cost except for the modification to a fair value basis as specified in the accounting policies below.

The charity constitutes a public benefit entity as defined by FRS 102.

All financial information is presented in British Pounds Sterling (£), the charity's functional currency, and has been rounded to the nearest pound (£).

Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates and judgements. It also requires the directors to exercise judgement in the process of applying accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including an expectation of future events that are believed to be reasonable under the circumstances. Although these estimates are based on the directors' best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas requiring the use of estimates and critical judgements that may impact on the charity's financial activities and financial position include:

- the directors' assessment of the market value for investments in UK and Overseas private limited companies or investment vehicles, where there may be limited market based evidence of their valuation; and
- the directors' assessment of recoverability and consideration of impairment provisions in relation to loans receivable.

Assessment of going concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The directors consider that the expected investment returns and investment performance of the charity's investment portfolio will be sufficient to generate financial resources to allow the charity to continue its charitable activities for the foreseeable future and meet liabilities as they fall due.

Principal accounting policies 5 April 2019

Income

Investment income includes dividends and interest on the charity's portfolio of listed investments. Dividends are recognised once the dividend has been declared and the charity has received notification that the dividend is due.

Interest on the charity's investment portfolio and funds held on deposit is recognised when receipt is probable and the amount can be measured reliably using the effective interest method. Included as interest receivable is any financing element where grant commitments are offered by the charity over a period greater than one year from the balance sheet date.

Income from donations is recognised in the period in which the charity becomes entitled to the donation and where receipt is probable and its amount can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. It includes VAT which cannot be recovered.

Expenditure on charitable activities comprises grants payable and related support and governance costs.

Grants payable

Grants payable are recognised when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the financial statements.

Support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administration, personnel and governance costs. Governance costs include audit costs and legal costs relating to the charity's compliance with regulation and good practice.

Investment management fees incurred in managing the investments of the endowment are charged against the endowment fund.

Fixed asset investments

The charity's investment in quoted shares and similar investments are initially measured at cost and subsequently at market value. Investment gains and losses, whether realised or unrealised, are recognised in the statement of financial activities in the period in which they arise.

The charity's investment in unquoted shares and similar investments are initially carried at cost and subsequently at market value unless the market value cannot be measured reliably in which case the investments are valued at cost less impairment. Investment gains and losses, whether realised or unrealised, together with impairment charges are recognised in the statement of financial activities in the period in which they arise.

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the balance sheet when the charity becomes party to the contractual provisions of the instrument.

Debtors

Other debtors and loans receivable are initially recognised at their settlement amount and subsequently at amortised cost or their recoverable amount. Impairment provisions are recognised when there is objective evidence, such as significant financial difficulties on the part of the counterparty or default or a significant delay in payment, that the charity will be unable to collect all of the amounts due.

Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be measured or estimated reliably.

Creditors and provisions are initially recognised at fair value, being the amount the charity anticipates it will pay to settle the debt, and subsequently at amortised cost.

Non-current creditors are measured at their present value at the balance sheet date where the time value of money is material. On initial recognition, the financing element of non-current creditors is recognised as income as interest receivable and the subsequent unwinding of the discount is charged against income as an interest expense.

Financial instruments

The company only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the company and their measurement basis is as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 8. Prepayments are not financial instruments.

Cash and cash equivalents – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – accruals and grant commitments are basic financial instruments and are measured at amortised cost or present value as detailed in notes 10 and 11. Taxation and social security are not included in the financial instrument disclosure definition. Deferred income is not deemed to be a financial liability, as cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Principal accounting policies 5 April 2019

Foreign currency transactions and balances

Cash held in foreign currency accounts are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Fund accounting

The unrestricted funds represent funds available for the general charitable purposes of the charity at the discretion of the directors.

The expendable endowment fund represents monies retained as capital which is available for the general charitable purposes of the charity at the discretion of the directors.

Notes to the financial statements 5 April 2019

1 Investment income

	2019 £	2018 £
Investment management fee rebates	3,825	3,825
Investments listed on a recognised stock exchange		
Dividends – UK unit trusts	63,988	40,977
Dividends – UK investments	15,726	19,789
Dividends – Overseas investments	25,991	41,757
Interest – UK unit trusts	87,050	152,333
	<u>196,580</u>	<u>258,681</u>

2 Interest receivable

	2019 £	2018 £
Loan interest receivable	8,068	3,312
Other interest – Tax Supplements	-	21
Discount on initial recognition of non-current grant liabilities	-	13,710
	<u>8,068</u>	<u>17,043</u>

Notes to the financial statements 5 April 2019

3 Charitable expenditure

	2019 £	2018 £
Grants payable:		
Amihan National Federation of Peasant Women	24,917	-
Bowel Cancer	1,000	-
Compassion in World Farming	-	10,000
Farmerama Radio	3,500	-
The Gaia Foundation (4 grants)	-	195,000
Heart Productions (Organic Rising Documentary)	6,025	-
Human Food Project (4 grants)	44,396	666,902
Ibiza Preservation Fund	-	17,950
Land Work Alliance	1,000	5,000
New Venture Fund (Agroecology Fund)	19,920	19,941
Pesticide Action Network	8,392	
Organic Research Centre	-	5,000
Real Farming Trust	3,000	5,000
School Food Matters	2,775	-
School Social Entrepreneur	450	-
Soil Association	-	1,000
Team Rubicon 2	-	1,500
Total grants payable	115,375	927,293
Support and governance costs (note 4)	159,571	124,001
Total charitable expenditure	274,946	1,051,294

A reconciliation of grants payable and grant commitments as shown above and notes 10 and 11 are as follows:

	2019 £	2018 £
Grant commitments at 6 April 2018	515,958	10,000
Grants made during the year, less lapsed commitments	115,375	927,293
Total grants payable	631,333	937,293
Grants paid during the year	(361,224)	(407,625)
Discounting on initial recognition of non-current grant liabilities	-	(13,710)
Commitments at 5 April 2019	270,109	515,958

	2019 £	2018 £
The above grants commitments fall due as follows:		
Within one year (note 10)	270,109	276,008
After one year (note 11)	-	239,950
	270,109	515,958

4 Support and governance costs

	2019 £	2018 £
Consultancy and wage costs	115,460	95,836
Investment management fees	16,168	11,546
Governance costs	27,943	16,619
	159,571	124,001

Analysis of governance costs:

	2019 £	2018 £
Auditor's remuneration	4,370	3,519
Legal fees	335	4,800
Bank charges	1,213	735
Other expenses	22,025	7,565
	27,943	16,619

5 Staff costs, directors' remuneration and key management personnel

	2019 £	2018 £
Staff costs comprised:		
Salaries and wages	22,432	15,469
Social security costs	2,230	2,753
	24,622	18,222

The Foundation employs one employee (2018 - one).

No remuneration was paid to any director in respect of their services during the year (2018 – None).

One director was involved in monitoring and due diligence activities connected to the making of grant payments and expenditure of £1,042 was incurred and directly paid to third parties for travel, subsistence and accommodation related to these activities. (2018 – £6,738)

The directors' of the charity are considered to be the key management personnel.

6 Taxation

The A Team Foundation Limited is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the financial statements 5 April 2019

7 Investments

Fixed asset investments comprise both listed and unlisted investments as follows:

Investments	2019 Listed £	2019 Unlisted £	2019 Total £	2018 Total £
Market value at start of year	13,549,174	825,269	14,374,443	13,134,730
Additions at cost	8,411,844	1,694,043	10,105,887	1,331,404
Capital distributions	-	(76,955)	(76,955)	(177,043)
Disposals at carrying value (proceeds £9,531,581; realised gain £496,100)	(9,035,481)	-	(9,035,481)	(1,535,558)
Revaluation gains in year	397,160	(527,283)	(130,123)	1,620,910
Market value at end of year	13,322,697	1,915,074	15,237,771	14,374,443
Historical cost	12,243,335	1,904,235	14,147,570	10,057,224

Capital distributions have been accounted for as a reduction in the carrying value of the underlying investment.

The amounts recognised in the statement of financial activities arising from changes in investments are:

	2019 £	2018 £
Gains on disposal	496,100	25,545
Movements in market value	(130,123)	1,620,910
	365,977	1,646,455

Investments comprise:

	Quoted Investments 2019 £	Unquoted Investments 2019 £	Total 2019 £	Total 2018 £
Investment assets in the UK				
- UK Equities	1,802,632	-	1,802,632	1,399,242
- UK Unit & Investment Trusts	5,301,148	-	5,301,148	6,749,220
- UK Fixed Interest	832,223	-	832,223	782,973
- UK Private Equity Funds	-	100,006	100,005	-
	7,936,003	100,006	8,036,009	8,931,435
Investment assets outside the UK				
- Overseas Equities	5,386,694	-	5,386,694	5,191,682
- Overseas Private Equity Funds	-	1,815,068	1,815,068	251,326
	5,386,694	1,815,068	7,201,762	5,443,008
Total	13,322,697	1,915,074	15,237,771	14,374,443

The following individual holdings had a market value in excess of 5% of the entire investment portfolio at the year end:

	2019 £	2018 £
. SSE	947,920	-
. P2P Global Investment	832,223	782,973
. Lansdowne Energy Dynamics N/R Voting Inst ACC	1,818,654	-
. Lansdowne Developed Market Long Only Fund	816,632	880,469
. LSG Craftory	768,581	-

8 Debtors

	2019 £	2018 £
<i>Due within one year:</i>		
Income tax repayment	-	-
	-	-
<i>Due after one year:</i>		
Loan (see below)	557,858	317,496
	557,858	317,496

Loans have been made to organisations that have similar charitable objectives to the Foundation. These loans consists of:

- A secured loan to the Ecological Land Co-op which is interest bearing at 2% per annum, paid bi-annually. The loan is repayable from 2021.
- A short term advance of \$25,000 to Regenerative Earth. The advance is repayable by a single payment on 12 February 2020 and interest bearing at 5% (compounded annually).
- A short term loan of €100,000 to Almendrehesa. The loan is unsecured and interest is payable at 2.5% pa. The loan is due for repayment in 2020.

9 Cash at bank and short term deposits

	2019 £	2018 £
C Hoare & Co	198,358	456,006
Thesis Unit Trust Management	163,553	764,742
Cash at bank	361,911	1,220,748

10 Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals	3,200	3,000
Grant commitments (note 3)	270,109	276,008
	273,309	279,008

11 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Grant commitments (note 3)	-	239,950

12 Related party transactions

Mr B Arbib is a director of Thamesis Limited. The charity holds 10 ordinary 5 pence shares in Thamesis Limited which represents 6.25% of its issued share capital. The charity holds the shares at their nominal value.

Notes to the financial statements 5 April 2019

13 Analysis of net assets between funds

	Expendable endowment £	Unrestricted funds £	Total 2019 £
Fund balances at 5 April 2019 are represented by:			
Investments	15,237,771	-	15,237,771
Debtors: amounts falling due within one year	-	557,858	557,858
Cash at bank and short term deposits	163,553	198,358	361,911
Creditors: amounts falling due within one year	-	(273,309)	(273,309)
Net assets	15,401,324	482,907	15,884,231