

Companies House

The A Team Foundation Limited

Annual Report and Financial Statements

5 April 2020

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 Annabel Nicoll (appointed – 10 February 2020) Mr Paul Reynolds (appointed – 10 February 2020) Mrs Tamara Arbib (resigned – 15 January 2020)
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

Directors' report Year ended 5 April 2020

The directors present their statutory report together with the financial statements of The A Team Foundation Limited for the year ended 5 April 2020.

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 17 to 20 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 three 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 2020, grants payable amounted to £447,734 (2019 - £115,375). Details of the grants and recipients are provided in note 3 to the accounts. An impact assessment of four grants made in recent years is provided below.

Agroecology Fund

Contributions into the annual Fund for Agroecology (Round 5), £39,771

The AgroEcology Fund (AEF) is a pooled donor fund focused on global agroecological initiatives. Since establishment, AEF has grown from four to twenty one donors. Their philanthropic model pools the wisdom and expertise from among their grantees, advisors and donors to advocate for and further collaboration among groups amplifying sustainable food systems that respect the knowledge and practice of small-scale farmers, women, youth and indigenous communities.

AEF began its work in 2012, supported by a diverse group of U.S., Asian and European funders committed to grant-making that advances international agroecology. In just seven years, AEF has awarded \$6.1 million to 49 collaboratives made up of 293 local, regional and global organisations from Africa, Asia, Europe, Latin America and the USA, supporting viable food systems, economic well-being and human rights, whilst also mitigating climate change through low input agriculture, such as sustainable soil and water use.

The 5th round of grant making was completed in early 2019, which includes a continuation of the collaborative work between La Via Campesina (LVC), ETC Group, and GRAIN funded in 2018. The alliance will continue to defend and amplify the peasant-led agroecology movement, from farmers' fields to the global agenda, by strengthening local networks, as well as analysing, influencing and holding to account the policies and practices of governments, agencies and the private sector. This will build upon the achievements of this collaboration so far, that demonstrate the breadth and depth of their impact, including the historic 2018 UN Declaration on the Rights of Peasants and other international successes in the UN food and biodiversity governance processes.

Other organisations leading on AEF-funded collaborations include the Indigenous Peoples Alliance for Traditional Knowledge (IITC), which represents over 100 Indigenous affiliates from 5 regions of North and South America. The IITC initiative focuses on food sovereignty and climate change, working to restore, revitalize, protect and strengthen local food systems through the sharing and protection of seeds, practices and methods of indigenous food producers' time-tested traditional knowledge. Through community food sovereignty gatherings, IITC is expanding its network to strengthen the foundation of a movement growing to include youth and elders alike.

Further round 5 collaborations include: a 'Food Neighbourhood' approach to tackling major, global challenges of food and nutritional security, agricultural production and environmental sustainability; supporting small producers in Mexico to integrate the sustainable management of soils with coffee and corn production, aiming to increase productivity and food security for 1200 families in the face of increased droughts and floods; an academic effort to build and valorise traditional knowledge of biodiversity in Brazil and open new markets for the generation of income as a strategy to conserve it, whilst supporting women and young people; and campaigns across Africa and Asia for food security, land rights and climate conservation through agroecology.

Gaia Foundation

Seed Sovereignty Programme for UK and Ireland, £35,000

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 in its second phase, with a focus on forging new national and international connections and alliances with seed producers. The training and facilitation planned for spring / summer 2020 had to be paused due to the Covid crisis, which caused a huge increase in demand of organic seeds, leading to Seed Cooperative sales soaring up to 600% more year-on-year. The SS programme has provided immediate support for the seed growing network to help them meet the demand, through the Farming the Future Emergency Covid Response Fund, and created space for its network to collaborate and connect online. It's also been working hard to capture the expanding audience showing an interest in growing food, by continuing to amplify the message of buying local, OP, organic seeds, and messages from partner organisations.

Examples of the work achieved in 2019-2020:

- The Living Seed gathering took place in October 2019, hosted by partner organisation, the Irish Seed Savers Association. The event was the first of its kind, bringing together seed growers from all over Ireland.
- The work of the SS programme was represented at the Let's Liberate Diversity conference in Montpellier in November 2019 and Oxford Real Farming Conference in January 2020, where Gaia Foundation hosted and participated in four talks. Several team members also travelled to Oregon in February for the Organic Seed Alliance conference.
- In Wales, following successful seed production training in partnership with Real Seeds, 20 growers 'graduated', 3 of whom joined 4 from the 2018 cohort in growing for Real Seeds, with an additional 11 going on to produce over 21 seed varieties of seed for community sharing.
- The Wales Seed Hub met online in early April 2020, where commercial growers pledged to swap a further 6 seed varieties. The hub aims to start selling seed collectively as soon as possible, in part as a response to supply issues resulting from the Covid crisis. The SS programme is looking into sales systems and assisting with logistics.
- The Llafur Ni Grain Network has been growing into a farmer-to-farmer peer learning hub for grain growers and a place for exchanging rare Welsh landrace grains. An investigation into small-scale oat processing machinery has so far involved academic institutions, old watermills, farmer groups and engineers. In Feb 2020 the BBC filmed the oat quest story and broadcast it on BBC Wales Today news.
- The South West Grain Network (SWGNG), a group of farmers, millers and bakers making heritage grain available, have been discussing how the programme can support their vital work. They're keen to offer and receive support in a variety of ways.
- 4 South West vegetable growing businesses have been partnered with Real Seeds to grow 17 seed crops for their catalogue, all of whom have been through the SS training programme.

- In the Highlands and Islands of Scotland, partnerships with the James Hutton Institute (JHI), Soil Association Scotland, and the Scottish Crofting Federation has expanded the SS programme to the Isle of Lewis, Caithness and Shetland, Inverness and Assynt.
- Partnerships have been built with key organisations throughout central and lowland Scotland to develop local trainers. Training was co-hosted with the Scottish Farm Hack, Land Workers Alliance and Soil Association in early October and attended by growers from across Scotland.
- The website continues to be a source of information and learning for seed sovereignty across the UK and Ireland. During Covid-19, this is playing an even larger role in connecting the networks of growers. Content will expand to include curated user journeys and community generated 'how to' videos.
- The programme is continuing to consult with major players in the area of seed legislation, including Real Seeds, the Soil Association, and the Organic Research Centre, as well as involvement in an EU-wide legislation training programme for seed organisations.

Growing Communities, New Economics Foundation, and Soil Association

Triple Bottom Line: £39,982

The grant for Growing Communities is part of the Farming the Future initiative, founded by The A Team Foundation and the Roddick Foundation, with support from Be The Earth Foundation, which supports a culture of collaboration between key organisations and individuals. The initiative brings the community together to understand its current needs, foster and fund co-creative solutions between those operating in different areas, with diverse skills and knowledge to share.

Growing Communities is a community-led organisation operating in Hackney, North London, for the last 20 years, to provide an alternative to the current food system. They harness the collective buying power of their local community and direct it towards small-scale farmers producing food in a sustainable way, as the basis of a sustainable agriculture system. GC champions ecological, locally-based farmers, whose food is delivered through a veg box scheme and weekly farmers' market. They've helped to set up a network with 11 other enterprises who operate according to the GC model and principles, collectively known as the Better food Traders.

In collaboration with the New Economics Foundation and Soil Association, GC will set out to evaluate and cost the economic, environmental and social aspects of their work, so that the network of Better Food Traders can better articulate the worth of their local supply chains and enterprises to customers and policymakers. Using the economic and supply chain expertise of the New Economics Foundation and the Soil Association, the collaboration will monetise the economic, environmental and social value of GC's work.

The project will result in a valuation toolkit to be shared with the Better Food Traders network, enabling distributors operating along similar lines to GC to measure their triple bottom line using the same metrics. A report will analyse the findings of the research, to be used in the effort to drive citizen demand for local food, both from individuals and government. Additionally, the report will provide impetus for those replicating GC's model in other cities across the UK, and facilitate better engagement with local and national authorities, by providing convincing real-life evidence of the benefits to public life of organic local supply chains, which could ultimately culminate in policy change.

The Covid-19 crisis unfortunately stalled the project, as all the partners had to face the immediate needs produced by the pandemic. For GC, this meant revising, rethinking and rebuilding everything, including sick pay policy and hygiene procedures, and an overhaul of packing, delivery and collection processes of the 4.5 tonnes of veg distributed every week.

The farmers' market was redesigned to stay open safely, but volunteer and training programmes were regrettably paused.

Through the pandemic came recognition that GC's business model is robust in the face of a crisis, and considered an 'essential service', run by 'key workers'. The whole system was designed to support sustainable farmers, while providing people with the best seasonal produce. This local food economy is driven by trust, responsiveness and flexibility to what is in the fields, rather than unlimited choice. These resilient values formed the foundation of the GC model in order to help tackle the climate and nature emergency, and are working well now. The triple-bottom line project will then bring the evidence and tools to prove – in a fiscal sense – just how much better this system is for all.

LEAP: Loans for Enlightened Agriculture Programme

LEAP is a new model for financing and supporting food and farming enterprises from the Real Farming Trust that puts people and the biosphere at the heart of the food system. It aims to provide a critical next step for community based agroecological enterprises that have relied on grant-funding to date, and who have nowhere to go to secure finance for onward development.

LEAP offers a mix of affordable loans and grants alongside comprehensive mentoring and a hands-on approach to agroecological food and farming enterprises that are facing challenges in raising finance - whether waiting for a grant or lacking the funds to grow, with no assets to secure against. The loans aim to fill this gap between grant and commercial funding by working closely with businesses to look at both financial performance and social impact, working with them through every step of the application process and helping to build the long-term sustainability of the organisation.

The A Team Foundation provides the Loans for Enlightened Agriculture Programme with a Drawdown Facility (capped at £250,000) that LEAP uses to finance underserved enterprises. Two other funders are supporting the programme, which has a total budget of £1mil for loan finance and an additional budget for grants. The agreement commenced in January 2019 and by June 2020, £47,897 of the Drawdown Facility had already been allocated to five social enterprises.

There have been 66 expressions of interest for loans, representing over £3.3 million of capital (308% of available capital), of which 48 have been rejected and 18 invited to make a full application, representing £807k of capital. 16 applications have been presented to the investment committee at Round 1; of these, 13 applications have been approved, 3 rejected and 1 has subsequently dropped out. 5 have been given final approval and have drawn down, or are due to, whilst 7 are about to start, or are currently undergoing investment readiness work and due diligence.

LEAP achieved its target of getting 4 loans approved by the end of 2019, and the target for 2020 is 8, although the Covid-19 crisis will inevitably slow things down. A new Small Loans Programme was also set up to provide emergency funding for eligible enterprises during the Covid-19 crisis and will be open for applications until at least the end of June, to which there have so far been 5 applications.

The Covid-19 crisis has fundamentally changed the investment landscape and long-term implications aren't yet known. However, of the enterprises supported, two have seen an increase in the volume of sales, whilst the biggest risk so far has been presented by a Care Farm very badly impacted by the crisis, having recently moved premises and being reliant on an income stream that has disappeared, and another is still navigating project planning problems. As a response to the pandemic, all interest and capital payments for all investees were halted for a period of at least 3 months, until the end of June 2020 at the earliest.

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 2020 was £166,341 (2019 – gains of £496,100) while the unrealised loss on changes in the market value of investments amounted £1,339,055 (2019 – loss of £130,123) which reflected volatility in the financial markets at the balance sheet date due to coronavirus. Since the 5 April 2020, the charity's investment portfolio has increased in value by £0.7m as at 30 June 2020.

The Investment portfolio yielded dividends and interest amounting to £374,061 (2019 - £196,580) 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 £10,963 (2019 - £8,068).

ACHIEVEMENTS AND PERFORMANCE (continued)

FINANCIAL REVIEW

Results for the period

During the year ended 5 April 2020, the charity's total income was £577,602 (2019 - £231,265), mainly derived from investments and donations received. £158,278 of income received in the form of donations was restricted for specific purposes.

All restricted funds were spent on charitable purposes in the year. The charity incurred expenditure on its unrestricted fund of £440,908 (2019 - £258,778) of which 62.1% related to grants payable, which resulted in net charitable expenditure on unrestricted funds of £21,584. After foreign exchange losses of £57,452 (2019: gain of £168,206), and transfers of £490,908 (2019 - £87,670) from the expendable endowment fund, gave a balance of £893,989 (2019 - £482,907) on the unrestricted funds as at 5 April 2020.

After investment management fees of £15,810, net investment losses of £1,172,714 (2019 – net investment gains of £365,977) and the transfer of £490,118 to the unrestricted fund the expendable endowment fund totalled £13,722,682 (2019 - £15,401,324) at 5 April 2020.

Reserves policy and financial position

As at 5 April 2020 total funds of £14,616,671 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 day-to-day operation of the charity has not been impacted by the onset of COVID-19. Financially, the trustees maintain a strong balance of cash; furthermore the investment portfolio is highly liquid which allows the trustees to fulfil their objectives.

Directors' report Year ended 5 April 2020

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: Benjamin Arbib



Director

Approved on: 05/02/21

The A Team Foundation Limited

Registered Company Number 03750780 (England and Wales)

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 2020 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 2020 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.

Other information (continued)

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



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

Date: 12 February 2021

Statement of financial activities year to 5 April 2020

	Notes	Unrestricted funds £	Restricted funds £	Expendable endowment £	Total 2020 £	Total 2019 £
Income from:						
Investment income	1	374,061	-	-	374,061	196,580
Interest receivable	2	10,963	-	-	10,963	8,068
Donations received		34,300	158,278	-	192,578	26,617
Total income		419,324	158,278	-	577,602	231,265
Expenditure on:						
On charitable activities	3/4	440,908	158,278	15,810	614,996	274,946
Net losses/(gains) on foreign exchange		57,452	-	-	57,452	(168,206)
Total expenditure		498,360	158,278	15,810	672,448	106,740
Net expenditure before gains/(losses) on investments		(79,036)	-	(15,810)	(94,846)	124,525
Net (losses)/gains on investments	7	-	-	(1,172,714)	(1,172,714)	365,977
Net income before transfers		(79,036)	-	(1,188,524)	(1,267,560)	490,502
Transfer between funds		490,118	-	(490,118)	-	-
Net movement in funds for the year		411,082	-	(1,678,642)	(1,267,560)	490,502
Fund balances brought forward at 6 April 2019		482,907	-	15,401,324	15,884,231	15,393,729
Fund balances carried forward at 5 April 2020	13	893,989	-	13,722,682	14,616,671	15,884,231

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 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Investments	7		8,446,040		15,237,771
Mixed motive social investments	8		146,972		-
			<u>8,593,012</u>		<u>15,237,771</u>
Current assets					
Debtors:	9				
Amounts falling due within one year		160,672		-	
Amounts falling due after one year		289,000		557,858	
		<u>449,672</u>		<u>557,858</u>	
Cash at bank	10	5,611,630		361,911	
		<u>6,061,302</u>		<u>919,769</u>	
Current liabilities					
Creditors: amounts falling due within one year	11	(37,643)		(273,309)	
Net current assets			<u>6,023,659</u>		<u>646,460</u>
Total assets less current liabilities			<u>14,616,671</u>		<u>15,884,231</u>
Net assets			<u>14,616,671</u>		<u>15,884,231</u>
The funds of the charity					
<i>Capital funds</i>					
Expendable endowment fund			13,722,682		15,401,324
<i>Income funds</i>					
Unrestricted funds – general fund			893,989		482,907
Total charity funds	13		<u>14,616,671</u>		<u>15,884,231</u>

Approved by the directors and signed on their behalf by: Benjamin Arbib



Director

Approved on: 05/02/21

The A Team Foundation Limited

Company Registration Number 03775136 (England and Wales)

Statement of cash flows Year to 5 April 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(549,898)	(734,340)
Cash flows from investing activities:			
Investment income		374,061	196,580
Interest received		10,963	8,068
Proceeds from the disposal of investments		8,073,771	9,531,581
Purchase of investments, less capital distributions		(2,454,754)	(10,028,932)
Mixed motive social investments made in year		(146,972)	-
Net cash (used in) provided by investing activities		5,857,069	(292,703)
Change in cash and cash equivalents in the year		5,307,171	(1,027,043)
Cash and cash equivalents at 6 April 2019	B	361,911	1,220,748
Changes in cash due to exchange rate movements on monetary assets		(57,452)	168,206
Cash and cash equivalents at 5 April 2020	B	5,611,630	361,911

Notes to the statement of cash flows for the year to 5 April 2020.

A Reconciliation of net movement in funds to net cash used in operating activities		
	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	(1,267,560)	490,502
Adjustments for:		
Interest receivable	(10,963)	(8,068)
Investment income	(374,061)	(196,580)
Losses on movements in market value of investments	1,339,055	130,123
Gains on disposal of investments	(166,341)	(496,100)
Decrease/(increase) in debtors	108,186	(240,362)
Net losses/(gains) on foreign exchange translation of monetary assets	57,452	(168,206)
(Decrease)/Increase in creditors	(235,666)	(245,649)
Net cash used in operating activities	(549,898)	(734,340)
B Analysis of cash and cash equivalents		
	2020 £	2019 £
Cash at bank and in hand	5,611,630	361,911
Total cash and cash equivalents	5,611,630	361,911

Principal accounting policies 5 April 2020

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;
- mixed motive social investments require consideration of the nature of the investment and involves the directors judgment on whether the investment is made in in order to directly further the charitable purposes of the Foundation and whether a financial return is a primary reason for making the investment; 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.

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.

Fixed asset investments (continued)

Mixed motive social investments

Mixed motive social investments are made to provide funding to organisations in order to generate a financial return for the Foundation but also to contribute to the Foundation achieving its charitable objectives. The investments consist of concessionary loans which are initially recognised at the amount paid, with the carrying value being subsequently adjusted for repayments and any impairment.

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 instruments (continued)

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.

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 2020

1 Investment income

	2020 £	2019 £
Investment management fee rebates	3,825	3,825
Investments listed on a recognised stock exchange		
Dividends – UK unit trusts	20,992	63,988
Dividends – UK investments	123,074	15,726
Dividends – Overseas investments	113,748	25,991
Interest – UK unit trusts	110,094	87,050
Interest – Overseas investments	2,328	-
	374,061	196,580

2 Interest receivable

	2020 £	2019 £
Interest on loans receivable and social investments	10,963	8,068
	10,963	8,068

3 Charitable expenditure

	2020 £	2019 £
Grants payable:		
Amihan National Federation of Peasant Women	-	24,917
Beyond GM	10,000	-
Bowel Cancer	-	1,000
Chabad Belgravia	1,000	-
Farmerama Radio	-	3,500
Farming the Future:		
CPRE County Farms	47,400	-
Farming and Wildlife Advisory Group	15,000	-
The Gaia Foundation – Seed Exchange	16,200	-
The Gaia Foundation – We Feed the World	2,872	-
Landworker Alliance	67,000	1,000
New Economics Foundation	39,500	-
Pesticide Action Network UK	13,149	-
The Point People	1,005	-
RSPB	17,157	-
Sustain	25,000	-
Sustainable Food Trust	15,000	-
The Gaia Foundation	5,000	-
Global Diversity	3,000	-
Hampshire Medical Dig Deeper	50,000	-
Heart Productions (Organic Rising Documentary)	-	6,025
Help Refugees Kayapoo Gathering	10,000	-
Human Food Project (4 grants)	-	44,396
Ibiza Preservation Fund	25,789	-
The Martin Lewis Charitable Fund	20,000	-
New Venture Fund (Agroecology Fund)	39,771	19,920
Pesticide Action Network	7,134	8,392
Pur Project (2 grants)	14,757	-
Real Farming Trust	6,000	3,000
School Food Matters	-	2,775
School Social Entrepreneur	-	450
Soil Association	1,000	-
Total grants payable	452,734	115,375
Grants refunded	(5,000)	-
Net grants payable	447,734	115,375
Support and governance costs (note 4)	167,262	159,571
Total charitable expenditure	614,996	274,946

3 Charitable expenditure (continued)

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

	2020 £	2019 £
Grant commitments at 6 April 2019	270,109	515,958
Grants made during the year, less lapsed commitments	447,734	115,375
Total grants payable	717,843	631,333
Grants paid during the year	(683,501)	(361,224)
Commitments at 5 April 2020	34,342	270,109

	2020 £	2019 £
The above grants commitments fall due as follows:		
Within one year (note 11)	34,342	270,109
	34,342	270,109

4 Support and governance costs

	2020 £	2019 £
Consultancy and staff costs	140,182	115,460
Investment management fees	15,810	16,168
Governance costs	11,270	27,943
	167,262	159,571

Analysis of governance costs:

	2020 £	2019 £
Auditor's remuneration	4,060	4,370
Legal fees	420	335
Bank charges	950	1,213
Other expenses	5,840	22,025
	11,270	27,943

5 Staff costs, directors' remuneration and key management personnel

	2020 £	2019 £
Staff costs comprised:		
Salaries and wages	26,250	22,432
Social security costs	307	2,230
Pension Costs	788	-
	27,345	24,622

The Foundation employed one employee until 31 December 2019 (2019 - one).

No remuneration was paid to any director in respect of their services during the year (2019 – None).

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.

7 Fixed asset investments

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

Investments	2020 Listed £	2020 Unlisted £	2020 Total £	2019 Total £
Market value at start of year	15,019,064	218,707	15,237,771	14,374,443
Reclassification	(1,696,367)	1,696,367	-	-
	13,322,697	1,915,074	15,237,771	14,374,443
Additions at cost	1,824,111	665,457	2,489,568	10,105,887
Capital distributions	-	(34,814)	(34,814)	(76,955)
Disposals at carrying value (proceeds £8,073,771; realised gain £166,341)	(7,907,430)	-	(7,907,430)	(9,035,481)
Revaluation gains in year	(1,339,055)	-	(1,339,055)	(130,123)
Market value at end of year	5,900,323	2,545,717	8,446,040	15,237,771
Historical cost	7,456,806	2,534,717	9,991,523	14,147,570

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:

	2020 £	2019 £
Gains on disposal	166,341	496,100
Unrealised losses from changes in market value	(1,339,055)	(130,123)
	(1,172,714)	365,977

Investments comprise:

	Quoted Investments 2020 £	Unquoted Investments 2020 £	Total 2020 £	Total 2019 £
Investment assets in the UK				
- UK Equities	418,728	-	418,728	1,802,632
- UK Unit & Investment Trusts	3,440,047	-	3,440,047	5,301,148
- UK Fixed Interest	669,397	-	669,397	832,223
- UK Private Equity Funds	-	457,787	457,787	100,005
	4,528,172	457,787	4,985,959	8,036,009
Investment assets outside the UK				
- Overseas Equities	1,372,151	-	1,372,151	5,386,694
- Overseas Private Equity Funds	-	2,076,930	2,076,930	1,815,068
	1,372,151	2,076,930	3,449,081	7,201,762
Total	5,900,323	2,534,717	8,446,040	15,237,771

7 Investments (continued)

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

	2020 £	2019 £
. SSE	-	947,920
. Pollen Street Secured Lending Plc	669,397	832,223
. Lansdowne Energy Dynamics N/R Voting Inst ACC	1,932,788	1,818,654
. Lansdowne Energy Dynamics N/R Voting B Inst ACC	669,397	-
. Lansdowne Developed Market Long Only Fund	-	816,632
. LSG Craftory	768,581	768,581

As explained in note 14, the market value of the investment portfolio rose significantly after the balance sheet date.

8. Mixed motive social investments

	2020 £	2019 £
Additions in year	146,972	-
At 5 April 2020	146,972	-

Mixed motive social investments consist of concessionary loans made to organisations that have similar charitable objectives as the Foundation. The loans support funding for agroecological food and farming enterprises and the support of environment projects for land conservation.

9. Debtors

	2020 £	2019 £
<i>Due within one year:</i>		
Loan (see below)	160,650	88,994
Investment purchase overpaid	22	-
	<u>160,672</u>	<u>88,994</u>
<i>Due after one year:</i>		
Loan (see below)	289,000	468,864
	<u>289,000</u>	<u>468,864</u>

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.

10. Cash at bank and short term deposits

	2020 £	2019 £
C Hoare & Co	481,960	198,358
Thesis Unit Trust Management	5,129,670	163,553
Cash at bank	5,611,630	361,911

11. Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals	3,301	3,200
Grant commitments (note 3)	34,342	270,109
	37,643	273,309

12. Related party transactions

Mr B Arbib, Mrs A Nicoll and Mr P Reynolds are directors 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.

The charity made an investment of £57,802 in Super Fruit Ltd of which Mr B Arbib is a director.

The charity received donations of £34,284 from Craze Foods Ltd of which Mr B Arbib is a director and shareholder.

13. Analysis of net assets between funds

	Expendable endowment £	Unrestricted funds £	Total 2020 £
Fund balances at 5 April 2020 are represented by:			
Investments	8,446,040	-	8,446,040
Mixed motive social investments	146,972	-	146,972
Debtors: amounts falling due within one year	-	160,672	160,672
amounts falling due after one year	-	289,000	289,000
Cash at bank and short term deposits	5,129,670	481,960	5,611,630
Creditors: amounts falling due within one year	-	(37,643)	(37,643)
Net assets	13,722,682	893,989	14,616,671

14. Post balance sheet event

Covid-19 has caused volatility in financial markets resulting in significant movements in the market value of the charity's investment portfolio over short periods of time. The valuation at 30 June 2020 indicated an increase of £0.7m since the 5 April 2020 in the value of the investment portfolio.