



Sustainable Food Trust

A global voice for sustainable food and health

Trustees Report and Financial Statements for the Year Ended 31 March 2020

Company Number: 07577102
Charity Number: 1148645

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LEGAL AND ADMINISTRATIVE INFORMATION

Organisation Name:	Sustainable Food Trust
Company Registration Number:	07577102
Charity Registration Number:	1148645
Registered office and operational address:	38 Richmond Street, Totterdown, Bristol, BS3.4TQ
Trustees/Company Directors:	Anthony Rodale (USA) – Chair, appointed 20 March 2018 Thomas Harttung (Denmark) Peter Segger (UK) George Kailis (Australia) Christina Lee Brown (USA)
Company Secretary:	Claire Peeters
Chief Executive:	Patrick Holden, CBE
Senior Management Team:	Chief Executive, Policy Director, Head of Operations, Head of External Relations, Head of Programmes.
Independent Examiner:	Neil Kingston FCA, Burton Sweet, The Clock Tower, Farleigh Court, Old Weston Road, Flax Bourton, Bristol, BS48 1UR
Bankers:	Triodos Bank, Deanery Road, Bristol, BS1 5AS

Funders:

The SFT would like to extend our thanks to the following funders for supporting our work during the year:

- ☐ The Ashden Trust
- ☐ The Esmée Fairbairn Foundation
- ☐ Little Rollright Farm
- ☐ The New Venture Fund
- ☐ Sir Alan and Lady Parker
- ☐ Prince of Wales Foundation
- ☐ Garfield Weston Foundation
- ☐ Camilla Davidson
- ☐ Earthsong Foundation
- ☐ Farming the Future Fund
- ☐ B&J Lloyd Family Charitable Trust
- ☐ Allen Sanguines Krause
- ☐ The Raphael Trust
- ☐ The Rothschild Foundation
- ☐ The Sustainable Food Alliance, Inc
- ☐ Anonymous Donors

The Sustainable Food Alliance (SFA).

The SFA is a US tax-exempt 501(c)(3) organisation which works in partnership with the Sustainable Food Trust and raises funds to support sustainable food programmes.

Donors whose generous support of the SFA benefitted the SFT during the year included:

The Frances and Benjamin Benenson Foundation; Owsley Brown; John and Jessica Moussouris; The Planet Heritage Foundation; Mr Anthony Rodale; The Work in Progress Fund of the Tides Foundation.

TRUSTEES' REPORT

CHARITABLE PURPOSES

The **charitable purposes** of the Sustainable Food Trust (SFT), as set out in the objects contained in the company's Articles of Association, are:

- a) The preservation, conservation and protection of the environment and the prudent use of natural resources, including by the promotion of sustainable food production methods;
- b) The advancement of health, including the relief of disease and human suffering by
 - a. Encouraging the cultivation of foods and the uptake of diets (tailored to local circumstances in different countries and regions) to bring health benefits to individuals and populations in terms of better nutrition and lower incidence of diet related diseases.
 - b. The identification of food production methods that improve the nutritional value of foods and the dissemination of this information; and
 - c. The relief of malnutrition.
- c) To advance the education of the public in food production methods and their impact on the environment and public health.

In service of these objectives, the SFT's **mission** is to accelerate the transition towards more sustainable food systems.

We work in three areas:

Leadership and Collaboration: Influencing individuals and organisations in leadership positions.

Research and Policy: Using sound evidence to advocate better policy and practice.

Communications: Encouraging and empowering individual and collective action.

We stand at a critical moment in history for food and farming. Concerns about accelerating climate change; the impact of industrial agriculture; and growing public awareness about the connection between the way we produce food and our health, nature and future prosperity presents a moment of reset to build a more sustainable farming future. Alternatively, a global economic recession, triggered by the current health pandemic, could lead to a race to the bottom of cheap, unhealthy and unsafe food, that drives further climate change.

Due to our strong global network of contacts, practical experience of farming and track record of success over the last 10 years, the SFT is in a strong position to provide leadership in this space by helping to identify and unlock the barriers to change. We believe this can best be achieved by harnessing the power of public opinion to accelerate the transition to more sustainable food systems, firstly through the marketplace and secondly by putting pressure on policy makers to introduce incentives to support sustainable food production.

Accordingly, our efforts for the 2019/20 year have focused on this challenge through our core work strands: true cost accounting, harmonised sustainability metrics, supporting sustainable and healthy diets and Harmony in food, farming and education.

In particular, we have made significant progress on our work in developing an internationally harmonised framework for measuring farm and food system sustainability – something we feel strongly could be a game changer in speeding up the much-needed transition to more sustainable food and farming systems, giving power to farmers, consumers, governments and businesses to make more informed decisions.

We also know that more and more people are now asking a critically important question, 'What should I eat to be sustainable and healthy?'. This led to our decision to undertake such a study, which entails working out what food would be produced, and in what ratios, if the whole of the UK moved towards truly sustainable, regenerative and circular methods of production.

The Harmony project also continues to play a centrally important role in ensuring that the next generation are properly prepared to make sense of the world in which they find themselves and, through their learning experiences, make it a better place to live and work.

Taking all this into account, we feel our work now is more important than ever and we look forward to building on **this and scaling our impact over the coming year.**

ACHIEVEMENTS AND FUTURE PLANS

1. True Cost Accounting

Currently, our global economic system fails to take account of the full social and environmental impacts of food production, meaning there is a better business case for farming intensively and depleting natural capital than for farming sustainably and generating a wide range of benefits. True cost accounting (TCA) is an attempt to encourage the emergence of a new economic system, which takes into account the impact of agricultural practices on the environment and public health.

Our **aim** with this work is to:

Encourage collaborative research and thought leadership to help identify, quantify and monetise the external costs and benefits associated with agriculture. We will do this by influencing the development frameworks for policy change which better align profitability and sustainable farming practices.

Achievements during the year included:

- **Corrective policy to support sustainable agriculture** – we have been very engaged in discussions with policy makers about the need to introduce mechanisms which include incentives for farming in a way which provides environmental and public health benefits. We have also been advocating the adoption of 'the polluter pays' principle to ensure those who cause damage are financially accountable for so doing. Senior officials and individuals in key positions of influence are now strong advocates for this approach.
- **True Cost Accounting Accelerator** – Over the last 12 months, the SFT has been active in engaging with the international movement on True Cost Accounting. Primarily, this has taken the form of membership of a global 'TCA Community of Practice', made up of 60 organisations hosted by The Global Alliance for the Future of Food. This Community of Practice has now set up a 'TCA Accelerator' - of which the SFT currently sits on the steering committee. Initially this will involve work to harmonise TCA frameworks, a communications campaign and the development of policy briefs and guidelines to aid the uptake of TCA within governments to improve the business case for sustainable production.

Future Work will include:

- **International recognition of the importance of true cost accounting** – Active contact with the secretariat of the UN Food Systems Summit, due to take place in July 2021. True cost accounting is featuring very heavily on the agenda for this event, which will put pressure on the COP26 team to follow suit.
- **Sustainable Markets Initiative** – Helping to shape the agenda for this new initiative, launched up by HRH The Prince of Wales at the World Economic Forum in 2020 – the aim of which is to accelerate an industry-wide transition to sustainable markets and rapid decarbonisation.
- **Nitrogen report** – Publishing a new report which outlines the significantly deleterious impact of nitrogen fertiliser on soil health, biodiversity and climate change. The report will also call for a UK nitrogen tax as a means of implementing the polluter pays principle and thus reducing its use.
- **Further collaboration** – Continuing to play a leading role in many steering committees and collaborative groups over the coming year. This includes the Global Alliance for the Future of Food TCA Accelerator and the Oxford Impact Evaluation group.

2. Measuring and Valuing Sustainability

The SFT's development of True Cost Accounting in food and farming led us to the realisation that in order to be able to value the financial impact of different farming and food systems, we needed a common measurement framework for assessing their physical impact. In response, we convened a small working group of farmers and land managers and began developing common categories, metrics and indicators - a template that we believe has the potential to become an internationally harmonised framework for on-farm sustainability assessment.

With significant change on the horizon for food and farming policy, coupled with a greater awareness amongst the general public about the need for healthy food and farming, now is the opportunity to work towards consensus on developing a unified approach to measuring and communicating on-farm sustainability.

Our aim with this work is to:

Catalyse the emergence of an international common framework for assessing and benchmarking the sustainability of different farming and food systems. This will be facilitated by all farmers being required by government and the market to complete an annual sustainability assessment, embracing greater transparency in the supply chain through harmonised and accessible consumer information on food products.

Achievements during the year included:

- **Defra ELM trial** – The harmonisation of on-farm sustainability assessment was chosen by the Department for Environment, Food and Rural Affairs (DEFRA) as one of their 'Tests and Trials' for the development of the new Environmental Land Management (ELM) scheme. The SFT's suggestion for the ELM scheme is that in order to receive future public purse support, all farmers should be required to complete an annual sustainability assessment, based on a common framework.
- **Farmers' working group** – Ongoing meetings with the SFT's farmers' working group and industry experts to further refine the harmonised framework of metrics.
- **Government uptake** – Engagement with Defra, the Welsh Government and Scottish Government. The SFT's Head of Programmes, Adele Jones, has been seconded to the Welsh Government for 2 days a week to help develop the sustainability assessment, based on the harmonised framework, that will form part of their new Sustainable Farming Scheme.
- **Partnerships** – Forming a number of new partnerships, including the SusAg project, made up of the SFT, LEAF and Hummingbird Technologies – the aim of which is to work together to develop a piece of software based on harmonised metrics and indicators. The SFT has also become an ally of the World Benchmarking Alliance.

Future Work will include:

- **Market engagement** – Playing a convening role in bringing together food companies and the finance community to build support for an internationally harmonised framework which is championed by the entire agri-food industry. This will involve setting up an 'industry working group' to provide strategic guidance on the project.
- **International agreement** – Building support from governments, private sector, farmers and consumers for a harmonised framework of on-farm sustainability assessment. This could either be a voluntary agreement between all actors or a more formal agreement between governments in the context of the COP26 negotiations or UN Food Systems Summit.
- **Events** – Host a series of meetings and events to showcase the harmonised framework idea. This will include a TedEx event in collaboration with Countdown in the run up to COP26.
- **Open-source tool** – Building on the SusAg partnership, develop and design a simple app which can be downloaded and used to measure sustainability on any farm across the world.
- **Farm trials** – Continue to trial the harmonised framework using the open-source tool in collaboration with governments and the private sector. This will involve farms in the UK as well as internationally, including in the US, Australia, New Zealand and Africa.

3. Aligning Diets with the Output of Sustainable Farming Systems

It is increasingly clear that our food and farming systems are critically undermining human and planetary health, yet there is still a great deal of public confusion about what we need to do to address these problems. Answering the question of 'what we should eat to be sustainable and healthy' is therefore of central importance to the SFT's work.

The SFT believes that the answer to this question lies in linking our diets to the productive capacity of sustainable farming systems in the country or region in which we live. To translate this vision into reality requires a clear explanation, backed up by evidence, for why we see a regenerative and re-localised approach to food production as being necessary. As well as making this positive case, an important strand of this work is challenging the narrative that we need to further intensify production if we are to prevent climate change.

Our **aims** with this work are to:

- Educate the public about what constitutes a sustainable approach to food production, and how this relates to eating a healthy diet.
- Engage and collaborate with other key stakeholders involved in the area of food, farming and sustainability.

Achievements during the year included:

- **Improved public understanding** – Wide engagement with the public on this issue through a variety of mediums including a well-publicised debate on this issue at the Oxford Real Farming Conference and a series of podcast interviews between Patrick Holden and significant figures within the world of food and sustainability. Richard Young also co-authored a study on ways in which the livestock sector can reduce its reliance upon imported feeds, published in the Journal of Applied Animal Nutrition.
- **Building new partnerships** – Continuing to build relationships with a number of influential organisations concerned with these issues, such as Compassion in World Farming.
- **The Campaign for Local Abattoirs** – Securing a number of high-level meetings with key stakeholders including Farming Minister George Eustice, Parliamentary Under Secretary of State for Rural Affairs Lord Gardiner and Chair of the All-Party Group for Animal Welfare (APGAW) Lord Trees, amongst others. This has had a positive impact across all of our SFT work as it has enabled us to expand our network of contacts with Government officials, industry leaders and media. We supported the APGAW in their report on small abattoirs and secured significant media coverage when this was published. These steps by government are having a positive impact on the small abattoir sector, many of whom say they are now feeling much more supported than they did previously.
- **Aligning Diets with the Output of Sustainable Farming Systems report** – Developing the rationale for a report looking at how we could align our diets to the productive capacity of the land around us, should it be farmed in a sustainable way.

Future work will include:

- **Aligning Diets with the Output of Sustainable Farming Systems report** – Publishing a report which will look to calculate the amount of food which the UK could sustainably produce. Much of the research underpinning the study's approach has already been carried out, and it is hoped that the findings will be published at the start of 2021.
- **Briefing papers on sustainable livestock production** – Produce a series of briefing papers looking at the main issues surrounding livestock production, to explain how and why livestock can be a fundamental component of sustainable farming systems. This will counter the tendency in many quarters to criticise all livestock production (and in particular extensively-reared ruminant livestock), without recognising those systems which are part of the solution.
- **Campaign for Local Abattoirs** – Joining a small abattoir sector group being set up to advise government. We also continue to support Fir Farm's mobile abattoir project which will be the first of its kind in the UK and is gaining a lot of interest.

4. The Harmony Project

The Harmony Project continues to form a central part of the Sustainable Food Trust's educational mission. Between April 2019 and March 2020, The Harmony Project team have spent time developing teaching resources, as well as building the Project's presence online and expanding our network of schools and partners.

Our **aims** with this work are to:

- Establish Harmony principles and practices across a network of schools, nationally and internationally
- Promote a better understanding of these principles and practices amongst key individuals and organisational influencers
- Build public awareness about the benefits of Harmony principles and practices for a more sustainable and harmonious way of living.

Achievements during the year included:

- **Schools' Network** – Continuing to support our network of Harmony schools by offering workshops, including those in Worcestershire, Herefordshire, Lewes, West London, Surrey and Dorset to develop their Harmony curricula.
- **New Resources** – Printing several new documents, including a new edition of the Harmony Teachers' Guide with a foreword by HRH The Prince of Wales; the Back to Front Planning guide (for teachers); Nature as Teacher leaflet (outlining the principles of Harmony) and a newly printed 'Who we are' leaflet that explains in more detail who we are and the mission of our work.
- **Events** – Hosting an event at Dumfries House in October 2019 for a group of 30 supporters and educational leaders to look at how to put Harmony principles into practice.
- **Building alliances** –
 - **The Prince's Foundation** – Co-developing Harmony-related work linked to the School of Traditional Arts and the Foundation for Building Community, including modules of learning for use in schools and on-line.
 - **The Eden Project** – Exploring how Harmony can guide and inform the work at Eden, the Lost Gardens of Heligan and their international projects. It is likely this will lead to a formalised consultancy role to rebrand Eden as Eden Harmony.
 - **Harmony in Business** – Co-hosted a meeting with the University of Wales Trinity Saint David's Carmarthen Business School at The Prince's Trust offices in London, to explore how Harmony principles can be applied to business and the economy. This led to an event with students of the Carmarthen Business school in Cardiff.
- **HMP Bristol** – Attending several meetings with the team at Her Majesty's Prison Bristol, to discuss how to link Harmony principles to the prison environment. This led to the completion of a Policy Recommendation paper looking at how to make prisons 'greener' for the benefit of prisoner health and wellbeing, as well as how to engage the prisoners in the greening process.
- **Communications** – Building our online presence via social media and our website. We also produced the first film in our series of short films outlining principles of Harmony in Nature.

Future work will include:

- **Developing Network of Schools** – Increasing the number of schools in our network by a minimum of 30 in 2021 and a further 30 in 2022. This will include nominating individual schools as 'ambassadors' for The Harmony Project.
- **Teaching Resources** – Developing further teaching resources, to include half-termly medium-term planning overviews for all primary year groups, lesson plans, short lesson starter videos and collaborative content packs.
- **Harmony Teachers' Guide Translations** – Publishing further editions of the Harmony Teachers' Guide in Japanese and Chinese as part of the expansion of the work on the global stage.
- **New website** – Launching a new website for our teaching resources.
- **Building Alliances** – Developing the Project's partners and setting up a formal 'alliance', including organisations with whom the idea of "Nature as Teacher" resonates. This alliance will run alongside our Harmony Steering Group and our Harmony in Education Committee.
- **Events** – Hosting a series of online workshops and further Harmony residencies at Dumfries House.

DELIVERING PUBLIC BENEFIT

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

All of the SFT's work is directed towards meeting one or more of the Charity's purposes, as described on page five. It is our belief that these purposes will be best served by a return to more integrated and holistic food and farming systems. Research has shown that such systems deliver greater protection of the environment, more prudent use of natural resources and greater health benefits than their intensive and industrialised counterparts.

However, further research is needed to clarify and confirm certain aspects of this. Advancing the case for this research is an ongoing concern for the SFT, with priorities for further research being the role of livestock in sustainable farming; sustainability metrics and valuation frameworks for measuring food systems impacts; connecting sustainability and health implications for dietary advice; and measurement of soil carbon and fertility.

There is a vast and untapped need for educational programmes which improve public understanding of the environmental and human health benefits arising from different food production systems, and the SFT is committed to serving this need.

GOVERNANCE AND MANAGEMENT

The SFT is a company limited by guarantee and was incorporated on 24th March 2011. It became a registered charity with the Charity Commission for England and Wales in August 2012. The company was established under a set of Articles of Association, which set out the objects and powers of the organisation. In the event that the company is wound up, members are required to contribute an amount not exceeding £1.

The directors of the company are also the trustees of the charity. Trustees have control of the organisation, its funds and assets, and are responsible for overall strategic and operational management. They are not subject to retirement by rotation and there are not fixed periods of service. All trustees give their time voluntarily and receive no benefits. They are inducted and trained by other trustees and in consultation with the Chief Executive.

Day to day management of the organisation is delegated to the Chief Executive, who manages a team of staff, consultants and interns. The structure of the SFT on 31 March 2020, is shown in fig.1 below:

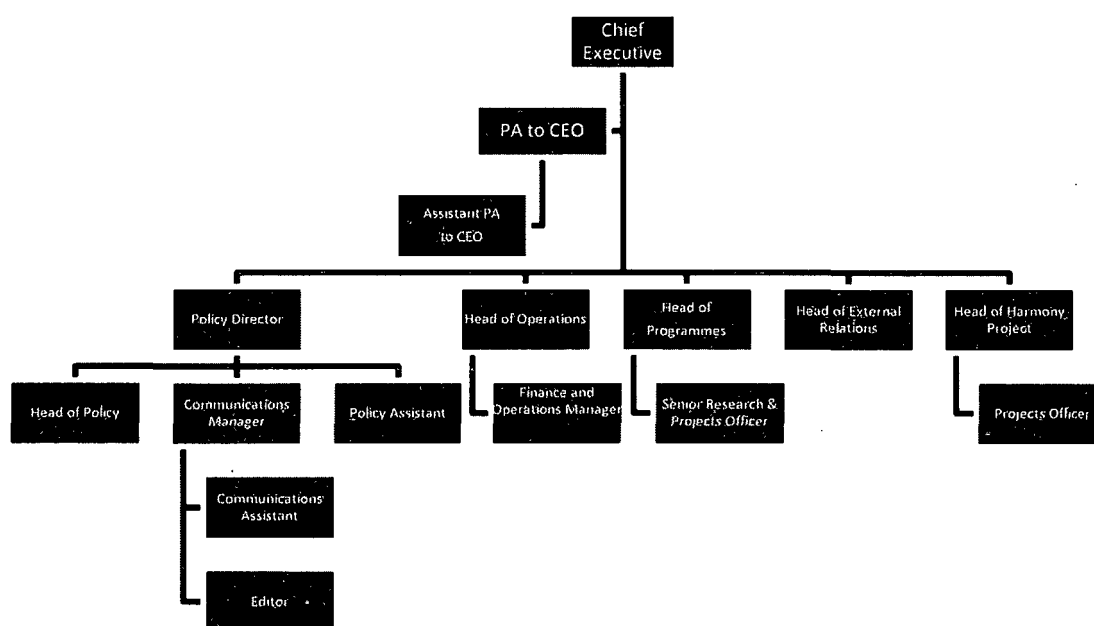


Fig 1: SFT Organogram at 31 March 20

The SFT's remuneration procedure stipulates that the pay of all senior staff, including the Chief Executive, is reviewed and set by the Board of Trustees at their regular Board meetings and, as for all staff, should be guided by the principles of internal equity and external parity. Except in instances of staff roles changing, salaries are reviewed yearly and any changes based on both internal and external factors, including staff performance.

We support the involvement of volunteers / interns from time to time, and this year have worked with ten volunteers.

Board meetings take place every 4 months. Prior to meetings, the Chief Executive's report is circulated along with management accounts and any other relevant documents. In between meetings, the Board is kept up to date with regular emails from the Chief Executive and senior staff.

Managing Risks

The trustees have assessed the major risks to which the organisation is exposed and are satisfied that systems are in place to mitigate exposure. Policies and procedures have been drawn up to ensure compliance with relevant legislation and which enable appropriate authorisation of transactions and activities. The Board has identified the top three risks posed to the organisation, which are outlined in the table below, along with the controls that have been put in place to mitigate those risks. Our top three risks are those which we deem to have the highest number of influencing factors which are external and thus not directly or easily managed by SFT.

Risks	Controls Implemented
Loss of key staff	<ul style="list-style-type: none"> <input type="checkbox"/> Plans and projects are documented to enable effective handovers. <input type="checkbox"/> Staff reviews carried out at least annually, with opportunities to raise issues in between. <input type="checkbox"/> Board will review this on a regular basis, but currently have come to the conclusion that at the present time it is not appropriate to have a formal succession plan in place for senior staff. <input type="checkbox"/> Remuneration levels bear the importance of staff retention in mind, and procedures set to ensure internal equity and external parity. <input type="checkbox"/> Staff are kept up to date with organisational developments and impact, and are actively engaged in organisational planning and strategic development.
Poor relationships with funders or unsatisfactory returns on fundraising	<ul style="list-style-type: none"> <input type="checkbox"/> Fundraising plan developed and regularly updated. <input type="checkbox"/> System in place to monitor and record outcomes of funded activities. <input type="checkbox"/> Income streams diversified where possible, although this is weighed up against time and resources available to cultivate new potential funders. <input type="checkbox"/> Major funders briefed on progress regularly. <input type="checkbox"/> Head of External Relations role created with a focus on donor care. <input type="checkbox"/> Funder terms and conditions reviewed carefully and complied with, including dates for reporting back.
Government policy has negative impact	<ul style="list-style-type: none"> <input type="checkbox"/> Legal and regulatory changes monitored.

FUNDRAISING

All fundraising carried out by the Sustainable Food Trust is done under the direct guidance of the Chief Executive. He keeps in regular contact with major donors and has close involvement in the preparation of grant applications. Other staff involved in fundraising include the Policy Director, Head of Operations, Head of Programmes and Head of External Relations. The SFT does not use external professional fundraisers, and neither the organisation nor any of its staff subscribe to any fundraising standards scheme. We do not employ heavy-handed or unreasonably persistent approaches to fundraising, and whilst we invite donations through our website, we do not actively pursue our supporters with direct requests. During the year, the Charity did not receive any complaints about its fundraising activities. In 2019/20, the SFT benefitted from the services of a fundraising consultant to support fundraising applications and processes. Their work was closely supervised by SFT staff.

FINANCIAL REVIEW

Funding Sources

The SFT seeks to secure funds from diverse sources, including trusts, foundations and individual donors. During the year, 32% of funds were secured from trusts and foundations, 55% from individual donors, and 13% from consultancy and other fees.

Results and Financial Position

The SFT is still a relatively young charity, but has established a stable financial position, with our unrestricted reserves growing year-on-year.

Total income for 2019/20 was £919,197 and expenditure £818,981 giving a surplus of £100,216. This led to our unrestricted reserves growing by £44,657. The majority of funds came from the UK and US.

We work in partnership with the Sustainable Food Alliance, a US 501(c)(3) organisation which shares our mission and aims. The SFA acts as a fiscal partner for our fundraising endeavours in North America, with 32% of the SFT's funding in 2019/20 being derived from trusts, foundations and donors in the US. 54% was from trusts, foundations and donors in the UK. In 2018/19, these figures stood at 28% from the US, and 59% from the UK, so the balance has stayed roughly constant, with several of our regular donors also giving in both years.

At the start of the new financial year (2020/21), we had 63% of funds required for the year secured – which is 2% lower than the same time the previous year. Our situation requires an ongoing and diligent approach to fundraising and budget management, and this is especially true in light of the global crisis brought about by Covid – as a result of which we increased the frequency of financial reviews as we moved into the new financial year (2020/21).

Reserves Policy

The Board of Trustees has examined the organisation's requirements for reserves in light of the main risks to which it may be exposed. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the organisation should ideally be between four and six months' worth of expenditure. The total unrestricted reserves at 31 March 2020 was £339,917 (equivalent to almost five months' worth) with free reserves (following a deduction of the value of fixed assets) being £331,904. At the end of March 2020, the intention was to achieve a surplus for the 2020/21 year, with a view to growing unrestricted reserves by approximately £30k, although we recognise that this forecast may need to be revised down in light of the possible impact of the Covid pandemic. Our reserves are expected to enable the organisation to retain some stability in terms of staff and work capacity over the next 2-3 years, without putting the organisation at undue financial risk.

Reserves are needed to safeguard the work of the SFT and the board of trustees are confident that at this level they would be able to continue the main core services in the event of a significant drop in funding. However, we are mindful that the impact of Covid could affect our financial position for several years to come and the trustees have made a commitment to reviewing our reserves policy in 2020/21. In the short term the trustees have considered the extent to which existing activities and expenditure could be curtailed, should circumstances arise that would require this, and at the time of writing the expenditure budget for 2021/22 has been reduced in view of the emerging global crisis.

Sustainable Food Trust

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the Sustainable Food Trust for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with 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 Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- ☐ select suitable accounting policies and then apply them consistently;
- ☐ observe the methods and principles in the Charities SORP;
- ☐ make judgments and accounting estimates that are reasonable and prudent;
- ☐ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ☐ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Small Company Provisions

This report and the financial statements have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities and in accordance with the special provisions of the Companies Act 2006 (s419(2)) relating to small entities.

Approved by the Board of Trustees on 24.12.2022 and signed on its behalf by


Anthony Rodale, Chair

Independent examiner's report to the Trustees of Sustainable Food Trust ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Neil Kingston FCA
Burton Sweet
Chartered Accountants
The Clock Tower
5 Farleigh Court
Old Weston Road
Flax Bourton, Bristol
BS48 1UR

Date: 24.12.2020

SUSTAINABLE FOOD TRUST
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:						
Donations and legacies	2	571,007	234,064	-	805,071	635,883
Charitable activities	3	91,894	-	-	91,894	64,923
Other trading activities		20,000	-	-	20,000	20,000
Other Income		1,976	-	-	1,976	-
Investments		256	-	-	256	257
Total income		685,133	234,064	-	919,197	721,063
Expenditure on:						
Charitable activities	4	640,476	178,505	-	818,981	743,110
Total expenditure		640,476	178,505	-	818,981	743,110
Net income/(expenditure)	5	44,657	55,559	-	100,216	(22,047)
Transfers between funds	13	-	-	-	-	-
Net movement in funds		44,657	55,559	-	100,216	(22,047)
Reconciliation of funds:						
Total funds brought forward	13	295,260	95,752	140,000	531,012	553,059
Total funds carried forward	13	339,917	151,311	140,000	631,228	531,012

The comparative Statement of Financial Activity is detailed in note 7.

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 19 to 28 form part of these financial statements

SUSTAINABLE FOOD TRUST
SUMMARY INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2020

	2020	2019
	£	£
Total Income	919,197	721,063
Total Expenditure	818,981	743,110
Net Income/(Expenditure) for the year	<u>100,216</u>	<u>(22,047)</u>
Transfers from Expendable Endowment Fund	-	65,000
Net Income/(Expenditure) after transfers	<u><u>100,216</u></u>	<u><u>42,953</u></u>

The notes on pages 19 to 28 form part of these financial statements

SUSTAINABLE FOOD TRUST

BALANCE SHEET

AT 31 MARCH 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	8	8,013	2,675
Current assets			
Debtors	9	41,184	84,664
Cash at bank		837,802	491,801
		<u>878,986</u>	<u>576,465</u>
Creditors: Amounts falling due within one year	10	(255,771)	(48,128)
Net current assets		<u>623,215</u>	<u>528,337</u>
Total net assets		<u>631,228</u>	<u>531,012</u>
The funds of the charity:			
Endowment funds	14	140,000	140,000
Restricted funds	14	151,311	95,752
Unrestricted funds	14	339,917	295,260
		<u>631,228</u>	<u>531,012</u>

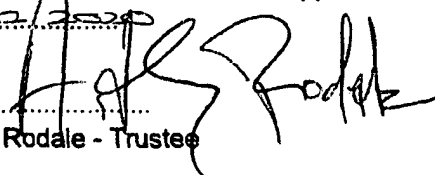
For the year ended 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts in question in accordance with section 476.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard 102.

These financial statements were approved and signed by the directors and authorised for issue on

24.7.2020

Anthony Rodale - Trustee

Company registration number 07577102

The notes on pages 19 to 28 form part of these financial statements

SUSTAINABLE FOOD TRUST

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Net cash inflow from operating activities	11	354,155	(6,769)
Non-operational cash flows:			
Investing activities			
Purchase of fixed asset		(8,410)	(2,948)
Investment income		256	257
Net cash inflow for the year	12	<u>346,001</u>	<u>(9,460)</u>

Cash flow restrictions

Charity law forbids the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own Objects, except on special authority. In practice this restriction has not had any effect on cash flows for the year.

The notes on pages 19 to 28 form part of these financial statements

SUSTAINABLE FOOD TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

1 Accounting Policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, Charities Act 2011, Financial Reporting Standard 102 and the Charities Statement of Recommended Practice based thereon (SORP FRS102).

The charity is a public benefit entity as defined under FRS102.

These financial statements have been prepared on the going concern basis. There are no material uncertainties about the charity's ability to continue as a going concern, despite the significant uncertainty being caused by the worldwide COVID-19 crisis. Whilst the Trustees expect there to be a significant impact on the charity's operations and reserves in the coming months and years, the charity has sufficient reserves to be able to meet these challenges.

b) Income

Income is accounted for as receivable once there is a reasonable certainty of the probable economic benefit from the resource and the amount can be reliably measured. Income from donations is included when these are receivable, except as follows:

- I. When donors specify that donations given to the charity must be used in future accounting periods, the income is deferred until those periods;
- II. When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred until the pre-conditions have been met.

Grants, including grants for the purchase of fixed assets, are recognised in the income and expenditure account as they become receivable. Grants received in the accounting period in respect of future accounting periods are deferred until those periods.

Gift aid relief on eligible donations is recognised on an accruals basis at the same point as the original donation.

Gifts in kind are valued at estimated open market value at the date of the gift, in the case of assets for retention or consumption, or at the value to the organisation in the case of donated services or facilities.

c) Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that activity exclusive of VAT. Support costs and where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resource.

Governance costs are the costs associated with meeting constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity. Governance costs are included within support costs.

d) Transactions in foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the SOFA.

SUSTAINABLE FOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

1 Accounting Policies (*continued*)

e) Fund accounting

Unrestricted funds contain accumulated surplus and deficits on general funds and can be used in accordance with the company objects at the discretion of the Board of Directors.

Restricted funds represent monies received for specific purposes. All income and expenditure relating to the restricted funds' movements is included in the income and expenditure account. Further details of restricted

Expendable Endowments are funds to be retained for the benefit of the Charity as capital although there is discretion to convert endowed capital into income.

f) Fixed assets

Fixed assets are held at cost less accumulated depreciation. Assets costing less than £500 are not capitalised.

Depreciation is calculated so as to write-off the cost of an asset, less its estimated residual value, over the useful economic life of the asset as follows:

Fixtures, fittings and equipment	25% straight line
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g) Trade debtors

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand on-call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

i) Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

j) Pensions

The charity has arranged a defined contribution scheme for its staff. Pension costs charged in the SOFA represent the contributions payable by the charity in the period.

SUSTAINABLE FOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

2 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Donations	559,246	234,064	-	793,310	609,883
Donated goods & services	10,450	-	-	10,450	21,000
Gift aid	1,311	-	-	1,311	5,000
	571,007	234,064	-	805,071	635,883

Prior year comparative	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £	
Donations	364,946	244,937	-	609,883	
Donated goods & services	21,000	-	-	21,000	
Gift aid	5,000	-	-	5,000	
	390,946	244,937	-	635,883	

The donated goods and services in the year relate provision of a venue and catering for the SFT Christmas party at £1,450 (2019: nil) and tours of the organic farm and gardens of Highgrove at £9,000 (2019: £9,000). In the prior year this also related to the provision of the venue at Fir Farm for The Future of UK Farming conference at £12,000. The trustees have valued these services at the value to the charity.

3 Income from: Charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
True cost accounting & sustainability metrics	36,000	-	-	36,000	-
Leadership & collaboration	52,089	-	-	52,089	36,722
Harmony project	2,352	-	-	2,352	2,571
Communications	1,453	-	-	1,453	306
Others	-	-	-	-	25,324
	91,894	-	-	91,894	64,923

Prior year comparative	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £	
Leadership & collaboration	36,722	-	-	36,722	
Harmony project	-	2,571	-	2,571	
Communications	306	-	-	306	
Others	25,324	-	-	25,324	
	62,352	2,571	-	64,923	

SUSTAINABLE FOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

4 Expenditure on: Charitable activities

	Staff Costs £	Direct Costs £	Support Costs £	Total 2020 £	Total 2019 £
True cost accounting & sustainability metrics	108,419	23,410	39,621	171,450	144,794
Leadership & collaboration	93,295	77,158	23,321	193,774	202,073
Research	99,185	11,498	19,825	130,508	125,614
Communications	60,759	40,535	22,155	123,449	110,086
Sustainable diets and farming	18,194	-	15,094	33,288	28,718
Harmony project	63,151	84,647	18,714	166,512	131,825
	443,003	237,248	138,730	818,981	743,110

Prior year comparative

	Staff Costs £	Direct Costs £	Support Costs £	Total 2019 £
True cost accounting & sustainability metrics	106,965	8,934	28,895	144,794
Leadership & collaboration	88,177	96,890	17,006	202,073
Research	69,000	42,156	14,458	125,614
Communications	60,956	32,973	16,157	110,086
Sustainable diets and farming	17,710	-	11,008	28,718
Harmony project	23,539	94,638	13,648	131,825
	366,347	275,591	101,172	743,110

Support costs

	Staff Costs £	Premises Costs £	Office Costs £	Total 2020 £	Total 2019 £
True cost accounting & sustainability metrics	12,771	7,560	19,290	39,621	28,895
Leadership & collaboration	7,517	4,450	11,354	23,321	17,006
Research	6,390	3,783	9,652	19,825	14,458
Communications	7,141	4,228	10,786	22,155	16,157
Sustainable diets and farming	4,865	2,880	7,349	15,094	11,008
Harmony project	6,032	3,571	9,111	18,714	13,648
	44,716	26,472	67,542	138,730	101,172

SUSTAINABLE FOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

4 Expenditure on: Charitable activities (*continued*)

Prior year comparative Support costs	Staff Costs £	Premises Costs £	Office Costs £	Total 2019 £
True cost accounting & sustainability metrics	11,271	6,943	10,681	28,895
Leadership & collaboration	6,634	4,086	6,286	17,006
Research	5,640	3,474	5,344	14,458
Communications	6,303	3,882	5,972	16,157
Sustainable diets and farming	4,294	2,645	4,069	11,008
Harmony project	5,324	3,279	5,045	13,648
	39,466	24,309	37,397	101,172

5 Net income/(expenditure) for the year

	Total 2020 £	Total 2019 £
Stated after charging:		
Depreciation	3,072	4,047
<i>Independent Examiner's fees:</i>		
Independent examination	1,455	1,420
Other fees	2,129	1,484

6 Staff costs and numbers

The aggregate payroll costs were:	Total 2020 £	Total 2019 £
Wages and salaries	431,412	358,942
Social security costs	43,361	36,122
Pension costs	12,946	10,749
	487,719	405,813

The number of employees whose total employments benefits (excluding employer pension costs) for the reporting period were in excess of £60,000 fall within the bands as follows:

	Total 2020	Total 2019
£80,000 - £89,999	-	1
£90,000 - £99,999	1	-
£120,000 - £129,999	1	1

SUSTAINABLE FOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

6 Staff costs and numbers (continued)

The total employment benefits received by key management personnel in the year were £223,865 (2019: £229,405).

The average number (headcount) of employees in the year was as follows:

	Total 2020	Total 2019
Employees	11.0	10.3

No trustees received remuneration or were reimbursed expenses in the current or prior year.

7 Comparative Statement of Financial Activity

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total funds 2019 £
Income and endowments from:				
Donations and legacies	390,946	244,937	-	635,883
Charitable Activities	62,352	2,571	-	64,923
Other trading activities	20,000	-	-	20,000
Investments	257	-	-	257
Total income	473,555	247,508	-	721,063
Expenditure on:				
Charitable activities	506,498	236,612	-	743,110
Total expenditure	506,498	236,612	-	743,110
Net income/(expenditure)	(32,943)	10,896	-	(22,047)
Transfers between funds	65,000	-	(65,000)	-
Net movement in funds	32,057	10,896	(65,000)	(22,047)
Reconciliation of funds:				
Total funds brought forward	263,203	84,856	205,000	553,059
Total funds carried forward	295,260	95,752	140,000	531,012

SUSTAINABLE FOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

8 Tangible fixed assets

	Fixtures fittings & equipment £	Total £
Cost		
At 1 April 2019	23,719	23,719
Additions	8,410	8,410
At 31 March 2020	<u>32,129</u>	<u>32,129</u>
Depreciation		
At 1 April 2019	21,044	21,044
Charge for the year	3,072	3,072
At 31 March 2020	<u>24,116</u>	<u>24,116</u>
Net book value		
At 31 March 2020	<u>8,013</u>	<u>8,013</u>
At 31 March 2019	<u>2,675</u>	<u>2,675</u>

9 Debtors

	2020 £	2019 £
Trade debtors	23,437	72,420
Prepayments and accrued income	11,436	6,463
Gift Aid receivable	6,311	5,000
Other debtors	-	781
	<u>41,184</u>	<u>84,664</u>

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	35,272	24,482
Accruals	2,646	3,024
Deferred income	201,050	10,000
Taxation and social security costs	16,803	10,622
	<u>255,771</u>	<u>48,128</u>

SUSTAINABLE FOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

11 Reconciliation of net movement in funds to net cash inflow from operating activities

	2020 £	2019 £
Statement of Financial Activities: Net movement in funds	100,216	(22,047)
Depreciation	3,072	4,047
Investment income	(256)	(257)
(Decrease)/increase in creditors	207,643	26,007
(Increase)/decrease in debtors	43,480	(14,519)
Net cash inflow from operating activities	<u>354,155</u>	<u>(6,769)</u>

12 Analysis of changes in cash during the year

	2020 £	2019 £	Change £
Cash at bank and in hand	<u>837,802</u>	<u>491,801</u>	<u>346,001</u>

	2019 £	2018 £	Change £
Cash at bank and in hand	<u>491,801</u>	<u>501,261</u>	<u>(9,460)</u>

13 Movement in funds

	At 1-Apr-2019 £	Income £	Expenditure £	Transfers £	At 31-Mar-2020 £
Expendable Endowment fund	140,000	-	-	-	140,000
Restricted funds					
True cost accounting & sustainability metrics	45,516	115,000	(89,987)	-	70,529
Sustainable diets and farming	-	35,000	(21,194)	-	13,806
Harmony project	50,236	84,064	(67,324)	-	66,976
	<u>95,752</u>	<u>234,064</u>	<u>(178,505)</u>	<u>-</u>	<u>151,311</u>
Unrestricted funds	295,260	685,133	(640,476)	-	339,917
Total funds	<u>531,012</u>	<u>919,197</u>	<u>(818,981)</u>	<u>-</u>	<u>631,228</u>

SUSTAINABLE FOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

13 Movement in funds (continued)

Prior year comparative	At 1-Apr-2018 £	Income £	Expenditure £	Transfers £	At 31-Mar-2019 £
Expendable Endowment fund	205,000	-	-	(65,000)	140,000
Restricted funds					
True cost accounting & sustainability metrics	18,254	119,552	(92,290)	-	45,516
Sustainable diets and farming	10,710	10,000	(20,710)	-	-
Harmony project	55,892	117,957	(123,613)	-	50,236
	84,856	247,509	(236,613)	-	95,752
Unrestricted funds	263,203	473,555	(506,498)	65,000	295,260
Total funds	553,059	721,064	(743,111)	-	531,012

Expendable endowment - This fund was set up by the Trustees following receipt of a major donation from the RH Southern Trust. The intention of the RH Southern Trustees was to support the longevity of the SFT by making a donation that would last several years, but that could be given in one go. It was therefore decided to set up an expendable endowment that would serve this purpose. In the year ended 31 March 2020 the trustees decided to not utilise any (2019: £65,000) of the expendable endowment to further the purposes of the Charity in the year; as such no transfer was made from the expendable endowment fund to general funds.

Restricted funds

True cost accounting & sustainability metrics - Income represents grants given towards the SFT's strategic work on True Cost Accounting and Sustainability Metrics.

Sustainable diets and farming- Income represents grants towards our work on aligning healthy diets with the productive capacity of sustainable agriculture.

Harmony project- Income represents grants given towards the SFT's work on Harmony - a collaborative project which focuses in three main areas of work: Harmony in Food, Farming and Health; Harmony in Education; and Living in Harmony.

SUSTAINABLE FOOD TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

14 Analysis of net assets between funds

At 31 March 2020

	Tangible Fixed assets	Other Net assets	Total
	£	£	£
Expendable Endowment funds	-	140,000	140,000
Restricted funds			
True cost accounting & sustainability metrics	-	70,529	70,529
Sustainable diets and farming	-	13,806	13,806
Harmony project	-	66,976	66,976
	-	151,311	151,311
Unrestricted funds	8,013	331,904	339,917
	8,013	623,215	631,228

At 31 March 2019

	Tangible Fixed assets	Other Net assets	Total
	£	£	£
Expendable Endowment funds	-	140,000	140,000
Restricted funds			
True cost accounting & sustainability metrics	-	45,516	45,516
Harmony project	-	50,236	50,236
	-	95,752	95,752
Unrestricted funds	2,675	292,585	295,260
	2,675	528,337	531,012

15 Company limited by guarantee

The Company is limited by guarantee and as such has no issued share capital. In the event of the company being wound up the liability of the members is limited £1 each.

16 Related party transactions

Patrick Holden, Chief Executive of the charity, is the Executive Director of The Sustainable Food Alliance Inc. USA in the year and has disclosed his interest in Sustainable Food Trust. The charity received £308,652 in the year (2019: £148,323) from The Sustainable Food Alliance Inc. USA.

Patrick Holden owns the rental property in which the charity operates. A rent of £10,800 was paid by the charity in the year (2019: £10,800). At the year end £nil was outstanding (2019 - £nil).