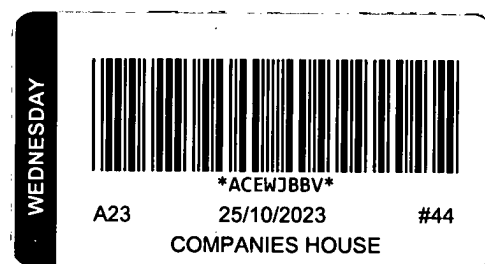


Registered number: 09389265  
Charity number: 1165742

**SUSTAINABLE FIBRE ALLIANCE**  
**UNAUDITED**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2023**



---

**SUSTAINABLE FIBRE ALLIANCE**  
**(A company limited by guarantee)**

---

**CONTENTS**

---

	Page
<b>Reference and administrative details of the Charity, its Trustees and advisers</b>	<b>1</b>
<b>Trustees' report</b>	<b>2 - 7</b>
<b>Independent examiner's report</b>	<b>8 - 9</b>
<b>Statement of financial activities</b>	<b>10</b>
<b>Balance sheet</b>	<b>11 - 12</b>
<b>Statement of cash flows</b>	<b>13</b>
<b>Notes to the financial statements</b>	<b>14 - 28</b>

---

**SUSTAINABLE FIBRE ALLIANCE**  
**(A company limited by guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

---

<b>Trustees</b>	Una Jones, Chief Executive Andreas Wilkes Charles Hubbard (resigned 30 November 2022) Simon Cotton (resigned 20 July 2022) Eleni Thrasyvoulou (resigned 20 July 2022) Paul Littlefair Tana Dai (appointed 8 June 2022) Karen Perry (appointed 8 June 2022) Jocelyn Wilkinson (resigned 20 July 2022)
<b>Company registered number</b>	09389265
<b>Charity registered number</b>	1165742
<b>Registered office</b>	41 Bryn Awelon Mold Flintshire CH7 1LT
<b>Chief executive officer</b>	Una Jones
<b>Accountants</b>	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

---

**SUSTAINABLE FIBRE ALLIANCE**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

---

The Trustees present their annual report together with the financial statements of the Charity for the period from 1 February 2022 to 31 January 2023. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

**Objectives and activities**

**a. Policies and objectives**

The Sustainable Fibre Alliance is a global multi-stakeholder initiative with a mission to ensure the long-term viability of the cashmere sector. We promote the SFA Cashmere Standard to encourage the adoption of responsible production practices that minimise environmental impact, safeguard herder livelihoods and meet high animal welfare standards.

The objectives of the charity are:

To promote sustainable development for the benefit of the public by:

- the preservation, conservation and the protection of the environment and the prudent use of resources
- the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities
- the promotion of sustainable means of achieving economic growth and regeneration
- to advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large.

The vision of the SFA is that all cashmere is produced in an environmentally friendly way that safeguards the livelihoods of herding communities and protects the important, fragile environment in which they live.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

**b. Strategies for achieving objectives**

The Key Strategic aims that shape our work are:

- Environmental resilience in cashmere producing regions.
- Improving animal welfare within cashmere production.
- Improved long-term prospects for herding communities and farmers that rely on cashmere.

---

**SUSTAINABLE FIBRE ALLIANCE**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

---

**Objectives and activities (continued)**

**c. Activities undertaken to achieve objectives**

The SFA works with the end to end cashmere supply chain, connecting herders to brands and retailers in the global fashion industry. We offer a globally-focused, locally-adapted solution for sustainable cashmere. We promote the SFA Cashmere Standard to encourage the adoption of responsible practices that benefit people, livestock and the environment. Our standard allows companies to demonstrate their commitment to transforming the cashmere sector and make credible claims about the sustainability of their cashmere products.

**d. Main activities undertaken to further the Charity's purposes for the public benefit**

The Trustees 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.

**Achievements and performance**

**a. Main achievements of the Charity**

In the twelve month period to 31.01.23 the Sustainable Fibre Alliance (SFA) expanded its activities whilst strengthening the administration functions that support it. SFA's activities and scope of influence have expanded due to the charity's increased interaction with international partners. Membership has remained stable whilst we have had increased contributions from project work and registrations for SFA's Chain of Custody program.

**b. Review of activities**

In 2022, the SFA saw herder communities joining SFA have almost doubled in number from the previous year across China and Mongolia.

The SFA continued its increased focus on training and engagement with herders and supporting market connections for responsibly produced cashmere. In 12 Mths to 31.01.23, SFA's certification and work programme continued to increase its participants. This has led to demand for SFA fibre increasing, bringing benefits to the herders who produce it with in the SFA standard.

This would not have been possible without our members' core support, the tireless work of our team in the UK and Mongolia, and the commitment and dedication of our strategic partner in China (ICCAW), that has ensured SFA is in an increasing position of strength to achieve the objectives described above.

**The SFA global standards and certification programme strengthened and developed**

Following two years of revision and consultation, the SFA launched its new global standard system in December 2022. The SFA Cashmere Standard defines best practices for responsible cashmere production. The standard covers the most pressing sustainability issues associated with fibre production and outlines the intended outcomes achieved through the standard's adoption; the standard revision and consultations followed a rigorous multistakeholder, science-based review process, putting people at its heart and actively engaging herders, maintaining SFA's commitment to the International Social and Environmental Accreditation and Labelling Alliance's (ISEAL) Standard Setting Code and adherence to transparency.

---

**SUSTAINABLE FIBRE ALLIANCE**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

---

**Achievements and performance (continued)**

**Supporting, women and youth beyond standard implementation**

Beyond standard setting and implementation we continue to support women, youth and communities across the regions in which we work, examples of our work is as follows:

- Women's empowerment program involved over 1000 herding women in the cashmere supply chain, supported by J Crew.
- Young herders education program benefited a total of 760 school children from 7 schools, across 4 regions of Mongolia; supported by Johnstons of Elgin.
- Community governance development support and training- financial training provided to the herder community leaders to increase their financial resilience. This work was supported by Khan Bank.
- SFA herder cooperatives received "Green Loan" finance from Khann bank at preferential rates. 37 Herder co-operatives benefited from this program.

**Looking forward**

In 2023, the SFA will continue to deepen our impact across our herder communities and further scale our standard across new chosen countries.

It is becoming ever clearer that the urgency of our mission in supporting biodiversity, and increasing need to build resilience against the climate crisis needs systemic change at national and international level and that a significant scaling up of funding is required.

We will continue to facilitate sector wide collaborations and create an enabling environment for an integrated landscape approach for rangeland sustainability to drive change at scale in partnership with local, regional, national and international partners.

The standard and best practices that SFA has developed have the potential to help wider rangeland-based livestock sector value chains, enabling foundations for a systematic approach to reduce vulnerability to climate change and enhance the resilience of herder communities globally.

**Financial review**

**a. Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

---

**SUSTAINABLE FIBRE ALLIANCE**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

---

**b. Reserves policy**

The Trustees have adopted a policy of having minimum total reserves of £50,000, in order to guarantee continuity of charitable activities. The Trustees will further review this policy as the activities of the Charity continue to grow. The Charity's reserves at 31st January 2023 amounted to £95,649 (2022: £53,366).

Free reserves at 31 January 2023 were £77,765 (2022: -£10,979).

---

**SUSTAINABLE FIBRE ALLIANCE**  
**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

---

**Structure, governance and management**

**a. Constitution**

The company is registered as a charitable company limited by guarantee incorporated in England and Wales. It was set up by Articles of Association, dated 14th January 2015 and then amended on 4th February 2016.

The company was granted charitable status on 24th February 2016 and is a registered charity number 1165742.

**b. Methods of appointment or election of Trustees**

The management of the company is the responsibility of the Trustees, who are elected by ordinary resolution by the existing Trustees in accordance with the company's articles of association.

**c. Organisational structure and decision-making policies**

The charity is managed by its Board, which consists of its Chair (also a Trustee), its CEO (also a Trustee), and four other Trustees. Management of day to day operations is delegated to the CEO, supported by teams in the UK and in Mongolia. The Charity Commission have granted permission for the CEO to draw remuneration for her services as CEO as well as being a Trustee.

**d. Risk management**

SFA have a Risk Register procedure in place for evaluating the strategic, operational, finance and compliance risks that the charity is exposed to. The Risk Register is used to support the identification and evaluation of risk, as well as the design and implement effective measures, not only to reduce risk and limit the impact if such risks materialise. The Trustees regularly assess the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, both in the UK and in Mongolia. The Trustees have assessed both the impact and likelihood of each source of risk and are satisfied that systems and procedures are in place to mitigate our exposure where ever possible.

**Plans for future periods**

The decision was taken to revise the SFA codes of practice structure into a global voluntary standard with consistent implementation between countries, ensuring that all certified producers and processors apply critical social, environmental and animal welfare criteria. As a membership alliance, it has been crucial to use this revision as an opportunity to gain consensus and a deeper understanding of the links between the latest scientific understanding and traditional knowledge, practices and performance and to garner buy-in and support from a balance of stakeholders (governmental, academic, NGO's, producers). In line with ISEAL best practices, the multistakeholder outreach continues to allow for targeted stakeholder input and public consultation, to ensure breadth and depth of expertise involvement for a robust standard and assurance system that generates credible, positive change to the SFA and the communities in which we support.

The development and implementation of the Global standard act as a catalyst for continuous, measurable improvements by producers and processors around environmental, social and animal welfare issues. Alongside this, the SFA will continue to engage in projects which champion sustainable development and address specific issues or blocks to sustainable development along the cashmere value chain. Strong partnerships with a variety of trusted and esteemed project partners have been cemented and are being further developed. These include membership engagement on projects addressing specific issues (such as John Lewis' support of Producer Cooperatives, J.Crew support of Women's Empowerment projects and Young herder training supported by Johnston's of Elgin), with various UN agencies (such as FAO, UNDP and UNIDO), NGOs (such as WWF), financial institutions such as EBRD, World Bank and Khan Bank, academic institutions and especially ICCAW



---

**SUSTAINABLE FIBRE ALLIANCE**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

---

**Plans for future periods (continued)**

our partner in China. This approach helps ensure a coherent effort that supports sustainability in the cashmere industry that enhances herders' and their families' livelihoods while reducing environmental impact and raising animal welfare.

With the current global lens on the effectiveness of sustainability initiatives, the introduction of welcomed regulation (especially around environmental claims and due diligence) and increased action by corporates, SFA is in a strong position with its clear mission, collaborative ethos and sharp focus to support and catalyse positive action along the end-to-end cashmere value chain.

**Statement of Trustees' responsibilities**


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

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

  
.....  
**Una Jones**  
Chief Executive

Date: 20/10/2023

---

**SUSTAINABLE FIBRE ALLIANCE**  
**(A company limited by guarantee)**

---

**INDEPENDENT EXAMINER'S REPORT**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

---

**Independent Examiner's Report to the Trustees of Sustainable Fibre Alliance ('the Charity')**

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 January 2023.

**Responsibilities and Basis of Report**

As the Trustees of the Charity (and 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 Charity 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 the Charity's accounts 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.

---

**SUSTAINABLE FIBRE ALLIANCE**  
(A company limited by guarantee)

---

**INDEPENDENT EXAMINER'S REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

---

**Independent Examiner's Statement**

Since the Charity'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 for 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 Charity 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.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:

*Jane Tweedie*

Dated:

*24 October 2023*

S J Tweedie

BSc FCA DChA

WR Partners  
Chartered Accountants  
Belmont House  
Shrewsbury Business Park  
Shrewsbury  
SY2 6LG

**SUSTAINABLE FIBRE ALLIANCE**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 JANUARY 2023**

		<b>Restricted funds 2023 £</b>	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<i>As restated Total funds 2022 £</i>
	<b>Note</b>				
<b>Income from:</b>					
Donations and legacies	3	154,170	620,918	775,088	529,038
<b>Total income</b>		<b>154,170</b>	<b>620,918</b>	<b>775,088</b>	<b>529,038</b>
<b>Expenditure on:</b>					
Charitable activities	4	212,413	555,392	767,805	557,020
<b>Total expenditure</b>		<b>212,413</b>	<b>555,392</b>	<b>767,805</b>	<b>557,020</b>
<b>Net (expenditure)/income</b>		<b>(58,243)</b>	<b>65,526</b>	<b>7,283</b>	<b>(27,982)</b>
Transfers between funds	14	11,334	(11,334)	-	-
<b>Net movement in funds</b>		<b>(46,909)</b>	<b>54,192</b>	<b>7,283</b>	<b>(27,982)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		58,522	29,844	88,366	116,348
Net movement in funds		(46,909)	54,192	7,283	(27,982)
<b>Total funds carried forward</b>		<b>11,613</b>	<b>84,036</b>	<b>95,649</b>	<b>88,366</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 14 to 28 form part of these financial statements.

**SUSTAINABLE FIBRE ALLIANCE**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 09389265**

**BALANCE SHEET**  
**AS AT 31 JANUARY 2023**

	Note	2023 £	2023 £	2022 £	2022 £
<b>Fixed assets</b>					
Tangible assets	9		6,271		5,823
			<u>6,271</u>		<u>5,823</u>
<b>Current assets</b>					
Stocks	10	827		-	
Debtors	11	273,400		246,720	
Cash at bank and in hand		111,528		97,098	
		<u>385,755</u>		<u>343,818</u>	
Creditors: amounts falling due within one year	12	(296,377)		(261,275)	
<b>Net current assets</b>			<u>89,378</u>		<u>82,543</u>
<b>Total assets less current liabilities</b>			<u>95,649</u>		<u>88,366</u>
<b>Net assets</b>			<u>95,649</u>		<u>88,366</u>
<b>Total net assets</b>			<u><u>95,649</u></u>		<u><u>88,366</u></u>

---

**SUSTAINABLE FIBRE ALLIANCE**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 09389265**

---

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 JANUARY 2023**

---

	Note	2023 £	2023 £	2022 £	2022 £
<b>Charity funds</b>					
Restricted funds	14		<b>11,613</b>		<b>58,522</b>
Unrestricted funds	14		<b>84,036</b>		<b>29,844</b>
<b>Total funds</b>			<b>95,649</b>		<b>88,366</b>

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

*Una Jones*

**Una Jones**  
Chief Executive

Date: *20/10/2023*

The notes on pages 14 to 28 form part of these financial statements.

**SUSTAINABLE FIBRE ALLIANCE**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	17,913	3,234
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(3,483)	(5,452)
<b>Net cash used in investing activities</b>	(3,483)	(5,452)
<b>Cash flows from financing activities</b>		
<b>Net cash provided by financing activities</b>	-	-
<b>Change in cash and cash equivalents in the year</b>	14,430	(2,218)
Cash and cash equivalents at the beginning of the year	97,098	99,316
<b>Cash and cash equivalents at the end of the year</b>	<b>111,528</b>	<b>97,098</b>

The notes on pages 14 to 28 form part of these financial statements

---

**SUSTAINABLE FIBRE ALLIANCE**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

---

**1. General information**

Sustainable Fibre Alliance is a charitable company, limited by guarantee and incorporated in England and Wales. The members of the charity are the trustees named on page 1 of these accounts. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Sustainable Fibre Alliance meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Going concern**

After making enquires, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

**2.3 Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Subscription income is recognised when members undertake to join or renew but is treated as deferred to the extent that it relates to the unexpired membership term:



---

**SUSTAINABLE FIBRE ALLIANCE**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

---

**2. Accounting policies (continued)**

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**2.5 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

**2.6 Tangible fixed assets and depreciation**

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	33% straight-line
------------------	---	-------------------

**2.7 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**2.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

---

**SUSTAINABLE FIBRE ALLIANCE**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

---

**2. Accounting policies (continued)**

**2.9 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.10 Liabilities and provisions**

Liabilities 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 estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

**2.11 Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.12 Pensions**

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

**2.13 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**SUSTAINABLE FIBRE ALLIANCE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2023**

**3. Income from donations and legacies**

	<b>Restricted funds 2023 £</b>	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<i>As restated Total funds 2022 £</i>
Donations	154,170	620,918	<b>775,088</b>	529,038
<i>Total 2022 as restated (see note 13)</i>	106,496	422,542	529,038	

**4. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Restricted funds 2023 £</b>	<b>Unrestricted funds 2023 £</b>	<b>Total 2023 £</b>	<i>Total 2022 £</i>
Charitable Activities	212,413	555,392	<b>767,805</b>	557,020
<b>Total 2023</b>	212,413	555,392	<b>767,805</b>	557,020
<i>Total 2022</i>	63,036	493,984	557,020	

**SUSTAINABLE FIBRE ALLIANCE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2023**

**5. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2023 £</b>	<b>Support costs 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Charitable Activities	488,300	279,505	<b>767,805</b>	557,020
<b>Total 2023</b>	<u>488,300</u>	<u>279,505</u>	<u><b>767,805</b></u>	<u>557,020</u>
<i>Total 2022</i>	<u>363,169</u>	<u>193,851</u>	<u>557,020</u>	

**Analysis of direct costs**

	<b>Activities 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Staff costs	176,160	<b>176,160</b>	198,976
Charitable project costs	34,862	<b>34,862</b>	45,078
Conference costs	17,457	<b>17,457</b>	2,041
Training and accreditation costs	230,334	<b>230,334</b>	69,311
Research costs	2,898	<b>2,898</b>	1,260
Mongolian labour charges	26,589	<b>26,589</b>	46,503
<b>Total 2023</b>	<u>488,300</u>	<u><b>488,300</b></u>	<u>363,169</u>
<i>Total 2022</i>	<u>363,169</u>	<u>363,169</u>	

**SUSTAINABLE FIBRE ALLIANCE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2023**

**5. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Activities 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Staff costs	102,951	<b>102,951</b>	41,840
Depreciation	3,036	<b>3,036</b>	2,206
Travel costs	32,849	<b>32,849</b>	7,395
Office expenditure	19,554	<b>19,554</b>	17,743
Finance costs	8,105	<b>8,105</b>	2,332
Communications and internet	35,446	<b>35,446</b>	14,230
Rent and room hire	422	<b>422</b>	-
Insurance	3,414	<b>3,414</b>	-
Other expenditure	12,542	<b>12,542</b>	10,302
Other staff costs	4,154	<b>4,154</b>	-
Mongolian labour charges	57,032	<b>57,032</b>	97,803
<b>Total 2023</b>	<u>279,505</u>	<u><b>279,505</b></u>	<u>193,851</u>
<i>Total 2022</i>	<u>193,851</u>	<u>193,851</u>	

The analysis of the 2022 comparative figures has been restated to reflect a more accurate allocation of costs in line with current year figures.

**6. Independent examiner's remuneration**

	<b>2023 £</b>	<b>2022 £</b>
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	<u><b>3,570</b></u>	<u>2,760</u>

---

**SUSTAINABLE FIBRE ALLIANCE**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2023**

---

**7. Staff costs**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>250,958</b>	222,045
Social security costs	<b>18,038</b>	14,624
Contribution to defined contribution pension schemes	<b>10,115</b>	4,147
	<b>279,111</b>	<b>240,816</b>

The average number of persons employed by the Charity during the year was as follows:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Employees	<b>6</b>	<b>6</b>

No employee received remuneration amounting to more than £60,000 in either year.

The information provided throughout this note discloses details for the charitable company's workforce in the United Kingdom.

The average number of persons employed in the UK is six there are also three members of contract staff employed by the SFA in the UK, the cost of these is presented in the accounts within both direct and support costs in Note 5. The information provided throughout this note discloses details for the charitable company's workforce in the United Kingdom.

The charitable company also has a team of 9 employees in Mongolia and 37 short-term service contractors for whom it completes regulatory filing in Mongolia; the cost of this team is presented in the accounts within both direct and support costs in Note 5.

---

**SUSTAINABLE FIBRE ALLIANCE**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

---

**8. Trustees' remuneration and expenses**

During the year, the charity has paid a salary to the Chief Executive, Una Jones, who is also a Trustee. The charity has obtained permission from the Charities Commission for Una Jones to be paid remuneration for her role as Chief Executive. The value of Trustees' remuneration and other benefits was as follows:

		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
Una Jones	Remuneration (inc pension contributions)	<b>52,984</b>	<b>48,020</b>
	Pension contributions paid	<b>6,659</b>	<b>1,516</b>

During the year ended 31 January 2023, expenses totalling £6,210 were reimbursed or paid directly to 1 Trustee (2022 - £903). This included travel, accommodation, sustenance, meetings and training.

**SUSTAINABLE FIBRE ALLIANCE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2023**

**9. Tangible fixed assets**

	Office equipment £
<b>Cost or valuation</b>	
At 1 February 2022	9,732
Additions	3,483
At 31 January 2023	<u>13,215</u>
<b>Depreciation</b>	
At 1 February 2022	3,909
Charge for the year	3,035
At 31 January 2023	<u>6,944</u>
<b>Net book value</b>	
At 31 January 2023	<u><u>6,271</u></u>
At 31 January 2022	<u><u>5,823</u></u>

**10. Stocks**

	2023 £	2022 £
Finished goods and goods for resale	<u>827</u>	<u>-</u>

**11. Debtors**

	2023 £	2022 £
<b>Due within one year</b>		
Trade debtors	267,350	246,609
Other debtors	-	111
Prepayments and accrued income	6,050	-
	<u><u>273,400</u></u>	<u><u>246,720</u></u>



---

**SUSTAINABLE FIBRE ALLIANCE**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

---

**12. Creditors: Amounts falling due within one year**

	<b>2023</b>	<i>As restated</i> <b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>14,805</b>	<b>10,506</b>
Other taxation and social security	<b>20,364</b>	<b>5,720</b>
Other creditors	<b>3,422</b>	<b>1,891</b>
Accruals and deferred income	<b>257,786</b>	<b>243,158</b>
	<u><b>296,377</b></u>	<u><b>261,275</b></u>

**13. Prior year adjustments**

During the prior year income was received for membership on a rolling 12 month basis. A proportion of this income related to 2023. A prior year adjustment has been made to restate this income as deferred which has resulted in a fall in income and opening reserves of £240,164 and a corresponding increase in creditors of £240,164.

**SUSTAINABLE FIBRE ALLIANCE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2023**

**14. Statement of funds**

**Statement of funds - current year**

	Restated Balance at 1 February 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2023 £
<b>Unrestricted funds</b>					
General Funds - all funds	29,844	620,918	(555,392)	(11,334)	84,036
<b>Restricted funds</b>					
EDRB Project	30,741	8,279	(38,614)	-	406
Young Herder Training Programme	11,451	10,000	(19,516)	-	1,935
Small Ruminants Project	10,000	-	(11,419)	1,419	-
UNDP Project	6,330	9,665	(16,663)	668	-
Volume Based Fee	-	110,000	(119,247)	9,247	-
ACEBA Afganistan	-	6,226	-	-	6,226
Apprenticeship	-	10,000	(6,954)	-	3,046
	58,522	154,170	(212,413)	11,334	11,613
<b>Total of funds</b>	88,366	775,088	(767,805)	-	95,649

**SUSTAINABLE FIBRE ALLIANCE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2023**

**14. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 February 2021 £</i>	<i>As restated Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Restated Balance at 31 January 2022 £</i>
<b>Unrestricted funds</b>					
General Funds - all funds	112,244	416,059	(493,984)	(4,475)	29,844
<b>Restricted funds</b>					
EDRB Project	3,554	45,198	(18,011)	-	30,741
Export Development Project	550	-	(1,893)	1,343	-
Empowerment of Women Project	-	40,000	(43,132)	3,132	-
Young Herder Training Programme	-	11,451	-	-	11,451
Small Ruminants Project	-	10,000	-	-	10,000
UNDP Project	-	6,330	-	-	6,330
	<u>4,104</u>	<u>112,979</u>	<u>(63,036)</u>	<u>4,475</u>	<u>58,522</u>
<b>Total of funds</b>	<u>116,348</u>	<u>529,038</u>	<u>(557,020)</u>	<u>-</u>	<u>88,366</u>

**15. Summary of funds**

**Summary of funds - current year**

	<i>Restated Balance at 1 February 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 January 2023 £</i>
General funds	29,844	620,918	(555,392)	(11,334)	84,036
Restricted funds	58,522	154,170	(212,413)	11,334	11,613
	<u>88,366</u>	<u>775,088</u>	<u>(767,805)</u>	<u>-</u>	<u>95,649</u>

**SUSTAINABLE FIBRE ALLIANCE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2023**

**15. Summary of funds (continued)**

**Summary of funds - prior year**

	<i>Balance at 1 February 2021 £</i>	<i>As restated Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 January 2022 £</i>
General funds	112,244	416,059	(493,984)	(4,475)	29,844
Restricted funds	4,104	112,979	(63,036)	4,475	58,522
	<u>116,348</u>	<u>529,038</u>	<u>(557,020)</u>	<u>-</u>	<u>88,366</u>

**16. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Restricted funds 2023 £</b>	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Tangible fixed assets	-	6,271	6,271
Current assets	11,613	374,142	385,755
Creditors due within one year	-	(296,377)	(296,377)
<b>Total</b>	<u>11,613</u>	<u>84,036</u>	<u>95,649</u>

**Analysis of net assets between funds - prior year**

	<i>Restricted funds 2022 £</i>	<i>Restated Unrestricted funds 2022 £</i>	<b>Total funds 2022 £</b>
Tangible fixed assets	-	5,823	5,823
Current assets	58,522	285,296	343,818
Creditors due within one year	-	(261,275)	(261,275)
<b>Total</b>	<u>58,522</u>	<u>29,844</u>	<u>88,366</u>

**SUSTAINABLE FIBRE ALLIANCE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2023**

**17. Reconciliation of net movement in funds to net cash flow from operating activities**

	2023 £	Restated 2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	7,283	(27,982)
<b>Adjustments for:</b>		
Depreciation charges	3,035	2,206
Decrease/(increase) in stocks	(827)	-
Increase in debtors	(26,680)	(209,309)
Increase in creditors	35,102	238,319
<b>Net cash provided by operating activities</b>	<b>17,913</b>	<b>3,234</b>

**18. Analysis of cash and cash equivalents**

	2023 £	2022 £
Cash in hand	111,528	97,098
<b>Total cash and cash equivalents</b>	<b>111,528</b>	<b>97,098</b>

**19. Analysis of changes in net debt**

	At 1 February 2022 £	Cash flows £	At 31 January 2023 £
Cash at bank and in hand	97,098	14,430	111,528
	<b>97,098</b>	<b>14,430</b>	<b>111,528</b>

---

**SUSTAINABLE FIBRE ALLIANCE**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2023**

---

**20. Pension commitments**

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions paid by the charity to the fund and amounted to £9,593 (2022: £4,147). Contributions of £3,422 (2022: £1,891) were payable to the fund at the balance sheet date and are included in creditors.

**21. Related party transactions**

There have been no payments made to Andreas Wilkes (Trustee) in the 12 mths to 31.01.2023 (2022: £20,000). The payment was to carry out a scoping research project as a consultant with expert skills in Land Management and the Chinese language. This work is outside of the remit of the board trustee.

This year, Charles Hubbard (Trustee resigned 30/11/2022) has been paid £30,484 (2022:nil) for setting up the accreditation system in Mongolia. He was able to do this due to his specific and extensive expertise in standard setting and assessment systems. This role went far beyond the role of a Charity Trustee.

The daughter of Charles Hubbard (Trustee resigned 30/11/2022) is employed by the charity and received a salary and benefits of £20,166 (2022: £20,079).