

GARDEN ORGANIC
(Registered as the Henry Doubleday Research Association)
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Registered Charity No. 298104

Company Registered No. 2188402

GARDEN ORGANIC
(Registered as the Henry Doubleday Research Association)

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GARDEN ORGANIC
(Registered as the Henry Doubleday Research Association)

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 DECEMBER 2008

Registered number:	2188402
Charity registered number:	298104
Registered office:	Ryton Organic Gardens Ryton on Dunsmore Coventry CV8 3LG
Patron:	H.R.H. The Prince of Wales, KG, KT, GCB,
President:	Professor T Lang
Vice Presidents:	Dr W Blyth R Blanc S Hampshire T Barlow
Ambassadors:	P Gallimore A Romans B Flowerdew K Wilde B Gooding L Kershaw Prof. C Barnes S Parsons C Holmes
The Council of Management:	Dr S A Bucknall (Chairman) J Milligan (Vice Chairman) K Pinder (Vice Chairman) J R W Petrie (Hon Treasurer) D Allan A Booth M Bradley – resigned 06/09/08 Dr R A Haskins R Key M Kunz – appointed 06/09/08 D Pearson – appointed 06/09/08 J Steele – appointed 06/09/08 C M Ungood-Thomas I Wilkinson – appointed 06/09/08
Finance Committee:	J R W Petrie (Chairman) A Booth Dr S A Bucknall I Wilkinson

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Board of Organic Enterprises Limited:	M Hitchins (Chairman) Dr S A Bucknall J R W Petrie K Pinder R Soans
Company Secretary:	J Court
Chief Executive:	M Bremner
Director of Corporate Resources:	J Court
Director of Operations:	R Sherman
Director of Policy:	Dr M Lennartsson
Director of Income Generation and Marketing:	J Williams
Auditors:	Wilkins Kennedy Bridge House London Bridge London SE1 9QR
Solicitors:	Wright Hassall LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF
Bankers:	Lloyds TSB Southpoint House Harcourt Way Meridian Business Park Leicester LE19 1WF Triodos Bank NV Brunel House 11 The Promenade Bristol BS8 3NN

GARDEN ORGANIC
(Registered as the Henry Doubleday Research Association)

COUNCIL OF MANAGEMENT ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2008

The Council of Management, who are the Trustees of Garden Organic (“the Charity”) present their annual report for the year ended 31 December 2008 under the Companies Act 1985 and the Charities Act 1993, together with the audited financial statements for that year.

Reference and Administrative Details

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

The Trustees are given on page 1 and senior executive staff on page 2. The Patron, President, Vice-Presidents and the external advisers of the Charity are set out on pages 1 and 2.

Structure, Governance and Management

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

The Council of Trustees is responsible for the overall governance of the Charity. Trustees are elected or co-opted and the total number may not exceed fifteen. Trustees are elected by the members and serve a five-year term of office. All Trustees must be members of Garden Organic. One fifth of the longest serving Trustees, since their last election to Council, shall resign annually and is eligible for re-election. There is an annual invitation to the membership to put themselves forward for the Council, advertised in our journal, *The Organic Way*. The invitation to members highlights the specific skill areas required in order to strengthen Council and meet future needs.

At the AGM in September 2008, Dr Martyn Bradley retired as a Trustee. Four new Trustees were appointed – Martin Kunz, David Pearson, Judy Steele and Irene Wilkinson.

The Council work closely with the Chief Executive and senior staff to ensure the charity is managed effectively. The Council meets together at least four times a year, both formally and informally to discuss the strategic plan and to look at divisional development and policies. Topics discussed during 2008 included finance, strategy, development against the operating plans, policies, and the following year’s budget.

New Trustees receive an induction pack containing background information on the charity and on fellow Trustees along with minutes of the two most recent Council meetings and other background information that is considered useful by the Chairman and Chief Executive. New Trustees are encouraged to join sub-committees of working groups depending on their interests and skills.

The Council delegates the exercise of certain powers in connection with the management and administration of the Charity as set out below. This is controlled by regular reporting back to the Council. All significant decision-making is taken by the whole Council on recommendations from the sub committees and working groups.

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Finance Committee

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

Strategic Planning Group

During 2008, the Strategic Planning Group met, with the Senior Management Team, to debate and ratify the vision, mission, values and objectives of Garden Organic.

Audit and Risk Committee

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

Human Resources and Remuneration Committee

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

Working Groups

Garden Organic has a number of working groups that meet to undertake a specific piece of work or to look after an area in support of the charity and the Council.

Chief Executive

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

Group Structure

The Charity has a wholly owned subsidiary: Organic Enterprises Limited. The subsidiary carries out non-charitable trading activities to raise funds for donation to Charity, and during the financial year it made an operating profit of £103,095 (2007: operating profit of £103,712).

Corporate Governance

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by budget holders, the executive management and the Council. A programme of internal audits is in place, derived from a comprehensive risk assessment.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

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

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Risk Management

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

The register is reviewed on a monthly basis by the Senior Management Team, quarterly by the Audit and Risk Committee and annually by the whole Council.

Objects, Objectives and Principal Activities of The Charity

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

- The improvement of scientific and practical horticultural and agricultural in all their branches throughout the application of organic methods and principles;
- Research into the study of organic methods and principles of horticulture and agriculture and the dissemination of the useful results thereof;
- The advancement of the awareness and knowledge of ecosystems and our impact on them by demonstrating the value of organic methods on a broad education front, both in the United Kingdom and overseas;
- The preservation and protection of the charity's properties and the conservation of the wildlife thereon as a centre for scientific research into the practical application of organic methods of agriculture and horticulture and their influence on the wildlife using the property as their natural habitat and to make the same available for inspection and study by members of the public.

During 2008, the Council and Senior Management Team confirmed that:

Garden Organic's Vision is of a healthy sustainable world that has embraced organic growing.

Garden Organic's Purpose is to get more people growing organically.

Garden Organic's Mission is to inspire, encourage and support individuals and groups to grow organically. We achieve this through our research, our demonstration gardens and our educational and promotional work. We focus on domestic, allotment and school gardens throughout the UK.

Garden Organic's Values are:

1. **Conviction**
We are driven by an enduring passion and belief, founded on 50 years of research and practice, that organic methods provide a healthy, sustainable life for us all.
2. **Respect**
We have respect for the land, respect for each other, respect for our organic legacy, and respect for the need to provide a lasting future for our children.
3. **Honesty**
We are open and transparent, honest in our dealings with the public, our members and our staff.

Garden Organic's Strategic Aims are:

1. To be financially responsible and ensure that funding exceeds our costs.
2. To be the UK's leading authority on practical organic growing.
3. To increase our presence and public profile.
4. To inspire and educate the growers of today and tomorrow.

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YEAR ENDED 31 DECEMBER 2008

Achievements and Performance

In a challenging but ultimately rewarding twelve months, Garden Organic has continued to deliver exceptional research, education and knowledge sharing programmes - with both international and local communities - and there has been much to celebrate in this, our 50th anniversary year.

The launch of our new strategy, following a thorough organisational review, provided a strong focus for the year, and the five policy themes that underpin this strategy became the springboard for a host of activities. Despite having to make some tough financial decisions, in particular the closing of Yalding Organic Gardens, we ended the year with an unrestricted surplus of £33,288.

Professor Tim Lang was appointed as our new president, bringing his own highly respected voice to our already considerable influence in the area of policy development. Most significantly, we led a national consortium of voluntary and private sector organisations to bring food growing to the forefront of UK policy making. We also published our response to DEFRA's discussion paper 'Ensuring Food Security in a Changing World.'

Our schools programme recruited its 5000th partner and now reaches over 20 percent of UK schools. Similarly, the Food for Life Partnership, the BIG lottery funded programme, continues to build on the network of schools and communities across England already transforming food culture through increased access to seasonal, local, organic food. The Master Composter scheme engaged 158 new volunteers in 2008. We now have 436 Master Composters reaching an estimated 169,000 households.

Our Research department has been investigating the rural economy and land use; engaging in practical horticultural research and developing carbon footprint modelling. This year we also undertook joint research projects with the universities of Cambridge, Leeds, Manchester, Reading and Sussex, and the University of Warwick's Horticultural Research International.

Garden Organic's International Advisory Service has continued its work with communities across the developing world, enabling small-scale farmers and growers to make informed choices about growing techniques that safeguard their health and environment, and ensure a more sustainable future. In 2008 our work in Cuba continued with a successful training event on rainwater harvesting and research trials on composting. Unfortunately, our project in Afghanistan, working through the Mercy Corps to help smallholders produce organic Fairtrade raisins, was suspended in 2008 due to the worsening security situation. However, with great demand in the UK and many Afghan farmers keen to participate, we are in discussion with other local non-governmental organisations to see if another group can take the project forward.

Garden Organic at Ryton welcomed over 23,600 visitors in 2008, including our patron HRH The Prince of Wales, who opened our new rose garden as part of the 50th Anniversary celebrations. We delivered a comprehensive programme of horticultural workshops and training days on site throughout the year, and hosted a series of seasonal and educational events for the local community.

Applying our expertise locally, we have been chosen to run the Central Warwickshire Villages LEADER programme, a government run scheme to promote projects that bring rural communities together, and we have been working in an advisory capacity on The Big Lottery Fund's Local Food Programme bids.

Financial Management Policies

The accounting policies under which the financial results are prepared and included in note 1 to the accounts.

Reserves

In line with previous years, the Trustees have formed a view that a general reserve equal to 6 months unrestricted expenditure should be maintained. They recognise that much work needs to be done to build up this reserve, which will need to incorporate plans that take other factors into account, including aged creditors, net current assets and repayment of long term borrowing.

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Restricted Reserves

Restricted income remains central to the work of Garden Organic, in particular the research department. During the year the number of restricted funds reduced, reflecting the end of some projects. A number of submissions for new work have been made, although the results of these bids will not be known until after first quarter in 2009. The award of these restricted funds will enable vital research into areas that Garden Organic would not be able to work in on its own.

The value of the reserve decreased during 2008, reflecting the high level at the end of the previous year which included a payment in advance from the BIG lottery for the Food for Life Partnership.

Workforce

Garden Organic aims to be an organisation where people feel part of a team and who work together for a shared purpose. All-staff meetings are held regularly, with updates from the senior management team on matters both strategic and financial, and from colleagues with work updates. Minutes are taken and circulated to all staff, including those at other sites.

Garden Organic supports equal opportunities and has a policy of recruitment and promotion on the basis of aptitude and ability without discrimination. Garden Organic endeavours to make our sites as accessible as possible, given the constraints on the English Heritage historical property at Audley End. Garden Organic currently employs people with disabilities and our Growth programme works with people with learning difficulties in the gardens at Ryton.

Volunteers

Garden Organic is fortunate to have the services of a growing number of volunteers who help the organisation to do its work. Across the two sites, there are seed guardians, volunteer guides, gardeners, administration support and researchers.

In addition, some of our off-site training schemes train volunteers to work in their community, such as the Master Composter scheme.

Pensions

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

Further details on the pension schemes are included in the notes to the accounts.

Future Plans

Maintaining the momentum of progress and change will be vital for Garden Organic in 2009, and we have defined clear objectives for 2009. We will improve our financial position; deliver core charitable activities; strengthen influential relationships and increase our public profile; develop effective management systems and infrastructure and deliver profitable commercial activity.

We will achieve a unified and effective knowledge exchange system, including the launch of 8 new research and development projects and an initial network of 5 external 'hubs' through our satellite gardens and Garden Organic local plan.

We will create new opportunities to support learning for all, and recruit a further 1000 schools to the Garden Organic for Schools programme. We will develop 4 new sustainable waste management training projects with schools, local authorities and the private sector. As part of the Food for Life Partnership, we will organise 9 Continuing Professional Development Events for school staff and associated colleagues and also repeat the successful Master Composter for Schools training event. We will organise 19 courses and workshops at our Ryton site, open to both our members and the public, covering a wide range of organic gardening topics.

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We will strengthen relationships with strategic partners, and maintain our influence with the Policy Directorate to engage with relevant government departments - In particular the UK Plant Genetic Resources Group on amateur varieties legislation; the Department of Communities and Local Government on the Code for Sustainable Homes; the Department of the Environment, Food and Rural Affairs and the Department for International Development on food security, the role of organic growing and waste regulation exemptions and the Department for Children Schools and Families about food growing in schools.

We will conduct a comprehensive site review at Ryton, with the aim of enhancing the visitor experience, improving the long term commercial viability of the site and ensuring it continues to meet our charitable objectives of supporting people to grow organically. As part of the site review, we will refurbish and expand our café and build a toddlers' play area.

2009 also marks the 10th anniversary of our gardens at Audley End, and we will be celebrating this milestone in recognition of all those involved in the transformation of this site over the past decade.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and charity 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 group and of the charitable company and of the surplus or deficit of the group for that period. In preparing those financial statements the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a trustee/director in order to make himself or herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

A resolution for the re-appointment of Wilkins Kennedy as auditors will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: 'Accounting and Reporting by Charities' (SORP 2005).

By Order of the Council

.....
Dr S A Bucknall - Chair

21 July 2009

GARDEN ORGANIC
(Registered as the Henry Doubleday Research Association)

COUNCIL OF MANAGEMENT ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2008

Chair's Report

Garden Organic is a dynamic organisation, we recognise the need for change and we respond to it appropriately on behalf of our members and supporters. This year has been one in which there have been many changes, but also many constants. Indeed, while our 50th year meant we had to make some tough decisions, it also saw us mark the success of half a century of ongoing charitable work, which we celebrated with a birthday visit from our patron, HRH The Prince of Wales.

Most people will be aware of the growing public awareness of environmental issues and the need to think seriously about sustainable lifestyles. This has led to a significant increase in the number of families wanting to spend more time in their gardens learning how to grow their own food in the greenest way possible. This interest is reflected in the huge increase in the number of 'grow your own' products, which, according to the major retailers and seed producing companies, have been sold during the year. It is also reflected in the increasing numbers of local authorities asking us to provide Master Composter training, which gets more people across the UK composting their waste instead of sending it to landfill.

With our core purpose of getting more people growing organically, we see this sign of enthusiasm as a springboard for us to encourage both new and existing gardeners to use organic growing techniques and do their bit to help the environment. This public activity, combined with changes in the organisation, such as the appointment of Professor of Food Policy, Tim Lang, as our new President, will help us to put the importance of organic gardening into the public domain and hopefully onto government agenda.

2008 has been a busy year for the organisation and its staff. We continue our key role in education through our nationwide Garden Organic for Schools programme, now involving over 5000 schools and thousands of children; as well as our role in the Food for Life Partnership. We have increased our outreach work with growers in the UK and beyond, such as those in Cuba, who have benefited from our advice on drought management; produced new research publications, including the definitive Guide to Weed Management, and have delivered a full timetable of courses and workshops.

However, being proactive sometimes involves making difficult decisions, especially when financial issues dictate the breadth of our work. Such a decision was made during the year with the closure of our beautiful gardens at Yalding in Kent. The financial facts were such that the head had to take precedence over the heart and it was with great sadness that the trustees took the decision to relinquish Yalding.

The current financial situation is impinging on many charities including Garden Organic and we are dependent on our donors, members and supporters in helping us to drive on the growth of healthy, organic gardening. I thank you all for your past and, I hope, continuing involvement and support. I also thank our staff for their dedication and commitment, and my trustees and I look forward to another year of positive change and growth.

.....
Dr S A Bucknall – Chair

21 July 2009

GARDEN ORGANIC
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YEAR ENDED 31 DECEMBER 2008

Honorary Treasurer's Report

To achieve a surplus of over £30,000 on Unrestricted Funds in a year of transition which saw the implementation of the new Strategic Plan was a creditable financial performance especially given the deteriorating economic climate in the second half of the year. Garden Organic's turnover exceeds £3.5 million of which £0.5 million is Restricted Income which can only be spent on specific projects, the largest of which is the Food For Life Partnership (FFLP) project.

FFLP is a 5 year partnership with the Soil Association, the Health Education Trust and Focus on Food to develop children's understanding of growing, cooking and eating food. £400,000 was spent on this project during the year. The movement between a deficit of £520,000 in Restricted Funds this year compared with a surplus of £300,000 in 2007 is caused entirely by the timing of receipts and expenditure on this major project.

Membership subscriptions, our largest single source of funding, increased to £840,000 (£772,000 in 2007). Significant donations received early in the year enabled us to manage what is always a tight cash flow situation. Appeals raised over £140,000, a welcome increase on the previous year. By contrast the level of legacies was the lowest for sometime and at £36,000 was over £100,000 less than in 2007.

The trading operations (mainly the shop and catering) were running at or above budget in the first half of the year but from July the worsening economic conditions had a marked adverse effect on turnover. Given the difficult circumstances in the latter part of the year the contribution of £120,000 from Organic Enterprises Ltd was a good performance.

On the Balance Sheet net assets reduced by nearly half a million pounds to £3.4 million. Net current liabilities increased by £373,000 to £620,000 due primarily to higher utilisation of a short term bank loan at balance date. Although a small surplus was made on Unrestricted Funds activities we need to generate much larger surpluses in future years to reduce the present heavy reliance on creditors.

Since the end of the financial year Triodos Bank has supported our budget and plans for 2009 and agreed to a facility of £250,000 to provide working capital and assist in funding the costs of renewing the café. With the economy in recession our work is even more important so we have to concentrate on good financial management to ensure that we can continue to help people to grow organically.

.....
J Petrie – Hon Treasurer

21 July 2009

GARDEN ORGANIC
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 DECEMBER 2008

We have audited the consolidated financial statements of Garden Organic for the year ended 31 December 2008 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Cash Flow Statement and the related notes which have been prepared under the historical cost convention (modified to include the revaluation of investments) and the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The charity's trustees, who are also directors for the purposes of the Companies Act 1985, are responsible for the preparation of the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), as set out in the Statement of Trustees' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We report to you whether in our opinion the information given in the Report of the Council of Management is consistent with the financial statements.

Basis of opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to charitable companies, of the state of affairs of the group and of the charitable company as at 31 December 2008 and of the incoming resources and application of resources in the year then ended; and have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Report of the Council of Management is consistent with the financial statements.

Bridge House
London Bridge
LONDON
SE1 9QR

Wilkins Kennedy
Chartered Accountants
& Registered Auditor

GARDEN ORGANIC
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Unrestricted Funds £	Restricted Funds £	Total 2007 £
INCOMING RESOURCES							
Incoming resources from generated funds:							
Donations, appeals and charitable gifts	3	779,603	262,172	1,041,775	759,076	364,098	1,123,174
Legacies	4	35,706	-	35,706	127,405	5,157	132,562
Sponsorship		51,730	-	51,730	57,550	-	57,550
Incoming resources from charitable activities:							
Admission, subscriptions and grants	5	890,405	77,477	967,882	862,191	635,533	1,497,724
Activities for generating funds:							
Fees for garden services		165,393	238,677	404,070	228,734	232,663	461,397
Shop & restaurant income		873,827	-	873,827	954,518	-	954,518
Conference, fee & publication income		88,684	-	88,684	33,435	111	33,546
Other income	6	94,616	1,104	95,720	177,603	1,506	179,109
Investment income	7	15,444	-	15,444	4,226	-	4,226
Total incoming resources		2,995,408	579,430	3,574,838	3,204,738	1,239,068	4,443,806
RESOURCES EXPENSED							
Costs of generating funds:							
Fundraising and publicity		115,739	-	115,739	66,043	-	66,043
Shop & restaurant costs		839,252	-	839,252	934,678	-	934,678
Publication costs		21,530	-	21,530	10,241	-	10,241
Charitable activities		2,201,019	864,566	3,065,585	2,745,070	633,398	3,378,468
Governance costs		19,271	-	19,271	16,564	-	16,564
Total resources expended	8	3,196,811	864,566	4,061,377	3,772,596	633,398	4,405,994
Net incoming/(outgoing) resources before transfers between funds							
		(201,403)	(285,136)	(486,539)	(567,858)	605,670	37,812
Transfer between funds	17	234,691	(234,691)	-	304,577	(304,577)	-
		33,288	(519,827)	(486,539)	(263,281)	301,093	37,812
Investment losses	10	-	-	-	(668)	-	(668)
Net movement in funds		33,288	(519,827)	(486,539)	(263,949)	301,093	37,144
Fund balances at 1 January 2008		(74,981)	3,997,221	3,922,240	188,968	3,696,128	3,885,096
Fund balances at 31 December 2008	19	£(41,693)	£3,477,394	£3,435,701	£(74,981)	£3,997,221	£3,922,240

All of the results are from continuing activities and include all gains and losses recognised in this year and last.

The notes on pages 16 to 28 form part of these financial statements.

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CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 DECEMBER 2008

	Notes	Group		Charity	
		2008 £	2007 £	2008 £	2007 £
Fixed assets					
Tangible fixed assets	9	4,928,135	5,095,944	4,928,135	5,095,944
Investments	10	14,505	15,059	14,512	15,066
		<u>4,942,640</u>	<u>5,111,003</u>	<u>4,942,647</u>	<u>5,111,010</u>
Current assets					
Stock	11	63,790	64,744	-	5,000
Debtors	12	242,379	231,809	223,796	199,351
Cash at bank and in hand		517,955	374,047	502,564	337,096
		<u>824,124</u>	<u>670,600</u>	<u>726,360</u>	<u>541,447</u>
Creditors: Amounts falling due within one year	13	<u>(1,443,915)</u>	<u>(917,381)</u>	<u>(1,346,158)</u>	<u>(788,235)</u>
Net current liabilities		<u>(619,791)</u>	<u>(246,781)</u>	<u>(619,798)</u>	<u>(246,788)</u>
Total assets less current liabilities		4,322,849	4,864,222	4,322,849	4,864,222
Creditors: Amounts falling due after more than one year	14	<u>(887,148)</u>	<u>(941,982)</u>	<u>(887,148)</u>	<u>(941,982)</u>
Net assets		<u>£3,435,701</u>	<u>£3,922,240</u>	<u>£3,435,701</u>	<u>£3,922,240</u>
Funds					
Restricted funds	17	3,477,394	3,997,221	3,477,394	3,997,221
Unrestricted funds: - other charitable funds	19	<u>(41,693)</u>	<u>(74,981)</u>	<u>(41,693)</u>	<u>(74,981)</u>
		<u>£3,435,701</u>	<u>£3,922,240</u>	<u>£3,435,701</u>	<u>£3,922,240</u>

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

.....
Dr S A Bucknall – Chair

21 July 2009

The notes on pages 16 to 28 form part of these financial statements.

GARDEN ORGANIC
(Registered as the Henry Doubleday Research Association)

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	£	£
Reconciliation of net incoming resources to net cash inflow from operating activities		
Net incoming/(outgoing) resources	(486,539)	37,812
Investment income	(15,444)	(4,226)
Interest paid	76,285	85,248
Depreciation	167,809	180,982
Loss on disposal of investments	2	1
Decrease in stock	954	3,670
(Increase)/decrease in debtors	(10,570)	(2,234)
Increase/(decrease) in creditors	224,397	79,985
	<u>(43,106)</u>	<u>£381,238</u>
Net cash (outflow)/inflow from operating activities		
 Cash flow statement		
Net cash inflow from operating activities	(43,106)	381,238
Return on investment and servicing of finance	(60,841)	(81,022)
Capital expenditure	-	(40,846)
	<u>(103,947)</u>	<u>259,370</u>
Net cash (outflow)/inflow before financing	(103,947)	259,370
Financing	247,857	270,184
	<u>£143,910</u>	<u>£529,554</u>
Increase in cash		
 Reconciliation of net cash flow to movement in net debt		
Increase in cash in the year	143,910	529,554
Loans repaid	52,695	678,964
New loan advanced	(300,000)	(890,000)
New hire purchase arrangements	-	(59,148)
	<u>(103,395)</u>	<u>259,370</u>
Change in net debt	(103,395)	259,370
Net debt at 1 January	(562,565)	(821,935)
	<u>£(665,960)</u>	<u>£(562,565)</u>
Net debt at 31 December		

GARDEN ORGANIC
(Registered as the Henry Doubleday Research Association)

NOTES TO THE CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	£	£
Gross cash flows		
Returns on investments and servicing of finance		
Interest received	15,444	4,226
Interest paid	(76,285)	(85,248)
	<u>£(60,841)</u>	<u>£81,022</u>
Capital expenditure		
Payments for tangible fixed assets	<u>£ -</u>	<u>£(40,846)</u>
Financing		
Secured loans repaid	(52,143)	(678,964)
Finance lease	-	59,148
New secured loan advanced	300,000	890,000
	<u>£247,857</u>	<u>£270,184</u>
Analysis of changes in net debt	1 January	31 December
	2008	2008
	£	£
Cash at bank and in hand	374,047	143,908
Overdrafts	(2)	2
	<u>374,045</u>	<u>143,910</u>
Debt due within one year	(35,049)	(303,229)
Debt due after one year	(838,835)	40,872
Finance leases	(62,726)	15,052
	<u>£(562,565)</u>	<u>£(103,395)</u>
		<u>£(665,960)</u>

GARDEN ORGANIC
(Registered as the Henry Doubleday Research Association)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

1. Accounting policies

a) Accounting convention

The accounts are prepared under the historical cost convention (modified to include the revaluation of investments). In preparing the Financial Statements the charity follows best practice as laid down in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005.

b) Consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiary Organic Enterprises Limited on a line by line basis. A separate statement of financial activities for the charitable company has not been presented as permitted by section 230 of the Companies Act 1985 and paragraph 397 of the SORP.

c) Incoming resources

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

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

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

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

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

d) Resources expended

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

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

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

e) Taxation

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

GARDEN ORGANIC
(Registered as the Henry Doubleday Research Association)

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies - continued

f) Tangible fixed assets

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, or lease period if shorter, as follows:-

Freehold buildings	2% to 10% straight line
Grounds and research equipment	10% to 25% straight line
Fixtures and fittings	10% to 25% straight line
Long leasehold	Over the term of the lease

g) Fixed asset investments

Investments held as fixed assets are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

h) Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less cost of disposal.

i) Funds accounting

Restricted funds – these are funds that can only be used for specific restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

j) Pension costs

During the year, the Charity contributed to a multi-employer defined benefit pension scheme for certain individuals and a defined contribution stakeholder scheme available to all. The assets of the schemes are held separately from those of the company in independently managed funds. The pension costs charge represents contributions payable by the Charity to the funds. The defined benefit scheme was closed to future accruals on 31 December 2008.

k) Finance and operating leases

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

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

GARDEN ORGANIC
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NOTES TO THE FINANCIAL STATEMENTS

2. Net outgoing resources for the year:			2008	2007
			£	£
This is stated after charging:				
Depreciation on owned tangible fixed assets			164,685	176,286
Depreciation on assets held under hire purchase			3,124	6,267
Operating lease rentals – Plant and machinery			34,097	21,300
Interest payable on bank loans and overdrafts			75,496	78,257
Finance lease interest			5,821	2,765
Auditors' remuneration	- audit services (Charity: £4,900)		8,000	7,850
	- other services		1,000	1,000
			<u>164,685</u>	<u>176,286</u>
3. Donations, Appeals and Charitable Grants			Total Funds 2008	Total Funds 2007
	Unrestricted Funds	Restricted Funds	£	£
	£	£		
Donations	238,288	196,372	434,660	226,888
Gift aid and tax recovery	219,567	-	219,567	246,931
Appeals	134,340	5,927	140,267	124,470
Charitable grants	187,408	59,873	247,281	524,885
	<u>£779,603</u>	<u>£262,172</u>	<u>£1,041,775</u>	<u>£1,123,174</u>
4. Legacies	£	£	£	£
Legacies	<u>£35,706</u>	<u>£ -</u>	<u>£35,706</u>	<u>£132,562</u>
5. Admissions, Subscriptions and Grants	£	£	£	£
Admission charges	49,966	-	49,966	90,669
Membership subscriptions	840,439	-	840,439	771,522
Government & commercial grants	-	77,477	77,477	635,533
	<u>£890,405</u>	<u>£77,477</u>	<u>£967,882</u>	<u>£1,497,724</u>
6. Other Income			Total Funds 2008	Total Funds 2007
	Unrestricted Funds	Restricted Funds	£	£
	£	£		
Royalty income	73,929	-	73,929	66,606
Rental and other income	20,687	1,104	21,791	112,503
	<u>£94,616</u>	<u>£1,104</u>	<u>£95,720</u>	<u>£179,109</u>

GARDEN ORGANIC
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NOTES TO THE FINANCIAL STATEMENTS

7. Investment income	£	£	£	£		
Bank interest	<u>£15,444</u>	<u>£ -</u>	<u>£15,444</u>	<u>£4,226</u>		
8. Total Resources Expended	Staff Costs	Depreciation	Direct costs	Support costs	Total Funds 2008	Total Funds 2007
	£	£	£	£	£	£
Costs of generating funds:						
- Fundraising and publicity	39,256	-	76,483	-	115,739	66,043
- Shop and restaurant costs	350,160	-	489,092	-	839,252	934,678
- Publication costs	12,620	-	8,910	-	21,530	10,241
	<u>402,036</u>	<u>-</u>	<u>574,485</u>	<u>-</u>	<u>976,521</u>	<u>1,010,962</u>
Charitable activities:						
- Gardens and gardening	485,712	75,515	153,082	210,528	924,837	1,260,908
- Education	254,245	8,390	152,885	23,392	438,912	163,638
- Information and training	154,921	8,390	193,428	23,390	380,129	325,169
- Research	341,664	50,343	132,293	140,548	664,848	966,661
- Marketing and PR	225,436	16,781	116,942	46,255	405,414	456,952
- Executive	125,410	8,390	94,221	23,424	251,445	205,140
	<u>1,587,388</u>	<u>167,809</u>	<u>842,851</u>	<u>467,537</u>	<u>3,065,585</u>	<u>3,378,468</u>
Governance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,271</u>	<u>19,271</u>	<u>16,564</u>
	<u>£1,989,424</u>	<u>£167,809</u>	<u>£1,417,336</u>	<u>£486,808</u>	<u>£4,061,377</u>	<u>£4,405,994</u>

	2008 £	2007 £
The aggregate payroll costs were:		
Wages and salaries	1,776,837	1,900,276
Social security costs	141,592	160,051
Other pension costs	70,995	84,795
	<u>£1,989,424</u>	<u>£2,145,122</u>

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

	No.	No.
Total number of staff:		
- Garden Organic	82	91
- Organic Enterprises Limited	<u>38</u>	<u>40</u>

GARDEN ORGANIC
(Registered as the Henry Doubleday Research Association)

NOTES TO THE FINANCIAL STATEMENTS

8. Total Resources Expended (continued)

The emoluments of one member of staff are within the range £70,001 to £80,000 (2007: Nil). Pension contributions of £5,924 (2007: Nil) relating to this one employee were paid into the defined contribution stakeholders scheme.

The trustees received no remuneration during the year under review. Travelling expenses were reimbursed to 9 trustees totalling £6,822 (2007: £5,253 to 7).

9. Tangible Fixed Assets

	Land & Buildings £	Grounds & Research Equipment £	Fixtures & Fittings £	Motor Vehicles £	Total £
Group and Charity					
Cost					
At 1 January 2008	5,278,280	123,309	1,054,480	6,281	6,462,350
Additions	-	-	-	(6,281)	-
Disposals	(10,570)	-	(2,675)	-	(19,526)
At 31 December 2008	<u>5,267,710</u>	<u>123,309</u>	<u>1,051,805</u>	<u>-</u>	<u>6,442,824</u>
Depreciation					
At 1 January 2008	516,273	112,029	731,823	6,281	1,366,406
Charge for the year	92,285	5,042	70,482	-	167,809
Disposals	(10,570)	-	(2,675)	(6,281)	(19,526)
At 31 December 2008	<u>597,988</u>	<u>117,071</u>	<u>799,630</u>	<u>-</u>	<u>1,514,689</u>
Net Book Value					
31 December 2008	<u>£4,669,722</u>	<u>£6,238</u>	<u>£252,175</u>	<u>£ -</u>	<u>£4,928,135</u>
31 December 2007	<u>£4,762,007</u>	<u>£11,280</u>	<u>£322,657</u>	<u>£ -</u>	<u>£5,095,944</u>

Included in Freehold Land and Buildings is £458,000 (2007: £458,000) relating to land.

Included within fixtures and fittings are assets held under hire purchase with a cost at 31 December 2008 of £31,245 (2007: £31,245) and accumulated depreciation of £6,249 (2007: £3,125).

GARDEN ORGANIC
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NOTES TO THE FINANCIAL STATEMENTS

10. Investments	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
Shares in group undertakings	-	2	7	9
Other investments	14,505	15,057	14,505	15,057
	<u>£14,505</u>	<u>£15,059</u>	<u>£14,512</u>	<u>£15,066</u>

10.1 Shares in Group Undertakings

Net income from the subsidiary trading activities

During the year Organic Enterprises Limited, a 100% subsidiary, was the sole trading subsidiary with the principal activities of running shops and restaurants at the charity's outlets, and the production and distribution of certain publications. The results for this subsidiary were as follows:

	2008 £	2007 £
Profit and Loss account		
Turnover	894,961	984,103
Cost of sales	(756,022)	(790,931)
Gross profit	138,939	193,172
Other income	68,916	64,528
Administrative expenses	(104,760)	(153,988)
Net profit prior to gift aid to the charity	<u>£103,095</u>	<u>£103,712</u>
Net assets at 31 December	<u>£7</u>	<u>£7</u>

HDRA Consultants Limited is 100% owned by the Charity and did not trade during the year. Net assets of the company were £Nil at the year end (2007: £2) and the company was struck off during 2008.

Investments in group undertakings therefore comprise:-	£
Organic Enterprises Limited	7
	<u>£7</u>

GARDEN ORGANIC
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NOTES TO THE FINANCIAL STATEMENTS

10.2 Other Investments	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
Market value at 1 January 2008	15,057	15,725	15,057	15,725
Disposals	(552)	-	(552)	-
Change in market value	-	(668)	-	(668)
Market value at 31 December 2008	£14,505	£15,057	£14,505	£15,057
Investments at market value comprise:				
UK fixed interest securities	£14,505	£15,057	£14,505	£15,057
Historical cost of UK fixed interest securities at 31 December			£14,505	£14,515
11. Stock	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
Stocks for resale	£63,790	£64,744	£ -	£5,000
12. Debtors	£	£	£	£
Trade debtors	157,181	127,094	145,939	105,873
Amount owed from group undertakings	-	-	7,428	-
Other debtors	55,024	33,762	40,255	22,525
Prepayments	30,174	70,953	30,174	70,953
	£242,379	£231,809	£223,796	£199,351
13. Creditors: amounts falling due within one year	£	£	£	£
Bank loan and overdraft (note 15)	338,278	35,051	338,278	35,051
Trade creditors	271,886	379,517	202,407	280,034
Amount owed to group undertakings	-	-	-	4,106
Obligations under hire purchase (note 15)	13,621	15,052	13,621	15,052
Other taxation and social security	93,568	101,866	72,322	77,459
Other creditors	24,489	24,969	17,457	15,607
Accruals and deferred income (note 13a)	702,073	360,926	702,073	360,926
	£1,443,915	£917,381	£1,346,158	£788,235

GARDEN ORGANIC
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NOTES TO THE FINANCIAL STATEMENTS

13a. Deferred income	£			
Deferred income at 1 January 2008	410,499			
Released during year	(358,987)			
Deferred in 2008	601,099			
	<u>£652,611</u>			
Deferred income at 31 December 2008	<u>£652,611</u>			
	Group		Charity	
	2008	2007	2008	2007
	£	£	£	£
Deferred income due with one year	597,479	355,026	597,479	355,026
Deferred income due after more than one year	55,132	55,473	55,132	55,473
	<u>£652,611</u>	<u>£410,499</u>	<u>£652,611</u>	<u>£410,499</u>
14. Creditors: amounts falling due after more than one year	Group		Charity	
	2008	2007	2008	2007
	£	£	£	£
Bank loan (note 15)	797,963	838,835	797,963	838,835
Obligations under hire purchase (note 15)	34,053	47,674	34,053	47,674
Accruals and deferred income (note 13a)	55,132	55,473	55,132	55,473
	<u>£887,148</u>	<u>£941,982</u>	<u>£887,148</u>	<u>£941,982</u>
15. Borrowings	Group		Charity	
	£	£	£	£
An analysis of loans is given below:				
Amounts falling due within one year:				
Bank loan & overdraft	338,278	35,051	338,278	35,051
Hire purchase	13,621	15,052	13,621	15,052
	<u>351,899</u>	<u>50,103</u>	<u>351,899</u>	<u>50,103</u>
Amounts falling due between one and two years:				
Bank loan	41,106	37,618	41,106	37,618
Hire purchase	13,621	13,621	13,621	13,621
	<u>54,727</u>	<u>51,239</u>	<u>54,727</u>	<u>51,239</u>
Amounts falling due between two and five years:				
Bank loan	142,458	131,055	142,458	131,055
Hire purchase	20,432	34,053	20,432	34,053
	<u>162,890</u>	<u>165,108</u>	<u>162,890</u>	<u>165,108</u>
Amounts falling due after five years:				
Bank loan	614,399	670,162	614,399	670,162
Hire purchase	-	-	-	-
	<u>614,399</u>	<u>670,162</u>	<u>614,399</u>	<u>670,162</u>

The charity has a loan facility with Triodos Bank, secured by a legal mortgage over the freehold property and a debenture over all assets and undertakings of the charity, both present and future. Additionally, in 2008 a further loan of £300,000 was taken out at an interest rate of base plus 1.9% and is repayable after 12 months.

Obligations under hire purchase contracts are secured on the assets acquired.

GARDEN ORGANIC
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NOTES TO THE FINANCIAL STATEMENTS

16. Pension Schemes

The Association together with its subsidiary, Organic Enterprises Limited, and other institutions participates in the Mercury Provident Pension Scheme, which provided benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Association, being invested with a pension fund management company. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees working lives with the Association. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2007, updated at 31 March 2008. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increases in salaries and pensions. It was assumed that the investment returns would be 3.5% per annum, that salary increases would average 4.5% per annum and that present and future pensions would increase at the rate of 2.5% to 3.5% per annum.

The pension charge for the Association for the year in respect of the above scheme was £25,627 (2007: £28,313).

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

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

	2008 £'000
UK equities	4,689
Overseas equities	3,104
Bonds	2,794
Other:	
Property	740
Other	855
	<hr/>
Fair value of assets held	12,182
Liabilities to members	19,982
	<hr/>
Deficit	<u>7,800</u>

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

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

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

The Association also makes contributions to a defined contribution stakeholder scheme. The pension cost charged to the financial statements in the year in respect of this scheme was £45,368 (2007: £56,482). At the end of the year there were no outstanding contributions payable (2007: £nil).

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NOTES TO THE FINANCIAL STATEMENTS

17. Restricted funds	Balance at 1 January 2008 £	Movement in Resources & Transfers £		Balance at 31 December 2008 £
Appeals:				
Adopt-a-veg appeal	15,079	17,854	(32,933)	-
Overseas Christmas Appeal 2007	6,479	10,722	(17,201)	-
Vegetable Database	30,224	-	(30,224)	-
Educational Appeal	7,556	-	(7,556)	-
Garden Appeal	30,000	-	(30,000)	-
International Appeal	305	-	-	305
Appeals Total	89,643	28,576	(117,914)	305
Projects:				
Leader	-	5,000	(189)	4,811
Wrap Compost Trials	-	16,834	(12,902)	3,932
HRI Vegetables varieties	1,155	14,716	(14,564)	1,307
EU Leafy Veg	-	13,173	(13,173)	-
MAFF Economic Organic Farming	975	-	(972)	3
Strawberry Fruit Link	1,147	11,687	(10,436)	2,398
Soil Nutrient Management	(1,380)	2,914	(1,534)	-
Misc Restricted projects <£5k inc	634	18,185	(13,169)	5,650
DEFRA Weeds	-	543	(525)	18
EU Rotate	(19,069)	31,133	(12,067)	(3)
Overseas Advisory Work	501	494	(132)	863
HDC Green Manures	2,196	22,857	(18,716)	6,337
DEFRA Fertility Building Crops	20,497	75,494	(72,988)	23,003
ADAS Weeds	1,252	-	(1,934)	(682)
Socio – Economics	(368)	5,875	(1,489)	4,018
Bio Dynamic Garden	11,568	-	(10,450)	1,118
Kennington Prosopsis Knowledge	3,331	-	(3,331)	-
Cuba Dissemination	(2,636)	44,140	(26,066)	15,438
Afghan Mercy Corps	18,214	-	(5,278)	12,936
Prosopsis Chainsaw Milling	2,616	1,949	-	4,565
International	-	333	(333)	-
RELU – scale	2,265	15,669	(15,285)	2,649
HIV/AIDS Ifoam	1,996	-	(1,996)	-
Lillian Goldman Trust	39,381	39,841	(53,763)	25,459
Environmental Footprint	-	326	(326)	-
Bucks: Master Composter Scheme	3,784	5,935	(7,912)	1,807
Warks: Master Composter Scheme	(980)	6,874	(4,266)	1,628
Worcs: Master Composter Scheme	204	14,675	(12,487)	2,392
WRAP Training	5,435	34,623	(35,063)	4,995
Norfolk: Master Composter Scheme	3,737	45,825	(44,403)	5,159
Shrop: Master Composter Scheme	578	13,687	(11,455)	2,810
Enfield Master Composters	2,076	3,026	(3,196)	1,906
Pembrokeshire Master Composters	1,796	2,597	(3,713)	680
WRAP Bokashi	2,139	3,915	(6,054)	-
Suffolk Master Composters	(1,676)	18,928	(13,729)	3,523
Carried forward projects:	101,368	471,248	(433,896)	138,720

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NOTES TO THE FINANCIAL STATEMENTS

17. Restricted funds (continued)	Balance at 1 January 2008 £	Movement in Resources & Transfers		Balance at 31 December 2008 £
	£	£	£	
Brought forward projects:	101,368	471,248	(433,896)	138,720
Oxfordshire Master Composters	-	13,945	(8,276)	5,669
Other Research	-	9,061	(740)	8,321
Cheshire Master Composters	-	20,600	(14,397)	6,203
Leicestershire	-	-	(898)	(898)
Food for Life Partnership	351,798	36,000	(395,750)	(7,952)
Projects Total	453,166	550,854	(853,957)	150,063
Capital Appeal				
Vegetable Kingdom Appeal	3,454,412	-	(127,386)	3,327,026
Total restricted funds	£3,997,221	£579,430	£(1,099,257)	£3,477,394

HRI Vegetable Varieties is a project funded for breeding and trialing of varieties for low input production systems.

Strawberry Link is a project to improve disease control on strawberry production using Bio fumigation.

Soil Nutrient Management is a collection of small scale trials.

EU Rotate is a project to develop computer models to help farmers manage nitrogen better. Funding for this project is received in arrears.

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

DEFRA Fertility Building Crops is project to improve fertility management in horticulture and agriculture.

Socio-Economics is the analysis of socio-economic aspects of local and national farming markets.

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

Cuba Drought dissemination work supports and facilitates the adaptation and adoption of appropriate vegetable varieties for the local region. Funding for this work is being received in advance.

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

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

The HIV/IFOAM fund is to pay for a report on links between HIV, organic agriculture, and nutrition.

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

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

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NOTES TO THE FINANCIAL STATEMENTS

17. Restricted funds – continued

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

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

WRAP Bokashi is a contract to conduct research into the effectiveness of Bokashi kitchen digesters in the home composting situation.

Now in its second year, the Food For Life Partnership (FFLP) is a five year partnership between Garden Organic, the Soil Association, the Health Education Trust, and Focus On Food, to develop children's understanding of growing, cooking and eating food. Restricted income is received from the BIG Lottery Fund via the Soil Association.

The Vegetable Kingdom appeal represents the funds received to pay for the construction of the facility. These are being amortised over the expected life of the building.

Leader is a programme in partnership with Warwickshire County Council providing grants to local groups for arts and gardening projects.

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

EU Leafy Veg Project brings together a number of partners active in the conservation and utilisation of plant genetic resources of the leafy vegetables most important in Europe; our role in this has been to evaluate the Heritage Seed Library lettuce varieties.

18. Company status

The Charity is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

19. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2008	Total Funds 2007
	£	£	£	£
Fund balances at 31 December 2008 are represented by:				
Tangible fixed assets	879,026	4,049,109	4,928,135	5,095,944
Investments	14,505	-	14,505	15,059
Current assets	355,488	468,636	824,124	670,600
Current liabilities	(403,564)	(1,040,351)	(1,443,915)	(917,381)
Creditors amount falling due after more than one year	(887,148)	-	(887,148)	(941,982)
Total net assets	£(41,693)	£3,477,394	£3,435,701	£3,922,240

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NOTES TO THE FINANCIAL STATEMENTS

20. Operating lease commitments

At 31 December 2008 the Group had annual commitments under operating leases as set out below:

Office equipment	2008 £	2007 £
Operating leases which expire:		
Within one year	4,049	16,198
More than one year	-	4,049
Between two and five years	<u>1,508</u>	<u>-</u>

21. Capital commitments

There were capital commitments of £Nil (2007: £Nil) at the year end.

22. Post balance sheet events

In 2009 the group has had a £250,000 loan agreed for a 12 month period, replacing the £300,000 loan taken out in 2008.