



(Registered as the Henry Doubleday Research Association)

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**Registered as a charity in England and Wales (No. 298104) and Scotland (No. SC046767)**

**Company Registered No. 02188402**

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## REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 DECEMBER 2016

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**Patron:**

H.R.H. The Prince of Wales, KG, KT, GCB

**President:**

Professor Tim Lang, PhD, FFPH

**Vice Presidents:**

Raymond Blanc  
Susan Hampshire  
Thelma Barlow

**Ambassadors:**

Prof. Chris Baines  
Rosie Boycott  
Chris Collins  
Bob Flowerdew  
Alys Fowler  
Caroline Holmes  
Alan Romans  
Sebastian Parsons  
Bob Sherman  
James Wong

**The Council of Management:**

Martin Stott (Chair)  
Margaret Eyre (Vice-Chair)  
Steve Howell (Treasurer)  
Adam Alexander (appointed 12<sup>th</sup> May 2016)  
Maggi Brown (resigned 12<sup>th</sup> May 2016)  
Gail Coleshill  
Dr Andrew Collins  
Nicky Foster Vander Elst (Vice-Chair, resigned 27<sup>th</sup> February 2017)  
Naomi L'Estrange  
Roger Key  
Philippa Lyons  
Elaine M Shaw  
Judy Steele  
Judith Wayne  
Kevin Wissett-Warner (appointed 12<sup>th</sup> May 2016)

**Chief Executive:**

James Campbell

**Senior Management Team:**

Julie Court (Finance Director and Company Secretary)  
Hannah Rogers (Head of Membership, Marketing and Communications)  
Steve Thomson (Operations Director)

**Charity registered number:**

England & Wales 298104  
Scotland SC046767

**Registered office:**

Ryton Organic Gardens  
Ryton on Dunsmore  
Coventry  
CV8 3LG

**Registered number:**

02188402

**Auditors:**

Wilkins Kennedy LLP  
Bridge House  
London Bridge  
London  
SE1 9QR

**Solicitors:**

Wright Hassall LLP  
Olympus Avenue  
Leamington Spa  
Warwickshire  
CV34 6BF

Lodders Solicitors LLP

Number Ten  
Elm Court  
Arden Street  
Stratford Upon Avon  
Warwickshire  
CV37 6PA

**Bankers:**

Lloyds TSB  
Southpoint House  
Harcourt Way  
Meridian Business Park  
Leicester  
LE19 1WF

Triodos Bank NV

Deanery Road  
BS1 5AS  
Bristol

## **COUNCIL OF MANAGEMENT ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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The Trustees of Garden Organic ("the Charity") are called the Council of Management. They present their annual report for the year ended 31 December 2016, 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 in England and Wales (298104) and Scotland (SC046767) and a company (02188402) limited by guarantee. Its registered office is as shown on page 2.

The Trustees, Patron, President, Vice-Presidents, other Honorary Officers and the external advisers of the Charity are set out on page 2.

### **Objectives and Activities of the Charity**

Gardening and growing offer great benefits for all – benefits for the environment and sustainability, for health and well-being, for food security and for building stronger communities. People's growing space, be it a garden, a windowsill, an allotment, a school or community garden, is valued as a place to relax and recharge both mentally and physically. Increasingly, it is also valued as an important space for learning, for reconnecting with nature and the food we eat, and a place where people can take practical actions to adopt sustainable lifestyles.

Using the organic approach to gardening and growing, which Garden Organic has been promoting for over 50 years, we are well placed to ensure that these benefits can be achieved and enjoyed to their full potential.

**Our Vision** is of a healthy and sustainable world that has embraced organic growing.

**Our Purpose** is to get more people growing organically.

**Our Mission** is to promote organic gardening, focusing on individual, community and school gardens throughout the UK. We will use innovative practices to inspire and encourage people to grow organically, collaborating with others to achieve the greatest impact.

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 horticulture and agriculture in all their branches through the application of organic methods and principles;
- Research into and the study of organic methods and principles of horticulture and agriculture and the dissemination of the useful results thereof;
- The advancement of 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 centre(s) 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.

### *Public benefit*

The Trustees confirm that they have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the Charity's aims and objectives, its performance and in planning future activities.

When reviewing annual performance progress against the agreed operational plan, the Trustees considered the range of beneficiaries that the Charity works with, both through our members and also the tens of thousands of individuals reached through our many charitable programmes in schools and the wider community. The Trustees are clear that there are health, well-being and environmental benefits in our work. The balance of research-related and practical knowledge dissemination matches well with our overall charitable objects.

## **COUNCIL OF MANAGEMENT ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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As a membership organisation, around a quarter of our annual income is received from membership subscription. This income is used to fund our work through our agreed strategy. Our members are active supporters for the Charity and partake in research experiments, contribute to our campaigns, and support the dissemination of good organic gardening and horticultural practice.

Detail of our impact and public benefit can be seen in the Achievements and Performance section of this report below.

### **Achievements and Performance**

Last year's Annual Report set out seven strategic objectives to further our purpose of getting more people growing organically. Below we discuss each of these

#### ***Disseminate the principles and practice of organic horticulture through education and training programmes***

##### *Food Growing Schools London*

This three-year lottery-funded project has enabled Garden Organic to support 54,000 London students in 977 schools to grow food, exceeding the target of 50,000. We held a successful celebration event at City Hall in October to present our interim evaluation report to nearly 100 delegates and we are now helping local groups to continue to support the schools once the project funding has ended.

##### *Volunteer Mentor Networks*

Supporting over 500 volunteers across the country, our volunteer mentor network programmes educate individuals and communities about organic gardening and composting. These award winning programmes can take the form of the traditional Master Composter or Master Gardener schemes as well as the newer Food Buddies and Growing Buddies schemes. During 2016 we delivered organic horticultural training to 766 beneficiaries in addition to the mentoring provided by our volunteers.

##### *Ryton Organic Gardens*

We welcomed nearly 8,000 visitors to our demonstration organic gardens at Ryton in 2016 where we launched our new GO Discover garden trail. We also ran 16 organic growing courses at Ryton Organic Gardens with 156 participants.

##### *Organic Horticultural Therapy*

Horticultural therapy can help to build confidence, improve communication and social skills and facilitate new learning. In 2016 we continued to run our Growth project, for adults with learning difficulties, and our Growing Enterprise project, for young people with Special Educational Needs or challenging behaviour. We also expanded our work with an outreach programme, funded by Sanctuary Housing.

#### ***Communicate and campaign on relevant organic horticultural issues***

##### *Campaigns*

Since it was first founded, Garden Organic has worked to protect the diverse life that makes up our gardens and growing spaces and 2016 was no different. In particular, we continued to work with our European partners to monitor the EU proposals for Plant Reproductive Materials and we also successfully lobbied to impose limitations on the re-licencing of glyphosate.

##### *Social Media*

Our social media presence increased significantly and by the end of the year we had over 13,000 likes on Facebook and over 34,000 followers on Twitter, demonstrating how we are reaching more supporters for our cause.

#### ***Promote Organic Horticultural research outcomes***

##### *Members' Experiments*

Members' Experiments play a vital role in the charity's history of research & development of organic horticulture and every year hundreds of members undertake experiments in their own gardens and allotments. In 2016 we conducted experiments on growing field beans for human consumption, using Persian clover as a no-dig green manure and we

## **COUNCIL OF MANAGEMENT ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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conducted a survey on the seed saving practices of our members. 273 people signed up to take part. The results are currently still being analysed, but have already generated some interesting findings.

### *Coventry University's Centre for Agroecology, Water and Resilience (CAWR)*

We worked with CAWR on several research projects in 2016, most notably the Citizen Science review and the Blooms for Bees project. The Citizen Science review is reviewing the key findings from our members' experiments as well as examining the motivations of members to participate in those experiments. Blooms for Bees is a citizen science project to promote and improve gardening for bumble bees.

### *Growing Health*

2016 was the final year of this project, focussing on researching what existing tools and methods there are for measuring health and wellbeing, to enable organisations involved in community growing to evaluate their work more precisely. Following on from previous years the project also continued to support and build a network of community food growing projects, academics, health professionals and commissioners to raise awareness of how food growing can deliver health outcomes.

### *Growing From Your Roots*

Growing From Your Roots aimed to capture, preserve and disseminate the cultural heritage associated with seeds, crops and food culture of multicultural groups within the UK. The experiences of growing and preparing food were recorded from 18 people representing 14 different nationalities. 63 people attended training courses on growing, cooking and seed saving and demonstration plots of unusual food crops were set up at 3 community gardens. A final event to celebrate the achievements of the project was attended by 119 people.

### ***Protect and enhance heritage plant resources***

#### *Heritage Seed Library*

Our Heritage Seed Library, which conserves vegetable varieties that are not widely available, continued to expand in 2016. At the end of the year we had 775 accessions in the collection, including 6 new varieties, and we distributed over 3,000 packets of seeds to the members of the seed library. We also work with a team of 196 seed guardians and variety champions who help to protect the vegetables by growing out seed for the library.

#### *Organic Seed Networks*

We are working collaboratively with relevant partner organisations to promote and support seed saving initiatives. Connections are being made with partners across England, Scotland and Wales to develop a better understanding by the general public of the benefit of protecting our heritage varieties.

### ***Establish centres of organic horticultural knowledge and best practice regionally, nationally and internationally***

#### *Regional Organic Centres*

Our intention to deliver organic knowledge and support at a regional level continues with the launch of 12 new local groups in 2016, of which 4 were funded by the Growing From Your Roots project. We expanded our regional training courses, both through our volunteer mentor networks programmes and working with partner gardens as well as delivering training to 146 school professionals as part of the Soil Association's Food for Life programme.

#### *International*

Whilst the decision to leave the EU has caused some uncertainty for our overseas projects, we are working with various European partners on the Life From the Soil project, funded by Erasmus+, a collaborative partnership of 9 organisations from across Europe. The project will highlight the multiple benefits of a range of environmental projects that deliver activities that support caring, therapeutic and educational development and outcomes for participants.

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### ***Demonstrate organisational best practice, well managed governance and long term financial sustainability***

#### *Organisational Best Practice*

During the year we reviewed our volunteer management processes, to ensure our volunteers feel more valued for the work they do. We also upgraded our IT systems to give better support to our remote workers and volunteers across the country.

#### *Governance*

In 2016 the Board of Trustees reviewed the risk management process and also started a board appraisal review process.

### ***Engage Supporters in delivery of strategic objectives***

#### *Events*

We attended a full diary of events in 2016 to meet with our members and supporters and to promote the work of the charity to new audiences. These events included the Edible Garden Show, Gardening Scotland, Gardeners World Live and Love Natural, Love Organic.

#### *Members*

At the end of 2016, Garden Organic had over 20,000 members, of which 1,674 were newly recruited in the year. We have improved our membership service and communication such that we increased our annual retention rate of existing members to 90 percent for the year.

### **Financial Review**

We finished 2016 ahead of expectations with an unrestricted surplus of £195,319 (2015 - £118,474) before actuarial movements on defined benefit pension scheme, delivering savings against our expenditure budget due to closely managing our costs, whilst still generating similar income levels to prior year.

The charity has a variety of funding sources, which offers some resilience against economic instability. In particular, our membership give us unrestricted income which we are able to spend across our charitable activities, whilst also funding some of the charity's support costs.

Our net current assets position has remained healthy, ending the year at £312,422 (2015 - £335,948) as we continue to manage our assets and liabilities.

#### *Pensions*

Garden Organic offers a defined contribution pension scheme to its entire staff. We previously offered our staff a multi-employer defined benefit pension scheme, which closed to future accrual in 2008. This scheme is in deficit, with our financial liability reflected on the balance sheet. Further details can be found in note 17.

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

#### *Risk Management*

The Council of Management, working with the Senior Management Team, reviewed the risk management process during the year and introduced improvements to the previous process. Risk registers are maintained across the charity to monitor and, where possible, to mitigate potential adverse events. These registers include strategic, operational and project risks such as income generation, expenditure budgets, insufficient internal collaboration and our relationship with key opinion formers. Risks are evaluated by the management team and scored for likelihood, financial impact and reputational impact, and mitigating actions are put in place. The risk registers are reviewed monthly by the Senior Management Team, with high-scoring risks being reviewed quarterly by the Audit and Risk Committee and annually by the Council.

This work has identified a number of strategic risks which the charity is managing. These include financial risks, such as the impact of the public perception of fundraising on our income and ensuring our programmes can fully recover

## **COUNCIL OF MANAGEMENT ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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their indirect costs in an environment where funders are being forced to reduce their budgets. We continue to closely monitor our results against our budgets and to ensure our expenditure is kept in line with our income.

The most significant non-financial risks facing the charity are those that potentially impact our reputation. We ensure that our external messages are effective and demonstrate our leading organic knowledge, by investing in our public profile, particularly social media such as our knowledge hub. We also apply our ethics policy to review any potential new relationships with donors, suppliers and partners.

### *Unrestricted Reserves*

Reserves are needed to bridge the gap between the spending and receiving of resources and to enable the Charity to cover unplanned emergency expenditure. The Trustees annually review the charity's reserves policy and agree that a general reserve of £500,000 is required, which is equal to three months unrestricted, non-trading expenditure.

At 31 December 2016, the charity had unrestricted funds of £553,483 (2015 £1,115,213). After making allowances for commitments and working capital requirements, our unrestricted reserves were £399,237 (2015 £414,639). The Trustees are aware that current reserves levels are not in line with the policy and whilst accepting that due to the increasing uncertainty in charity finances there will inevitably be peaks and troughs in annual budgets, nonetheless they seek the achievement and maintenance of this target as a key objective.

As part of its unrestricted funds, the charity maintains a designated fund which is earmarked for the specific purpose of maintaining and replacing assets currently owned by the charity. This includes the ongoing maintenance of the buildings and infrastructure at Ryton Organic Gardens.

### *Restricted Reserves*

Restricted income remains central to the work of Garden Organic. At the end of the year we held restricted reserves of £298,812 (2015 - £359,963), which are not available for general use, but are put aside for specific projects. During the year, we continued to run our restricted projects to further the charity's work in a variety of projects whilst developing opportunities for new funding. The award of these restricted funds will enable Garden Organic to work in areas where we would not be able to work otherwise.

### **Plans for Future Periods**

At the end of 2016, we reviewed and updated our three-year business plan for 2016-18. We set the same seven strategic objectives for 2017, as follows:

#### ***Disseminate the principles and practice of organic horticulture through education and training programmes***

We will reach new beneficiaries with the delivery of our educational programmes, including new funding for food growing in London schools, the Move More, Eat Well project in Birmingham and new volunteer mentor network programmes across the country.

#### ***Communicate and campaign on relevant organic horticultural issues***

Working with our supporters, especially those on social media, we will campaign on relevant issues.

#### ***Promote organic horticultural research outcomes***

We aim to enhance the value of citizen science by continuing support for relevant research through members' experiments. We will use our organic knowledge hub to share organic best practice.

#### ***Protect and enhance heritage plant resources***

The Heritage Seed Library plans to support more organic seed swap networks and heritage demonstration gardens across the UK.

#### ***Establish centres of organic horticultural knowledge and best practice regionally, nationally and internationally***

We will develop our local networks, including organic membership groups, regional programmes and partner organic gardens.



# **COUNCIL OF MANAGEMENT ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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***Demonstrate organisational best practice, well managed governance and long term financial sustainability***

Our priority is to support our staff and volunteers, to work towards best practice wherever possible and to improve our financial health.

***Engage supporters in delivery of strategic objectives***

We will proactively manage our membership base to increase satisfaction and loyalty, whilst promoting organic horticulture practices at a range of locations and events.

## **Structure, Governance and Management**

Garden Organic is governed by its Memorandum and Articles of Association, adopted on 12<sup>th</sup> May 2013.

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 Trustees, the longest serving since their last election to Council, shall resign annually and are eligible for re-election. There is an annual invitation to the membership to put themselves forward for the Council. The invitation to members highlights the specific skill areas required in order to strengthen Council and meet future needs.

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 the year included finance, strategy, risk, governance, performance against the operating plans, policies, the following year's budget and operational plan.

New Trustees undergo a robust induction and receive an induction pack containing background information on the Charity and on fellow Trustees along with other background information that is considered useful by the Chair and Chief Executive. New Trustees are encouraged to join committees or 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. Regular reporting back to the Council controls this. The whole Council makes all significant decisions on recommendations from the committees and working groups.

### *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 overseeing and reviewing regularly all financial aspects of the Charity's activities including its operational and strategic plans so as to ensure its short and long term viability, and communicating these matters to Council in a timely manner.

### *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 and reviewing regularly the effectiveness of the governance, internal control, risk management and compliance systems, as well as liaising with the external auditors independently from management.

### *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 Council of Management. The Senior Management Team assists the Chief Executive.

### *Group Structure*

The Charity has a wholly owned subsidiary, Organic Enterprises Limited. The subsidiary carries out trading activities to raise funds which it gift aids to the Charity, and during the financial year it made an operating profit of £75,576 (2015: £48,826).

## **COUNCIL OF MANAGEMENT ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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The Charity has another wholly owned subsidiary, Garden Organic Limited. This is a dormant company.

### *Staff and Volunteers*

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. Notes are taken and circulated to all staff, including those who are not based at Ryton Organic Gardens.

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. Garden Organic employs people with disabilities and several of our operational programmes work with people with learning or physical difficulties, or special educational needs.

Garden Organic is fortunate to have the services of a growing number of volunteers who help the organisation to do its work. We are extremely grateful to our hundreds of 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 and Master Gardener schemes.

### *Pay Policy for Senior Staff*

The Trustees consider the Council of Management and the Senior Management Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of directors' expenses are disclosed in note 9 to the accounts.

The pay of Senior Staff is reviewed annually by the Finance Committee. The Trustees benchmark the salaries and benefits against pay levels for roles in other similar not-for-profit organisations, adjusting for any variation in the level of responsibility within the role.

### **Statement of Trustees' Responsibilities**

The Trustees (who are also directors of Garden Organic 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 year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Trustees are required to:

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

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## **COUNCIL OF MANAGEMENT ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **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 Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS 102)).

By Order of the Council

Martin Stott.....  
Martin Stott, Chair of Trustees

Date: 10 April 2017

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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We have audited the financial statements of Garden Organic for the year ended 31 December 2016 (which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Cash Flow Statement) and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of Trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amount and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 December 2016, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Bridge House  
London Bridge  
London SE1 9QR

**J Howard (Senior Statutory Auditor)**

For and on behalf of **Wilkins Kennedy, Statutory Auditor**

Date:

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
<b>Income from</b>					
Donations, membership and legacies	3	1,328,217	34,058	1,362,275	1,275,530
Charitable Activities	4	565,799	437,536	1,003,335	1,136,146
Other trading activities	5	222,942	-	222,942	234,236
Investments		226	-	226	1,399
Other income		10,876	-	10,876	63,045
<b>Total</b>		<b>2,128,060</b>	<b>471,594</b>	<b>2,599,654</b>	<b>2,710,356</b>
<b>Expenditure</b>					
Raising funds	6	694,284	-	694,284	628,158
Charitable activities	7	1,357,135	414,067	1,771,202	1,960,540
<b>Total</b>		<b>2,051,419</b>	<b>414,067</b>	<b>2,465,486</b>	<b>2,588,698</b>
<b>Net Income/(Expenditure)</b>		<b>76,641</b>	<b>57,527</b>	<b>134,168</b>	<b>121,658</b>
<b>Transfers between funds</b>		<b>118,678</b>	<b>(118,678)</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>195,319</b>	<b>(61,151)</b>	<b>134,168</b>	<b>121,658</b>
Actuarial gains/(losses) on defined benefit pension schemes		(757,049)	-	(757,049)	33,393
		<b>(561,730)</b>	<b>(61,151)</b>	<b>(622,881)</b>	<b>155,051</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,115,213	359,963	1,475,176	1,320,125
<b>Total funds carried forward</b>	<b>18</b>	<b>553,483</b>	<b>298,812</b>	<b>852,295</b>	<b>£1,475,176</b>

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

The notes on pages 15 to 25 form part of these financial statements.

## CONSOLIDATED BALANCE SHEETS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Group		Charity	
		2016 £	2015 £	2016 £	2015 £
<b>Fixed assets</b>					
Tangible fixed assets	10	2,826,924	2,793,255	2,826,924	2,793,255
Investments	11	-	-	9	9
		<u>2,826,924</u>	<u>2,793,255</u>	<u>2,826,933</u>	<u>2,793,264</u>
<b>Current assets</b>					
Stock		2,906	3,138	-	-
Debtors	12	121,888	173,413	157,936	209,729
Cash at bank and in hand		846,268	944,457	803,393	907,721
		<u>971,062</u>	<u>1,121,008</u>	<u>961,329</u>	<u>1,117,450</u>
<b>Creditors: Amounts falling due within one year</b>	13	(658,640)	(785,060)	(648,916)	(781,511)
<b>Net current assets</b>		<u>312,422</u>	<u>335,948</u>	<u>312,413</u>	<u>335,939</u>
<b>Total assets less current liabilities</b>		<u>3,139,346</u>	<u>3,129,203</u>	<u>3,139,346</u>	<u>3,129,203</u>
<b>Creditors: Amounts falling due after more than one year</b>	15	(487,001)	(565,109)	(487,001)	(565,109)
Provisions for liabilities	17	(1,800,050)	(1,088,918)	(1,800,050)	(1,088,918)
<b>Net assets</b>		<u><b>£852,295</b></u>	<u><b>£1,475,176</b></u>	<u><b>£852,295</b></u>	<u><b>£1,475,176</b></u>
<b>Reserves</b>	18				
Restricted funds		298,812	359,963	298,812	359,963
Unrestricted funds:					
- designated fund		57,000	117,000	57,000	117,000
- other charitable funds		496,483	998,213	496,483	998,213
		<u><b>£852,295</b></u>	<u><b>£1,475,176</b></u>	<u><b>£852,295</b></u>	<u><b>£1,475,176</b></u>

The financial statements were approved by the Council of Management on  
by:-

and signed on their behalf

Steve Howell.....  
Steve Howell  
**Honorary Treasurer**

The notes on pages 15 to 25 form part of these financial statements.

## **CONSOLIDATED CASHFLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

		2016	2015
	Notes	£	£
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	111,075	261,452
<b>Cash flows from investing activities</b>			
Interest income		226	1,399
Purchase of tangible fixed assets		(107,062)	(180,301)
		(106,836)	(178,902)
<b>Cash flows from financing activities:</b>			
Repayments of borrowing		(102,428)	(94,718)
Cash inflows from new borrowing		-	140,000
		(102,428)	45,282
<b>Change in cash and cash equivalents in the year</b>		<b>(98,189)</b>	<b>127,832</b>
Cash and cash equivalents at the beginning of year		944,457	816,625
<b>Cash and cash equivalents at the end of the year</b>		<b>£846,268</b>	<b>£944,457</b>
<b>Analysis of cash and cash equivalents</b>			
		<b>31 December</b>	<b>31 December</b>
		<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
Cash at bank and in hand		<b>£846,268</b>	<b>£944,457</b>

The notes on pages 15 to 25 form part of these financial statements.

# **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**1. Accounting policies**

**a) Accounting convention**

The accounts are prepared following best practice as laid down in the Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS 102)) – the Financial Reporting Standard applicable in the UK and Republic of Ireland. The accounts are also prepared in accordance with the Companies Act 2006, the Charities Act 2011, the Charities Accounts (Scotland) Regulations 2006 and Charities and Trustee Investment (Scotland) Act 2005.

The Henry Doubleday Research Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are recognised at historical cost of transaction value unless otherwise stated in the relevant accounting policy note.

**b) Consolidation**

These financial statements consolidate the results of the charity and its wholly owned subsidiaries Organic Enterprises Limited and Garden Organic Limited on a line-by-line basis. A separate statement of financial activities for the charitable company has not been presented as permitted by 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 charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.



## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**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

**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.

Unrestricted general funds – these are funds that 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 defined contribution stakeholder scheme available to all. The assets of the scheme 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 Charity also contributed to a multi-employer defined benefit pension scheme for certain individuals. This 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.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

2.	<b>Net income/(expenditure) for the year:</b>		<b>2016</b>	<b>2015</b>
			<b>£</b>	<b>£</b>
	<b>This is stated after charging:</b>			
	Depreciation on owned tangible fixed assets		73,393	56,744
	Operating lease rentals – Plant and machinery		7,425	4,019
	Interest payable on bank loans and overdrafts		14,425	16,038
	Auditors' remuneration - audit services (Charity: £10,100)		12,530	10,526
			<u>          </u>	<u>          </u>
3.	<b>Income from Donations, Membership and Legacies</b>		<b>Total</b>	<b>Total</b>
		<b>Unrestricted</b>	<b>Restricted</b>	<b>Funds</b>
		<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
		<b>£</b>	<b>£</b>	<b>2016</b>
				<b>2015</b>
				<b>£</b>
	Donations and gifts	137,660	34,058	171,718
	Legacies	411,587	-	411,587
	Membership	638,888	-	638,888
	Gift aid recovery	140,082	-	140,082
		<u>          </u>	<u>          </u>	<u>          </u>
		<b>£1,328,217</b>	<b>£34,058</b>	<b>£1,362,275</b>
		<u>          </u>	<u>          </u>	<u>          </u>
				<b>£1,275,530</b>
				<u>          </u>
4.	<b>Income from Charitable Activities</b>		<b>Total</b>	<b>Total</b>
		<b>Unrestricted</b>	<b>Restricted</b>	<b>Funds</b>
		<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
		<b>£</b>	<b>£</b>	<b>2016</b>
				<b>2015</b>
				<b>£</b>
	Fees for gardening projects	501,255	5,969	507,224
	Government and public authority payments	23,336	14,212	37,548
	Charitable grants	25,993	417,355	443,348
	Admissions	15,215	-	15,215
		<u>          </u>	<u>          </u>	<u>          </u>
		<b>£565,799</b>	<b>£437,536</b>	<b>£1,003,335</b>
		<u>          </u>	<u>          </u>	<u>          </u>
				<b>£1,136,146</b>
				<u>          </u>
5.	<b>Income from Other Trading Activities</b>		<b>Total</b>	<b>Total</b>
		<b>Unrestricted</b>	<b>Restricted</b>	<b>Funds</b>
		<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
		<b>£</b>	<b>£</b>	<b>2016</b>
				<b>2015</b>
				<b>£</b>
	Income from trading activities	100,048	-	100,048
	Rental income	120,834	-	120,834
	Sponsorship	1,700	-	1,700
		<u>          </u>	<u>          </u>	<u>          </u>
		<b>£222,942</b>	<b>£-</b>	<b>£222,942</b>
		<u>          </u>	<u>          </u>	<u>          </u>
				<b>£234,236</b>
				<u>          </u>

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

### 6. Expenditure on Raising Funds

	Activities undertaken directly £	Support costs £	Total Funds 2016 £	Total Funds 2015 £
- Membership	246,331	176,606	422,937	344,412
- Fundraising and publicity	28,665	171,896	200,561	222,729
- Other trading activities	21,046	49,740	70,786	61,017
	<u>£296,042</u>	<u>£398,242</u>	<u>£694,284</u>	<u>£628,158</u>

### 7. Expenditure on Charitable Activities

	Activities undertaken directly £	Support costs £	Total Funds 2016 £	Total Funds 2015 £
- Education and training	830,797	240,903	1,071,700	1,173,106
- Heritage Seed Library	133,071	87,407	220,478	232,299
- Research	118,499	21,879	140,378	192,537
- Ryton Gardens	264,408	74,238	338,646	362,598
	<u>£1,346,775</u>	<u>£424,427</u>	<u>£1,771,202</u>	<u>£1,960,540</u>

### 8. Analysis of Support Costs

	Governance & Finance £	IT & Human Resources £	Premises £	Total Support costs 2016 £	Total Support costs 2015 £
- Membership	148,660	16,866	11,080	176,606	136,785
- Fundraising and publicity	156,600	4,216	11,080	171,896	129,439
- Other trading activities	23,363	4,216	22,161	49,740	46,318
- Education and training	114,901	92,761	33,241	240,903	305,514
- Heritage Seed Library	4,059	16,866	66,482	87,407	97,590
- Research	6,583	4,216	11,080	21,879	33,057
- Ryton Gardens	3,540	4,216	66,482	74,238	84,866
	<u>£457,706</u>	<u>£143,357</u>	<u>£221,606</u>	<u>£822,669</u>	<u>£833,569</u>

#### Basis of Apportionment of Support Costs

- Governance and Finance costs are apportioned based on income levels
- IT and Human Resources costs are apportioned pro rata based on staff headcount
- Premises costs are apportioned pro rata based on the usage of the grounds/offices

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

### 9. Analysis of Trustee and Staff Remuneration

	2016	2015
	£	£
<b>The aggregate payroll costs were:</b>		
Wages and salaries	1,135,727	1,183,113
Social security costs	88,923	92,154
Employer's contribution to defined contribution pension scheme	82,300	77,763
Operating costs of defined benefit pension scheme	43,557	78,286
	<u>£1,350,507</u>	<u>£1,431,316</u>

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

	No.	No.
Total number of staff:		
Raising Funds	2	3
Charitable Activities	31	28
Support Staff	20	19
	<u>53</u>	<u>50</u>

The Trustees received no remuneration during the year under review. Travelling, subsistence and accommodation expenses were reimbursed to 6 Trustees totalling £3,645 (2015: £2,606 to 5).

The emoluments of one member of staff are within the range £70,001 to £80,000 in the year (2015: one). Pension contributions relating to this employee of £10,500 (2015: £6,000) were paid into the defined contribution pension scheme.

The key management personnel of the charity comprise the Trustees, the Chief Executive Officer and the Senior Management team as noted on page 2. The total employee benefits of the key management personnel were £241,182 (2015: £221,391).

### 10. Tangible Fixed Assets

	Land & Buildings	Grounds & Research	Fixtures &	Total
	£	Equipment	Fittings	£
	£	£	£	£
<b>Group and Charity</b>				
<b>Cost or Valuation</b>				
At 1 January 2016	2,700,000	276,275	1,181,979	4,158,254
Additions	-	-	107,062	107,062
	<u>2,700,000</u>	<u>276,275</u>	<u>1,289,041</u>	<u>4,265,316</u>
At 31 December 2016	2,700,000	276,275	1,289,041	4,265,316
	<u>2,700,000</u>	<u>276,275</u>	<u>1,289,041</u>	<u>4,265,316</u>
<b>Depreciation</b>				
At 1 January 2016	88,000	115,466	1,161,533	1,364,999
Depreciation charge	44,000	16,354	13,039	73,393
	<u>132,000</u>	<u>131,820</u>	<u>1,174,572</u>	<u>1,438,392</u>
At 31 December 2016	132,000	131,820	1,174,572	1,438,392
	<u>132,000</u>	<u>131,820</u>	<u>1,174,572</u>	<u>1,438,392</u>
<b>Net Book Value</b>				
<b>31 December 2016</b>	<b>£2,568,000</b>	<b>£144,455</b>	<b>£114,469</b>	<b>£2,826,924</b>
	<u>£2,568,000</u>	<u>£144,455</u>	<u>£114,469</u>	<u>£2,826,924</u>
31 December 2015	£2,612,000	£160,809	£20,446	£2,793,255
	<u>£2,612,000</u>	<u>£160,809</u>	<u>£20,446</u>	<u>£2,793,255</u>

Included in Freehold Land and Buildings is £500,000 (2015: £500,000) relating to land.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

### 11. Investments

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Shares in group undertakings	£ nil	£ nil	£9	£9

#### 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 leasing retail, catering and office premises and the production and distribution of certain publications.

The results for this subsidiary were as follows:

	2016 £	2015 £
<b>Profit and Loss account</b>		
Turnover	30,653	27,257
Cost of sales	(13,116)	(5,680)
Gross profit/(loss)	17,537	21,577
Other income	194,025	173,132
Administrative and other expenses	(135,986)	(145,882)
Net profit prior to gift aid to the charity	<b>£75,576</b>	<b>£48,827</b>
Net assets at 31 December	<b>£7</b>	<b>£7</b>

Garden Organic Limited is a 100% subsidiary with a share capital of £2. This company has not traded during the period under review.

Investments in group undertakings comprise:	£	£
Organic Enterprises Limited	7	7
Garden Organic Limited	2	2
	<b>£9</b>	<b>£9</b>

### 12. Debtors

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	53,116	122,416	36,196	98,547
Amount owed from group undertakings	-	-	63,701	60,185
Other debtors	40,846	30,155	30,113	30,155
Prepayments	27,926	20,842	27,926	20,842
	<b>£121,888</b>	<b>£173,413</b>	<b>£157,936</b>	<b>£209,729</b>

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

**13. Creditors: amounts falling due within one year**

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Bank loan (note 16)	71,889	102,237	71,889	102,237
Trade creditors	74,189	81,602	74,189	81,602
Amount owed to group undertakings	-	-	2	2
Other taxation and social security	43,528	64,355	39,826	63,106
Other creditors	20,330	19,958	20,330	19,956
Accruals and deferred income (note 14)	448,704	516,908	442,680	514,608
	<u>£658,640</u>	<u>£785,060</u>	<u>£648,916</u>	<u>£781,511</u>

**14. Deferred income**

	£
Deferred income at 1 January 2016	<b>£489,731</b>
Released during year	(919,461)
Deferred in 2016	839,467
	<u>£409,737</u>

Deferred income at 31 December 2016

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Deferred income due within one year	354,591	428,557	354,591	428,557
Deferred income due after more than one year	55,146	61,174	55,146	61,174
	<u>£409,737</u>	<u>£489,731</u>	<u>£409,737</u>	<u>£489,731</u>

**15. Creditors: amounts falling due after more than one year**

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Bank loan (note 16)	431,855	503,935	431,855	503,935
Accruals and deferred income (note 14)	55,146	61,174	55,146	61,174
	<u>£487,001</u>	<u>£565,109</u>	<u>£487,001</u>	<u>£565,109</u>

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

16. Borrowings	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
An analysis of loans is given below:				
<b>Amounts falling due within one year:</b>				
Bank loan	71,889	102,237	71,889	102,237
<b>Amounts falling due between one and two years:</b>				
Bank loan	73,719	71,890	73,719	71,890
<b>Amounts falling due between two and five years:</b>				
Bank loan	232,618	226,838	232,618	226,838
<b>Amounts falling due after five years:</b>				
Bank loan	125,518	205,207	125,518	205,207

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. In 2011, a loan of £150,000 was taken out at an interest rate of base + 2.5%, repayable over five years which was fully repaid in 2016. In 2015, a loan of £140,000 was taken out at an interest rate of base + 3.5%, repayable over fifteen years.

### 17. Pension Schemes

#### *Defined Benefit Scheme*

Garden Organic 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 Garden Organic, being managed by the Mercury Provident Pension Scheme trustee.

Due to the nature of the scheme it is not practicable to extract from the scheme funds as a whole the amount attributable to Garden Organic and therefore the pension scheme deficit has been incorporated in the balance sheet of the charity calculated as the present value of contributions payable. The calculated deficit is £1,800,050 (2015 - £1,088,918) using a discount rate of 4% (2015 - 4%).

The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was as at 31 March 2016. 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 2.38% per annum and that present and future pensions would increase at the rate of 0% to 2.2% per annum.

The fair value of the assets held by the pension scheme, attributable to all participating institutions, at the actuarial date were as follows:

	2016 £'000
Market value of assets held	13,181
Liabilities to members	33,125
Deficit	<b>£19,944</b>

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

### Defined Contribution Scheme

Garden Organic 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 £82,300 (2015: £77,763). At the end of the year there were no outstanding contributions payable (2015: £nil).

### 18. Reserves

	Designated Fund	Other charitable funds	Restricted Funds (note 20)	Total Funds
	£	£	£	£
Fund balances at 31 December 2015 – as restated	117,000	998,213	359,963	1,475,176
Surplus/(deficit) for year	-	(561,730)	(61,151)	(622,881)
Transfer to/(from) designated fund	(60,000)	60,000	-	-
<b>Fund balances at 31 December 2016</b>	<b>£57,000</b>	<b>£496,483</b>	<b>£298,812</b>	<b>£852,295</b>

### 19. Reconciliation of net income/expenditure to net cash flow from operating activities

	2016	2015
Net income for reporting period (as per the statement of financial activities)	134,168	121,658
<b>Adjustments for:</b>		
Depreciation	73,393	56,744
Interest received	(226)	(1,399)
Decrease/(increase) in stock	232	1,377
Decrease/(increase) in debtors	51,525	14,378
Increase/(decrease) in creditors	(102,100)	35,301
Increase/(decrease) in defined benefit pension scheme liability	(45,917)	33,393
<b>Net cash provided by operating activities</b>	<b>£111,075</b>	<b>£261,452</b>

### 20. Restricted funds

	Balance at 1 January 2016	Movement in Resources & Transfers	Balance at 31 December 2016
<b>Projects:</b>			
Sowing New Seeds	12,094	-	(12,094)
Food for Life Partnership	12,755	-	(12,755)
Food Metres	4,316	-	(4,316)
Growing for Health	20,913	3,969	(23,747)
Growing Enterprise	26,304	10,558	(19,918)
Sanctuary Housing	-	8,237	(8,237)
Food Growing in Schools – London	93,883	289,596	(287,361)
Public Health Engagement	32,178	-	(32,178)
Greening the Gardening Industry	27,671	-	(4,856)
Tackling Re-offending	90,008	-	(24,724)
Children in Need	9,737	-	(8,784)
Growing from your Roots	8,450	30,366	(38,816)
Life from the Soil	8,521	10,612	(12,227)
Ryton Gardens Improvements	13,133	23,500	(2,282)
Thyme To Be	-	10,912	(1,637)



## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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Peabody Housing	-	14,500	(10,420)	4,080
Southwark Master Gardener	-	69,344	(28,393)	40,951
<b>Total restricted funds</b>	<b>359,963</b>	<b>£471,594</b>	<b>£(532,745)</b>	<b>£298,812</b>

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### **Projects:**

Sowing New Seeds - a project building links within communities by encouraging growers to share knowledge and plant resources concerning exotic crops, funded by Local Food (Big Lottery Fund), the Brook Trust, Cadbury Trust, Grimmet Trust, Sheldon Trust, Oram Foundation and Open Gate Foundation.

The Food for Life Partnership (FFLP) - a 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.

Food Metres – Planning Food and Innovation for Sustainable Metropolitan Regions is an international research project investigating sustainable food planning and innovation in metropolitan regions. The project is funded by European Union (Framework 7), with a special interest in local food and short supply chains. Garden Organic is involved and through collaboration with Centre for Agroecology and Food Security, a joint centre between Coventry University and Garden Organic

Growing for Health and Wellbeing – a project funded by The Tudor Trust and delivered in partnership with Sustain; the alliance for better food and farming. The aim of the project is to investigate barriers/opportunities/mechanisms for community food growing to deliver more directly to health outcomes and be integrated into the routine health care service provided by health care professionals.

Growing Enterprise - funded by the Daylesford Foundation this is a two year project to support disadvantaged young people. They will learn horticultural and business skills through growing, making and selling a variety of products. The project is based at Ryton Organic Gardens.

Sanctuary Housing - working with residents in Sanctuary Housing accommodation in Hereford and Cheltenham on a social and therapeutic horticulture project which helped to improve their environment and personal well-being.

Food Growing in Schools – London; an ambitious target to get every school in London growing food. This is a three year project funded by the Big Lottery and Greater London Authority. We will work with RHS, Capital Growth, School Food Matters, Morrisons Let's Grow programme and the Food for Life Partnership to support local volunteers, businesses and schools to come together and grow food.

Public Health Engagement – A three-year project to improve our engagement with the re-formed public health commissioning bodies.

Greening the Gardening Industry - a project aiming to develop a 'green/organic labelling' scheme for the garden centre industry to guide and support gardeners' choice, to promote organic gardening and to highlight sustainable practices within the gardening industry.

Tackling Re-offending – exploring the use of the Master Gardener model within a prison setting

Children in Need – this project provides fun, environmental activities for young carers. Groups of children aged 6 to 13 have visited Ryton Organic Gardens for an exciting day, sowing seeds, hunting for mini beasts and making pizza during their school holidays.

Growing from your Roots – This project documents the stories behind the exotic crop plants being grown by multi-cultural communities in and around Birmingham and the West Midlands

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

Life from the Soil – A knowledge sharing project, using land sustainably for the benefit of individuals or community.

Ryton Gardens Improvements – Funding to improve facilities at Ryton Organic Gardens, including a purpose-built composting area and education facilities for visitors.

Thyme To Be – Funded by Bupa UK Foundation we are running social and therapeutic sessions to support family carers at Ryton Organic Gardens. Carers are involved in practical organic activities whilst socialising with others in a similar situation.

Peabody Housing - A project to encourage Peabody residents on four London estates to engage with food growing in communal gardens. Funding is through the London Community Foundation

Southwark Master Gardener - A Master Gardener/Food Buddy programme which engages with residents of the London borough of Southwark to support food at home or in community gardens. Target beneficiaries are those on low incomes/at risk of food poverty or who have been food bank users.

### 21. 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.

### 22. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2016	Total Funds 2015
	£	£	£	£
Fund balances at 31 December 2016 are represented by:				
Tangible fixed assets	2,826,924	-	2,826,924	2,793,255
Current assets	672,250	298,812	971,062	1,121,008
Current liabilities	(658,640)	-	(658,640)	(785,060)
Creditors amount falling due after more than one year	(2,287,051)	-	(2,287,051)	(1,654,027)
<b>Total net assets</b>	<b>£553,483</b>	<b>£298,812</b>	<b>£852,295</b>	<b>£1,475,176</b>

### 24. Operating lease commitments

At 31 December 2016 the total future minimum lease payments for the Group under non-cancellable operating leases are as follows:

	2016 £	2015 £
Within one year	5,952	7,425
Between one and five years	5,744	11,716
	<u>11,696</u>	<u>19,141</u>

### 25. Capital commitments

There were capital commitments of £nil (2015: £nil) at the year end.

