



(Registered as the Henry Doubleday Research Association)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017

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
Bob Flowerdew
Alys Fowler
Caroline Holmes
Alan Romans
Bob Sherman
James Wong

The Board of Trustees:

Martin Stott (Chair)
Margaret Eyre (Vice-Chair)
Steve Howell (Treasurer)
Adam Alexander
Marjan Bartlett-Freriks (appointed 18th May 2017)
Gail Coleshill
Dr Andrew Collins
Naomi L'Estrange
Roger Key (resigned 18th May 2017)
Philippa Lyons
Tania Sayer (appointed 18th May 2017, resigned 27th February 2018)
Elaine M Shaw
Judy Steele (resigned 18th May 2017)
Judith Wayne
Kevin Wissett-Warner

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
Bristol
BS1 5AS

BOARD OF TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The Trustees of Garden Organic ("the Charity") are called the Board of Trustees. They present their annual report for the year ended 31 December 2017, 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 nearly 60 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 property at Ryton Gardens (and/or such other properties as the Company may manage or acquire) and the conservation of the wildlife thereon as a centre or centres 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.

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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 numerous 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.

As a membership organisation, around a quarter of our annual income is received from membership subscriptions. This income is used to fund our work through our agreed strategy. Our members are active supporters of 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

Master Composters

In 2017, we began delivery of a new Master Composter project in Cumbria, which takes our present number of Master Composter projects to ten. As is inevitable with commissioned services, there were some contracts that came to a natural end, some contracts were renewed and some new areas were gained. During the course of 2017 we have successfully re-tendered for Norfolk Master Composters and negotiated the continuation of six smaller contracts, plus the addition of Essex which will commence delivery in 2018.

Master Gardeners

We have continued to deliver our exciting work relating to food insecurity in Southwark and during the year we negotiated a project extension which will take effect in 2018 to ensure the project will continue for the whole growing season. The Leicestershire Master Gardeners programme has been recommissioned after a competitive tendering process and will continue for another three years supporting community groups to grow more local food organically. We have also secured funding in Kent with Golding Homes and Breckland & West Norfolk for the delivery of Master Gardener programmes which will start in 2018 as will a new project in Nuneaton in Warwickshire.

Masters Programme Events

At the end of 2017, we have 534 registered volunteers supporting both Master Composter and Master Gardener projects in 15 geographical areas of the UK. As part of their volunteering activity, our Masters volunteers represented Garden Organic at 73 public events around the UK, communicating our messages and encouraging people to grow more organically and sustainably. Through our existing and new projects, the Sustainable Communities team delivered 48 organic horticultural training events for 612 participants across the country in 2017.

Development of Master Gardener and Master Composter Programmes

The cycle of tendering, bid writing and competing for new projects is both time consuming and costly and generally geographically confined. Over the course of 2017 we have been looking at ways to remove this level of uncertainty and more importantly to remove the geographical restrictions that often come from commissions and contracts. We have redesigned our delivery model to make it accessible to more people in more locations throughout the UK without the need either for significant funding or for being directly commissioned.

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Food Growing Schools London

Food Growing Schools London (FGSL) is a unique programme, with an ambitious aim of getting every London school involved in food growing. The project has brought together a group of six partners, led by Garden Organic, that collectively act as a 'holistic resource to support food growing in schools'. This approach has proved highly effective and evidence demonstrates an impact for schools, their pupils and wider communities.

The programme was funded for three years by the Big Lottery Fund and the Greater London Authority. At the end of 2016 we had a generous donation from a private funder that meant that the programme could continue for 2017 and we proposed a new delivery model that centres on running the project as a social marketing campaign where a new marketing, communications and public relations strategy is used to promote our aims. This dovetails with a revised school engagement strategy where we have streamlined our offer to schools, integrated with existing events and activities in boroughs and developed a more strategic plan to engage *each* London borough – in addition to a pan-London approach. The campaign continues to be ratified by use of a school survey and an independent evaluator is providing consultation via an end of year report.

In 2017, we achieved the following:

- Numerous events attended, including assemblies, networking events, London food borough meetings and school marketplace events at City Hall
- Website relaunched
- School survey completed by 77 schools
- 150,000 impressions via social media, with 2,600 engagements
- Monthly newsletter to reach teachers, offering support with funding and free resources as well as growing

Project Learning Garden

Project Learning Garden (PLG) has brought Captain Planet and Garden Organic together. The PLG programme is currently run in ten states and over 340 schools in the USA. It is a garden 'start-up' programme, with the aim of encouraging schools to use a garden as an extension of the indoor classroom. All parts of the programme are linked to an element of the curriculum. Schools are provided with a kit of cooking, growing and curriculum resources. Schools with existing gardens that need re-invigorating or are currently only used for extra-curricular activities also benefit from being involved.

The aim of PLG is to support teachers to teach outside more often, so that pupils have additional opportunities to work in a garden as part of their education. Ultimately, this project promotes environmental responsibility and will help children to develop a palate for fresh fruit and vegetables, setting them up to make healthier choices later in life.

Following the success of this project in the US, the Captain Planet Foundation was keen to explore bringing Project Learning Garden to the United Kingdom, to London in particular, and were seeking a UK partner. Based on Garden Organic's track record of working successfully across London, our similar values and our many years' experience of working with schools this seemed like the perfect partnership.

The achievements for PLG include:

- UK PLG website launched
- PLG recruitment started in Merton (phase 1), Bexley and Southwark (phase 2)
- PLG training day delivered to 7 schools in London Borough of Merton and PLG Kit delivered to Merton schools

Prisons & Tackling Re-offenders

During 2017 we have continued to work directly in HMP Rye Hill, delivering gardening training and support as part of the prisons Drug and Alcohol Rehabilitation intervention. We have increased the number of prisoners on the

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programme and have started to extend the garden to a new area of the prison. The new area will be focused on developing the broader horticultural and environmental skills of the prisoners with the longer-term plan for the programme to become a Seed Guardian for our Heritage Seed Library.

During 2017 we have also undertaken a small project with Oakhill Secure Training Unit (STC) near Milton Keynes. As part of this small project we worked with the young people to design a small garden and then assisted them with the installation of the garden.

We have continued to talk to a number of other establishments and developed proposals relating to other prison gardening interventions.

Move More, Eat Well

Move More, Eat Well is a programme of free events, support, activities and opportunities to help residents of the Birmingham wards of Longbridge, Cofton, Northfield and Rubery feel healthier, and over 2017-19 we have lots to offer residents, community groups and schools. The programme is being delivered by a partnership of the Health for Education Service, Garden Organic, Northfield Ecocentre, Sport Birmingham and Sustrans.

Garden Organic is delivering food growing and healthy eating and cooking activities with schools in the area. In November we held a headteacher briefing event and we have had interest from a third of the schools in the area so far. The Garden Organic team are meeting with schools and establishing plans to support them over the coming year.

Ryton Organic Gardens

In 2017, we welcomed just over 3,000 visitors to the gardens on weekdays (41% down on weekday visits in 2016 and following the trend of falling visitor numbers in recent years). Weekend visitors receive free entry due to the costs associated with manning the shop and entrance area but are encouraged to make a donation. These weekday figures include just under 500 visits from Garden Organic members, accounting for less than 3% of the total membership base.

We continued to maintain and develop the demonstration gardens in 2017, with a new summer flower garden and rejuvenated herb and entrance gardens. We also added a creature trail for our younger visitors as part of the GO Discover project.

Due to the decline in visitor numbers and the increased costs of maintaining the whole site at Ryton Organic Gardens, in September 2017 the charity announced that it was planning to review options for the future of the site. This review is expected to take some time to complete and continues into 2018.

Online information

We continued to review and add to the information and advice we provide through our website, email newsletters and social media and throughout 2017 had a total 389,000 users of our website. We produced and published six 'how to' videos all filmed and edited in house. This work allows us to reach a wide audience to promote the benefits of organic growing.

Training Courses

Garden Organic continues to run a number of training courses aimed at teachers and other adults working with schools. In 2017 we continued to deliver these as part of our role as a national partner in the Food for Life project (FFL). We delivered 16 FFL training sessions to 133 delegates.

In addition we ran a programme of courses at Ryton Gardens, these covered a wide range of organic gardening topics including composting and planning your garden. We delivered 20 courses at Ryton, including two from the Biodynamic Association. We also delivered our first regional course at Dumfries House, Scotland.

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Social, Therapeutic and Organic Horticultural Therapy

In 2017 we continued to deliver our Social, Therapeutic and Organic Horticultural Therapy (STH) project for adults with learning disabilities, young carers and disadvantaged young people, as part of our Growth, Children in Need and Growing Enterprise projects.

In 2017 we launched a new programme 'Thyme to be'. The overall objective of the project was to improve family carers' health and wellbeing by reducing stress, increasing social interaction, improving access to healthy food and developing new skills and interests. We do this by providing horticultural-related activities in a relaxed setting, including a sociable lunch using home grown organic produce. In 2017 we ran 12 day sessions with 199 attendees.

Principles of Organic Gardening

We launched the Principles of Organic Gardening (POGs) in early 2017, as an update to our previous Organic Gardening Guidelines. The POGs offer information and guidance for organic growers and would-be organic growers to show what is and is not acceptable within an organic horticultural system. These POGS have been well-received by our members and supporters and are used as a training tool on many of our programmes.

Communicate and campaign on relevant organic horticultural issues

Campaigns

2017 was a busy year for campaigning. We helped to raise awareness among members and the general public of the issues surrounding the EU relicensing of glyphosate, which proved successful when the licence was only granted for 5 years rather than the 15 years originally proposed. We also continued to update members and supporters on the campaign against the use of neonics, and supported GM Freeze with their campaigning. We shared important updates on all these issues via our magazine, website and social media, taking research papers and showing what they mean for everyday growers, and offered advice on organic alternatives to pesticide use.

Greening the Garden Industry

Following research carried out in 2013-2016 our Greening the Garden Industry report was submitted to the funders. The report considered four key areas; Building partnerships with the garden centre industry and supply chain; Developing a Green Garden Centre award scheme; Environmental labelling of products sold in garden centres; Campaigning to influence policy and legislation relating to domestic use of harmful pesticides; and Raising awareness and commitment to organic gardening amongst the gardening public.

This phase of the project has now been completed: there are a number of campaigning actions that could be taken forward should further funding be secured.

Social Media

Over the course of 2017 we have seen a 10% increase in combined followers across Facebook, Twitter and Instagram for Garden Organic and Heritage Seed Library profiles. Sharing updates and campaigning information across social media gives Garden Organic a cost-effective way to reach a wider audience, including new growers. Our practical organic growing advice shared via social media remains popular, with Friday Tips and Weedy Wednesday being highly shared and liked.

Our project teams have created active online communities through Facebook and Twitter profiles, giving them a channel to engage with volunteers and local communities, and spread the word about their work and upcoming activities.

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Promote Organic Horticultural research outcomes

Members' Experiments

In 2017 we ran three members' experiments – a survey of novel uses of plants, a survey of bumblebees in dahlia bedding plants and a test of growing tomatillos. A total of 168 people took part in one or more experiment, with 52% returning a complete data set.

The survey of novel uses of plants identified uses for 45 species of plants commonly found in UK gardens. The information showed that it is highly likely that we can all find a novel use for something growing in our own garden.

Although bedding plants are often considered less valuable to bumblebees than many other plants, our dahlia survey found that dahlias continued to attract bees into October, when many other plants had finished flowering. This provides a useful food source for bees entering hibernation.

Tomatillos proved a popular crop, producing significant yields outdoors as far north as the Lake District. This makes it a useful alternative crop for adding a citrus flavour to recipes.

Findings from these experiments were shared via our website and members' magazine. Towards the end of the year we opened registration for the 2018 members' experiments.

Growing for Health and Wellbeing

This research project is reviewing how community food growing delivers health outcomes, with the hope that growing can be integrated into routine health care services. The funding was extended in 2017, in order to develop case studies to show how community food growing groups have engaged with public health commissioners.

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

Work has continued on the long-term review of Garden Organic's Members' Experiments, with long-term participants surveyed and interviewed to explore the impact of this work.

The Heritage Seed Library worked with CAWR as several of the heritage broad bean varieties were trialled, alongside commercial varieties, as part of a research project comparing nutritional content and attractiveness to pollinators. The research will continue in 2018 and is part of a wider EU funded project to increase sustainable legume cultivation and consumption across Europe (TRUE Legumes project).

Protect and enhance heritage plant resources

Heritage Seed Library

The Heritage Seed Library (HSL) went from strength to strength in 2017. We shared 158 varieties with our members via the annual seed list, including 19 new varieties that had not been made available to members before. 2017 was also the first time we were able to offer certified organic HSL varieties to members, amounting to 63 varieties in total.

We have also added 19 new varieties into the collection for future distribution, meaning the library now holds 780 different varieties.

One of the key strengths of the HSL is our seed guardians, who are volunteers who save seed for the library every year. In 2017 our 130 seed guardians returned seed to the HSL equivalent to 24,000 packets.

We displayed a bed of HSL lettuce as part of a feature at the RHS Malvern Show, and were pleased to see it featured on BBC Gardeners World.

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Organic Seed Networks

None of our precious HSL seed goes to waste and older seed, no longer suitable for member distribution but still with a decent germination rate, is made available to seed swaps and community events around the UK. In 2017 we were able to send seed and information to around 35 seed swaps (around 2400 packets of seed). This helps us to raise the profile of our important conservation work, attract new members and the donations we receive in return cover postage and other costs, ensuring that we can send seed to other groups in the future. Our presence at larger events, such as Brighton Seedy Sunday, is also a great way for us to meet members and potential supporters face-to-face.

As well as sharing seed and information, we also deliver a programme of seed saving courses. In 2017 this included the delivery of a seed saving course to a London youth group as part of the Global Generation project "Seeds for a Better World".

We have continued working with partners and display gardens to showcase our heritage varieties, with particular emphasis on regional and historical varieties. These have included Dumfries House, The National Botanical Garden of Wales, St Fagans Museum, Le Manoir aux Quat'Saisons, Beamish Museum and The Workhouse Museum.

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

Regional Organic Centres

Our plan to develop regional organic centres is taking longer than we had hoped, due mainly to lack of available funding. Whilst we do promote active local groups, organic gardens open to the public and training programmes across the UK, these are not necessarily connected up or even in the same geographical areas. Work continues on this into 2018.

Heritage Seed Library

The Heritage Seed Library participated in international programmes on seed conservation, diversity and sovereignty, aimed at improving partnership working and shared best practice between community seed banks and stakeholders. This culminated in an international forum represented by 23 European and non-European countries at the UN's FAO headquarters in Rome (organised by DIVERSIFOOD), and European Community Exchange workshops in Barcelona (organised by Global Diversity Foundation).

Life from Soil

The "Life from Soil" project is a collaborative approach of 9 partners from 9 European countries. The aim is to support local sustainability, rural communities and vulnerable target groups through tailored, open-source and tested education processes. The partnership represents all geographic parts of the European Union and various non-formal and formal educators active in agricultural, horticultural and environmental sectors. Their target groups range from children, high school and university students through vulnerable groups of rural and city population as well as unemployed, seniors, prisoners, staff and teachers, trainers, educators involved in adult and youth education.

Towards Nature with Mutual Understanding

In 2017 we began a new collaboration with European partners on the project Towards Nature with Mutual Understanding. The project aims to create a knowledge-sharing network of participants who use nature and gardening as a therapeutic resource when working with target groups including people with social and health disadvantages & minority groups.

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

Staff and Volunteers

We aim to be an employer of choice and as such have issued a new electronic staff handbook in the year. We are also reviewing our volunteer procedures and handbook with the launch of a new web-based platform for volunteer communication.

We are focusing on ensuring we are meeting our legal obligations with regards to Health & Safety, Safeguarding and Data Protection. We have provided additional training to all staff and relevant volunteers during the year and continually review our processes and procedures.

Organic Gardening Catalogue

During the year, we were able to announce a new partnership with Dobies (part of Suttons Consumer Products Limited) for the production of the Organic Gardening Catalogue. Dobies acquired the retail business from Chase Organic Seeds, with whom we previously worked. The catalogue continues to offer a discount to Garden Organic members on all orders and a percentage of sales is donated back to Garden Organic through its subsidiary company, Organic Enterprises Limited.

Engage Supporters in delivery of strategic objectives

Events

We attended seven national events, including the Malvern Spring Show, Gardening Scotland, Gardeners World Live and the Harrogate Autumn Flower Show. These national events gave us the opportunity to engage with growers, both organic and non-organic, to offer advice and information on organic growing methods. Head of Organic Horticulture, Chris Collins, gave talks at a number of the shows and the team were delighted to receive a five star award for the stand at Harrogate.

Members

We welcomed 1,300 new members in 2017, accounting for 1,700 new memberships, bringing the total number of memberships at the end of 2017 to 22,995. The Heritage Seed Library remains popular, with over 500 new members joining in the year. We were pleased to welcome nine new local group members including North East Scotland Organic Group, Somerton Gardening Group in Somerset and the St. John's Family Centre in Brecon.

Members were surveyed in May and we were pleased that 87% of respondents rated our service as good or excellent. This was reflected in a retention rate for existing members of 93% at the end of the year. Through the year we monitored issues concerning members, which were primarily the removal of Ryton Gardens by the RHS from their partner garden scheme, issues with logging in to the online members' area and concerns over the future of Ryton Gardens. Development work began on the online members' area to resolve the login issue which we expect to be completed in the spring of 2018.

We continue to engage with members via The Organic Way - with two-thirds of members surveyed reporting that they read the magazine from cover to cover – the Annual Review, and online communications including our monthly email newsletter, our website and social media. We would like to take this opportunity to thank members for their support in 2017.

Financial Review

We finished 2017 with an unrestricted deficit of £61,237 (2016 – surplus of £195,319) before actuarial movements on the defined benefit pension scheme. Despite being a deficit, this result was better than we had budgeted for, due to closely managing our costs and also due to our receiving additional legacy income that we had not expected.

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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. However, fundraising within the charitable sector is becoming increasingly difficult and this has caused a significant fall in our income since last year.

Our net current assets position has remained healthy, ending the year at £243,996 (2016 - £312,422) as we continue to manage our assets and liabilities.

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

Pensions

Garden Organic offers a defined contribution pension scheme to all of its employees.

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 18.

Risk Management

The Board of Trustees, working with the Senior Management Team, introduced an updated risk management process at the end of 2016. 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 biannually by the Board of Trustees.

This work identifies a number of strategic risks which the charity is managing. These include financial risks, such as the reduction in the charity's income and increasing costs. We are focusing on our fundraising activities and identifying potential alternative sources of income. We are also continuing to closely monitor our financial results against our budgets, with the aim that our expenditure is kept in line with our income. We are also reviewing future options for our base at Ryton Organic Gardens, to investigate whether there is a better way for this asset to be managed.

The most significant non-financial risks facing the charity are those that potentially impact our reputation. We communicate with our members and wider supporters using both traditional and social media as appropriate and as budgets allow. We also continually update our website and knowledge hub to be the expert source of on-line organic horticultural information. We apply our ethics policy to review any potential new relationships with donors, suppliers and partners in order to avoid any negative impact on the charity and its reputation.

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 approximately equal to three months unrestricted, non-trading expenditure.

At 31 December 2017, the charity had unrestricted funds of £493,103 (2016 £553,483). After making allowances for commitments and working capital requirements, our unrestricted reserves were £211,782 (2016 £399,237). The Trustees are aware that current reserves levels are not in line with the policy and accept 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 and set their annual budgets accordingly.

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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 £308,372 (2016 - £298,812), 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 do more work than we would otherwise be able to do.

Plans for Future Periods

At the end of 2017, we reviewed and updated our three-year business plan for 2016-18. We set the same seven strategic objectives for 2018, as follows:

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

We will deliver our educational and training programmes across the UK wherever we can identify funding and, if appropriate, partners. In particular, we plan to pilot a new model for the Master Gardener programme, which will make it accessible to individuals as well as communities/groups.

Communicate and campaign on relevant organic horticultural issues

On behalf of our membership, we will campaign on issues relevant to organic horticulture. We will be working with the English Organic Forum and the International Federation of Organic Agriculture Movements to influence policy and protect organic standards as part of the Brexit negotiations.

Promote organic horticultural research outcomes

Following the launch of the Principles of Organic Gardening in 2017, we are updating our gardening factsheets and will disseminate the knowledge through our organic knowledge hub as appropriate. We will continue to run our members' experiments.

Protect and enhance heritage plant resources

The Heritage Seed Library will continue to enhance and expand its work, through partner gardens, the annual seed catalogue, seed swaps and the introduction of a new database to manage its seed stocks and production. In 2018 we have funding through a Warwickshire Wildlife Trust's oak tree project, funded by the Heritage Lottery Fund, to deliver workshops on acorn sowing.

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

We will continue to support local organic groups, partner organic gardens and training programmes wherever possible. As funding and opportunity allows, we will work nationally and internationally.

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

Our priorities continue to be to maintain our financial health, to support our staff and volunteers and to act in the best interests of the charity and its beneficiaries. Our trustees will be reviewing the charity's strategy in preparation of the next three year plan and a key part of this work will be the review of the future for Ryton Organic Gardens.

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Engage supporters in delivery of strategic objectives

We will support our members and engage the public at every opportunity using both traditional and social media. As part of our events programme we will hold our Annual General Meeting in May, including the opportunity for discussion on the future of the site at Ryton and a celebration of Garden Organic's Diamond Jubilee.

Structure, Governance and Management

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

The Board 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 maximum of two terms of office. All Trustees must be members of Garden Organic. One fifth of the Trustees, the longest serving since their last election to Board of Trustees, shall resign annually and are eligible for re-election. There is an annual invitation to the membership to put themselves forward to join for the Board of Trustees.

The Board of Trustees work closely with the Chief Executive and senior staff to ensure that the Charity is managed effectively. The Board of Trustees 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, policies, the following year's budget and operational plan.

New Trustees undergo a robust, face to face, induction and receive an induction pack containing background information on the Charity 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 skills and experience.

The Board of Trustees 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 Board of Trustees controls this. The whole Board of Trustees makes all significant decisions on recommendations from the committees and working groups.

Finance and General Purposes Committee

The Finance Committee comprises Trustees, who are independent of the management and free of any relationship that, in the opinion of the Board of Trustees, 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 the Board of Trustees in a timely manner.

Audit and Risk Committee

The Audit and Risk Committee is made up of Trustees who are independent of the 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 Board of Trustees. The Senior Management Team assists the Chief Executive.

BOARD OF TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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 £92,778 (2016: £75,576).

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. 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. We are proud to be a Disability Confident Employer and endeavour 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 support of a large 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, researchers and community volunteers. The charity could not achieve all it does without their support.

Pay Policy for Key Management Personnel

The Trustees consider that the Board of Trustees and the Senior Management Team make up the key management personnel of the charity. They are in charge of directing and controlling, running and operating the charity.

All Trustees give 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 Management Team 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.

BOARD OF TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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.

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)) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to smaller entities..

By Order of the Board of Trustees

Martin Stott, Chair of Trustees

Date: 6 April 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 DECEMBER 2017

Opinion

We have audited the financial statements of Garden Organic (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charitable Parent Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 December 2017 and of the group's incoming resources and application of resources, 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 and the Charities and Trustee Investment (Scotland) Act 2015 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon⁴. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 DECEMBER 2017

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company's 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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 DECEMBER 2017

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable parent company's members and trustees 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 parent company, the charitable parent company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

J Howard (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
Bridge House
London Bridge
London
SE1 9QR

DATE: 18 April 2018

Wilkins Kennedy LP is eligible for appointment as auditors by virtue of its eligibility for appointment as auditors of a company under section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2017

Company number: 02188402

	Notes	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Income from					
Donations, membership and legacies	3	1,102,949	9,676	1,112,625	1,362,275
Charitable Activities	4	407,486	396,945	804,431	1,003,335
Other trading activities	5	246,579	-	246,579	222,942
Investments		75	-	75	226
Other income		1,554	-	1,554	10,876
Total		1,758,643	406,621	2,165,264	2,599,654
Expenditure					
Raising funds	6	734,394	-	734,394	694,284
Charitable activities	7	1,186,839	295,708	1,482,547	1,771,202
Total		1,921,233	295,708	2,216,941	2,465,486
Net Income/(Expenditure)		(162,590)	110,913	(51,677)	134,168
Transfers between funds		101,353	(101,353)	-	-
Net movement in funds		(61,237)	9,560	(51,677)	134,168
Actuarial gains/(losses) on defined benefit pension schemes		857	-	857	(757,049)
		(60,380)	9,560	(50,820)	(622,881)
Reconciliation of funds					
Total funds brought forward		553,483	298,812	852,295	1,475,176
Total funds carried forward	19	493,103	308,372	801,475	852,295

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

The notes on pages 22 to 38 form part of these financial statements.

CONSOLIDATED BALANCE SHEETS

AS AT 31 DECEMBER 2017

	Notes	Group		Charity	
		2017 £	2016 £	2017 £	2016 £
Fixed assets					
Tangible fixed assets	11	2,746,886	2,826,924	2,746,886	2,826,924
Investments	12	-	-	9	9
		<u>2,746,886</u>	<u>2,826,924</u>	<u>2,746,895</u>	<u>2,826,933</u>
Current assets					
Stock		2,725	2,906	-	-
Debtors	13	159,218	121,888	179,936	157,936
Cash at bank and in hand		658,875	846,268	621,100	803,393
		<u>820,818</u>	<u>971,062</u>	<u>801,036</u>	<u>961,329</u>
Creditors: Amounts falling due within one year	14	(576,822)	(658,640)	(557,049)	(648,916)
Net current assets		<u>243,996</u>	<u>312,422</u>	<u>243,987</u>	<u>312,413</u>
Total assets less current liabilities		<u>2,990,882</u>	<u>3,139,346</u>	<u>2,990,882</u>	<u>3,139,346</u>
Creditors: Amounts falling due after more than one year	16	(409,837)	(487,001)	(409,837)	(487,001)
	18	(1,779,570)	(1,800,050)	(1,779,570)	(1,800,050)
Provisions for liabilities		<u></u>	<u></u>	<u></u>	<u></u>
Net assets		<u>801,475</u>	<u>£852,295</u>	<u>801,475</u>	<u>£852,295</u>
Reserves					
Restricted funds	19	308,372	298,812	308,372	298,812
Unrestricted funds:					
- designated fund		33,000	57,000	33,000	57,000
- other charitable funds		460,103	496,483	460,103	496,483
		<u>801,475</u>	<u>£852,295</u>	<u>801,475</u>	<u>£852,295</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities. The notes on pages 22 to 38 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 6 April 2018 and signed on their behalf by:-

Steve Howell
Honorary Treasurer

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

		2017	2016
	Notes	£	£
Cash flows from operating activities			
Net cash provided by operating activities	20	(113,271)	111,075
Cash flows from investing activities			
Interest income		75	226
Purchase of tangible fixed assets		(2,000)	(107,062)
		(1,925)	(106,836)
Cash flows from financing activities:			
Repayments of borrowing		(72,197)	(102,428)
Cash inflows from new borrowing		-	-
		(72,197)	(102,428)
Change in cash and cash equivalents in the year		(187,393)	(98,189)
Cash and cash equivalents at the beginning of year		846,268	944,457
Cash and cash equivalents at the end of the year		658,875	£846,268
Analysis of cash and cash equivalents			
		31 December	31 December
		2017	2016
		£	£
Cash at bank and in hand		658,875	£846,268

The notes on pages 22 to 38 form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies

a) General information and basis of preparation

Garden Organic (Registered as the Henry Doubleday Research Association) is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are given on page 3.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2016 and Charities and Trustee Investment (Scotland) Act 2005.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Basis of 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 in accordance with FRS 102 section 9 and the SORP (FRS 102) section 24.

Details of the subsidiaries are given in note 12 of the financial statements.

A separate statement of financial activities for the charitable company has not been present because the charitable company has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

c) Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charitable company to be able to continue as a going concern.

d) Funds

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.

Designated funds – these are funds that have been set aside by the trustees for particular purposes.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

e) Income

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.

f) Expenditure

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.

g) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation

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

Assets are only capitalised in greater than £1,000

h) 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.

i) 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.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

j) Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

k) Cash at bank and in hand

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

l) Creditors

Creditors are recognised when there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Other creditors and accruals are recognised at their settlement amount due.

m) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

n) 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

o) 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.

p) 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 2017

q) Judgement and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumption about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experiences and other factors that are considered relevant.

Accounting estimated and assumptions

(i) Multi-employer defined benefit pension scheme

The charity has an obligation to pay a deficit funding arrangement in respect of the multi-employer defined benefit pension scheme. The present value of the obligation depends on a number of factors including the RPI rate and the discount rate on corporate bonds. Management estimates these factors in determining the new pension obligation in the balance sheet.

(ii) Useful economic lives of tangible assets

The annual depreciation charge of tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the fixed assets, and note 1(g) for the useful economic lives for each class of assets.

2. Net income/(expenditure) for the year:	2017	2016
	£	£
This is stated after charging:		
Depreciation on owned tangible fixed assets	82,038	73,393
Operating lease rentals – Plant and machinery	6,717	7,425
Interest payable on bank loans and overdrafts	11,902	14,425
Auditors' remuneration - audit services (Charity: £9,231)	11,511	12,530
	<u> </u>	<u> </u>

3. Income from Donations, Membership and Legacies

	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	£	£	2017	2016
			£	£
Donations and gifts	135,284	9,676	144,960	171,718
Legacies	231,289	-	231,289	411,587
Membership	607,879	-	607,879	638,888
Gift aid recovery	128,497	-	128,497	140,082
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	£1,102,949	£9,676	£1,112,625	£1,362,275
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

4. Income from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Fees for gardening projects	380,479	-	380,479	507,224
Government and public authority payments	16,014	743	16,757	37,548
Charitable grants	3,733	396,202	399,935	443,348
Admissions	7,260	-	7,260	15,215
	<u>£407,486</u>	<u>£396,945</u>	<u>£804,431</u>	<u>£1,003,335</u>

5. Income from Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Income from trading activities	84,816	-	84,816	100,048
Rental income	160,913	-	160,913	120,834
Sponsorship	850	-	850	1,700
	<u>£246,579</u>	<u>£ -</u>	<u>£246,579</u>	<u>£222,942</u>

6. Expenditure on Raising Funds

	Activities undertaken directly £	Support costs (Note 8) £	Total Funds 2017 £	Total Funds 2016 £
- Membership	248,760	204,011	452,771	422,937
- Fundraising and publicity	55,144	150,012	205,156	200,561
- Other trading activities	29,339	47,128	76,467	70,786
	<u>£333,243</u>	<u>£401,151</u>	<u>£734,394</u>	<u>£694,284</u>

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

7. Expenditure on Charitable Activities

	Activities undertaken directly £	Support costs (Note 8) £	Total Funds 2017 £	Total Funds 2016 £
- Education and training	671,455	215,594	887,049	1,071,700
- Heritage Seed Library	153,173	78,140	231,313	220,478
- Research	68,665	14,592	83,257	140,378
- Ryton Gardens	217,963	62,965	280,928	338,646
	<u>£1,111,256</u>	<u>£371,291</u>	<u>£1,482,547</u>	<u>£1,771,202</u>

8. Analysis of Support Costs

	Governance & Finance £	IT & Human Resources £	Premises £	Total Support costs 2017 £	Total Support costs 2016 £
- Membership	172,895	12,168	18,948	204,011	176,606
- Fundraising and publicity	136,482	4,056	9,474	150,012	171,896
- Other trading activities	24,124	4,056	18,948	47,128	49,740
- Education and training	107,411	89,235	18,948	215,594	240,903
- Heritage Seed Library	5,072	16,225	56,843	78,140	87,407
- Research	1,062	4,056	9,474	14,592	21,879
- Ryton Gardens	2,066	4,056	56,843	62,965	74,238
	<u>£449,112</u>	<u>£133,852</u>	<u>£189,478</u>	<u>£772,442</u>	<u>£822,669</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 2017

9. Analysis of Trustee and Staff Remuneration

	2017	2016
The aggregate payroll costs were:	£	£
Wages and salaries	960,985	1,135,727
Social security costs	77,375	88,923
Employer's contribution to defined contribution pension scheme	66,306	82,300
Operating costs of defined benefit pension scheme	72,002	43,557
	<u> </u>	<u> </u>
	£1,176,668	£1,350,507
	<u> </u>	<u> </u>

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

	No.	No.
Total number of staff:		
Raising Funds	1	2
Charitable Activities	28	31
Support Staff	19	20
	<u> </u>	<u> </u>
	48	53
	<u> </u>	<u> </u>

The Trustees received no remuneration during the year under review. Travelling, subsistence and accommodation expenses were reimbursed to 8 Trustees totalling £3,342 (2016: £3,645 to 6).

The emoluments of one member of staff are within the range £70,001 to £80,000 in the year (2016: one). Pension contributions relating to this employee of £6,000 (2016: £10,500) 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 £258,599 (2016: £271,424).

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

10. Comparative for the Statement of Financial Activities

	Unrestricted Funds	Restricted Funds	Total Funds
	2016	2016	2016
	£	£	£
Income from			
Donations, membership and legacies	1,328,217	34,058	1,362,275
Charitable Activities	565,799	437,536	1,003,335
Other trading activities	222,942	-	222,942
Investments	226	-	226
Other income	10,876	-	10,876
Total	2,128,060	471,594	2,599,654
Expenditure			
Raising funds	694,284	-	694,284
Charitable activities	1,357,135	414,067	1,771,202
Total	2,051,419	414,067	2,465,486
Net Income/(Expenditure)	76,641	57,527	134,168
Transfers between funds	118,678	(118,678)	-
Net movement in funds	195,319	(61,151)	134,168
Actuarial gains/(losses) on defined benefit pension schemes	(757,049)	-	(757,049)
	(561,730)	(61,151)	(622,881)
Reconciliation of funds			
Total funds brought forward	1,115,213	359,963	1,475,176
Total funds carried forward	553,483	298,812	852,295

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

11. Tangible Fixed Assets

	Land & Buildings	Grounds & Research Equipment	Fixtures & Fittings	Total
	£	£	£	£
Group and Charity				
Cost or Valuation				
At 1 January 2017	2,700,000	276,275	1,289,041	4,265,316
Additions	-	2,000	-	2,000
	-----	-----	-----	-----
At 31 December 2017	2,700,000	278,275	1,289,041	4,267,316
	-----	-----	-----	-----
Depreciation				
At 1 January 2017	132,000	131,820	1,174,572	1,438,392
Depreciation charge	44,004	16,398	21,636	82,038
	-----	-----	-----	-----
At 31 December 2017	176,004	148,218	1,196,208	1,520,430
	-----	-----	-----	-----
Net Book Value				
31 December 2017	£2,523,996	£130,057	£92,833	£2,746,886
	=====	=====	=====	=====
31 December 2016	£2,568,000	£144,455	£114,469	£2,826,924
	=====	=====	=====	=====

Included in Freehold Land and Buildings is £500,000 (2016: £500,000) relating to land.

12. Investments

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Shares in group undertakings	£ -	£ -	£9	£9
	=====	=====	=====	=====

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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:

	2017	2016
	£	£
Profit and Loss account		
Turnover	23,021	30,653
Cost of sales	(9,123)	(13,116)
	<u>13,898</u>	<u>17,537</u>
Gross profit/(loss)	13,898	17,537
Other income	243,118	194,025
Administrative and other expenses	(164,238)	(135,986)
	<u>£92,778</u>	<u>£75,576</u>
Net profit prior to gift aid to the charity		
	<u>£7</u>	<u>£7</u>
Net assets at 31 December		

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
	<u>£9</u>	<u>£9</u>

13. Debtors

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	80,447	53,116	56,380	36,196
Amount owed from group undertakings	-	-	62,107	63,701
Other debtors	54,220	40,846	36,898	30,113
Prepayments	24,551	27,926	24,551	27,926
	<u>£159,218</u>	<u>£121,888</u>	<u>£179,936</u>	<u>£157,936</u>

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

14. Creditors: amounts falling due within one year

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Bank loan (note 17)	73,719	71,889	73,719	71,889
Trade creditors	43,845	74,189	43,845	74,189
Amount owed to group undertakings	-	-	2	2
Other taxation and social security	39,625	43,528	27,623	39,826
Other creditors	19,370	20,330	19,370	20,330
Accruals and deferred income (note 15)	400,263	448,704	392,490	442,680
	<u>£576,822</u>	<u>£658,640</u>	<u>£557,049</u>	<u>£648,916</u>

15. Deferred income

	£
Deferred income at 1 January 2017	£409,737
Released during year	(689,479)
Deferred in 2017	619,842
	<u>£340,100</u>
Deferred income at 31 December 2017	£340,100

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Deferred income due within one year	288,091	354,591	288,091	354,591
Deferred income due after more than one year	52,009	55,146	52,009	55,146
	<u>£340,100</u>	<u>£409,737</u>	<u>£340,100</u>	<u>£409,737</u>

16. Creditors: amounts falling due after more than one year

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Bank loan (note 17)	357,828	431,855	357,828	431,855
Accruals and deferred income (note 15)	52,009	55,146	52,009	55,146
	<u>£409,837</u>	<u>£487,001</u>	<u>£409,837</u>	<u>£487,001</u>

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

17. Borrowings	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
An analysis of loans is given below:				
Amounts falling due within one year:				
Bank loan	73,719	71,889	73,719	71,889
	=====	=====	=====	=====
Amounts falling due between one and two years:				
Bank loan	75,597	73,719	75,597	73,719
	=====	=====	=====	=====
Amounts falling due between two and five years:				
Bank loan	201,268	232,618	201,268	232,618
	=====	=====	=====	=====
Amounts falling due after five years:				
Bank loan	80,963	125,518	80,963	125,518
	=====	=====	=====	=====

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 2017. In 2015, a loan of £140,000 was taken out at an interest rate of base + 3.5%, repayable over fifteen years.

18. 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 £1,779,570 (2016 - £1,800,050) using a discount rate of 4% (2016 - 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.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

The fair value of the assets held by the Mercury Provident 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	(£19,944)
	=====

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 £66,306 (2016: £82,300). At the end of the year there were no outstanding contributions payable (2016: £nil).

19. Reserves

	Designated Fund	Other charitable funds	Restricted Funds (note 21)	Total Funds
	£	£	£	£
Fund balances at 31 December 2016	£57,000	£496,483	£298,812	£852,295
Surplus/(deficit) for year	-	(60,380)	9,560	(50,820)
Transfer to/(from) designated fund	(24,000)	24,000	-	-
	—————	—————	—————	—————
Fund balances at 31 December 2017	£33,000	£460,103	£308,372	£801,475
	=====	=====	=====	=====

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

	2017	2016
Net income for reporting period (as per the statement of financial activities)	(51,677)	134,168
Adjustments for:		
Depreciation	82,038	73,393
Interest received	(75)	(226)
Decrease/(increase) in stock	181	232
Decrease/(increase) in debtors	(37,330)	51,525
Increase/(decrease) in creditors	(86,785)	(102,100)
Increase/(decrease) in defined benefit pension scheme liability	(19,623)	(45,917)
	—————	—————
Net cash provided by operating activities	(£113,271)	£111,075
	=====	=====

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

21. Restricted funds – current year	Balance at 1 January 2017	Movement in Resources & Transfers		Balance at 31 December 2017
Projects:				
Growing for Health	1,135	30,000	(22,836)	8,299
Move More, Eat Well	-	9,799	(6,492)	3,307
Growing Enterprise	16,944	5,117	(7,368)	14,693
Food Growing in Schools – London	96,118	178,789	(180,588)	94,319
Project Learning Garden	-	12,493	(8,212)	4,281
Greening the Gardening Industry	22,815	-	(22,815)	-
Tackling Re-offending	65,284	-	(37,181)	28,103
Children in Need	953	-	(953)	-
Life from the Soil	6,906	1,743	(8,649)	-
Towards Nature with Mutual Understanding	-	3,875	(4,043)	(168)
Ryton Gardens Improvements	34,351	4,760	(11,443)	27,668
Thyme To Be	9,275	-	(8,025)	1,250
Master Gardener national pilot	-	62,500	(1,125)	61,375
Peabody Housing	4,080	-	(4,080)	-
Southwark Master Gardener	40,951	77,002	(61,010)	56,943
Cumbria Master Composter	-	20,543	(12,241)	8,302
Total restricted funds	£298,812	£406,621	(£397,061)	£308,372

Projects:

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.

Move More, Eat Well – A partnership programme delivering free events, support, activities and opportunities, including food growing and healthy cooking, for residents in certain parts of Birmingham.

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.

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.

Project Learning Garden – A pilot project funded by the Captain Planet Foundation, delivering a garden 'start-up' programme in London schools.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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.

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

Towards Nature with Mutual Understanding – This is a European project with partner organisations sharing their knowledge of the use of nature and gardening as a therapeutic resource.

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.

Master Gardener National Pilot – A programme aiming to deliver the current Master Gardener activities on a national, rather than regional, scale.

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.

Cumbria Master Composter – in partnership with Cumbria County Council, this programme started in May 2017 to raise awareness amongst the public in Cumbria of the benefits of composting, through a network of volunteer advisors.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

22.	Restricted funds – prior year	Balance at 1 January 2016	Movement in Resources & Transfers	Balance at 31 December 2016	
	Projects:				
	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)	
	Peabody Housing	-	14,500	(10,420)	
	Southwark Master Gardener	-	69,344	(28,393)	
	Total restricted funds	£359,963	£471,594	£(532,745)	
		£298,812			
23.	Analysis of net assets between funds	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016
		£	£	£	£
	Fund balances at 31 December 2017 are represented by:				
	Tangible fixed assets	2,746,886	-	2,746,886	2,826,924
	Current assets	512,446	308,372	820,818	971,062
	Current liabilities	(576,822)	-	(576,822)	(658,640)
	Creditors amount falling due after more than one year	(2,189,407)	-	(2,189,407)	(2,287,051)
	Total net assets	£493,103	£308,372	£801,475	£852,295

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

24. Operating lease commitments

At 31 December 2017 the total future minimum lease payments for the Group under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Within one year	5,336	5,952
Between one and five years	8,904	5,744
	<hr/>	<hr/>
	14,240	11,696
	<hr/> <hr/>	<hr/> <hr/>

25. Capital commitments

There were capital commitments of £nil (2016: £nil) at the year end.

26. Related Party Transactions

There are no related party transactions during the period (2016: £nil).