



Soil Association Limited

Trustees' Report and Consolidated Financial Statements

For the year ending 31st March 2022



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Why we exist

The Soil Association is the charity that joins forces with nature for a better future.

Working with everyone to transform the way we eat, farm and care for our natural world, we build real solutions from the ground up.

Together, we are a force for nature.

Our vision

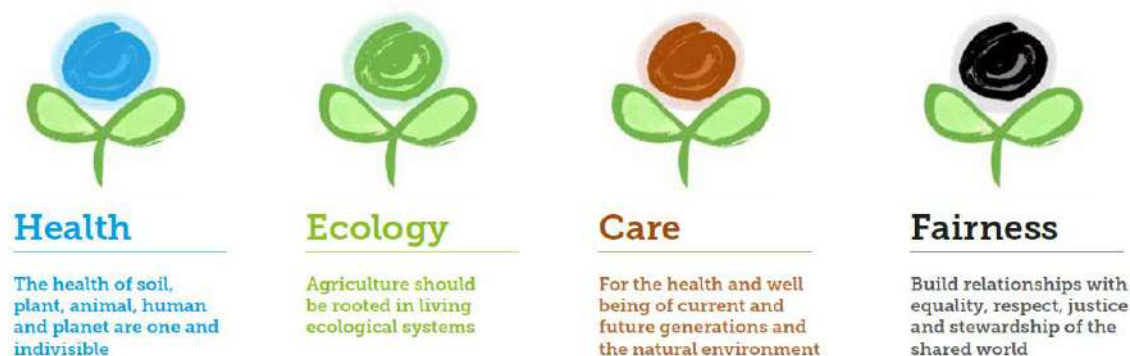
Regeneration – a world with good health, in balance with nature and a safe climate restored for all.

Our mission

To help everyone understand and explore the vital relationship between the health of soil, plants, animals, and people.

Our values

Our charity is built on the core organic principles of health, ecology, care, and fairness¹.



¹ The Principles of Organic Agriculture were established by the International Federation of Organic Agriculture Movements (IFOAM), the principles of organic farming were approved by the General Assembly of IFOAM in 2005. More information can be found [here](#).

Chair's introduction

Welcome to the Soil Association's Annual Report and Accounts for the year ending 31 March 2022. Thanks to the hard work of all our staff and the immense generosity of our supporters, we have made good progress this year despite some challenging headwinds, positioning us well to deliver against our ambitious objectives.

Our policy work has contributed much to the ongoing public debate about the threats to climate, nature and health and how best to promote sustainable solutions to these fundamental problems. We continue to deliver our acclaimed programmes such as Innovative Farmers and Food for Life that use proven techniques, grounded in practical experience and a sound scientific approach, to drive positive and measurable change. Soil Association Certification has had an exceptional year – both in terms of the difficulties the business has had to deal with, and the strong operating and financial performance that has been delivered. We are very grateful for the support of all our licensees, and pleased that the organic market has grown by 5% to £3.2 billion. We have made encouraging progress with our new start-up initiative Soil Association Exchange, which uses a combination of technology and real-world advice to help every type of farmer get the most out of regenerative farming - reaping the financial benefits of feeding their communities while stewarding the land with nature in mind.

We are also using technology to engage with as many people as possible in the most inclusive manner. Pleasingly we had 1 million users on our website, and exceptional levels of attendance at the wide range of online and real-world conferences, talks, seminars and training workshops we use to develop and share our experience of agroecology and organic thinking and practice.

We have managed our finances well over the last couple of challenging years and are pleased to report that the Group has come out of the pandemic in a healthy financial position which is enabling us to make some strategic investments over the coming year to help us build our capabilities further. Our ambitious strategy to deliver great impact means we need to continue to raise vital funds from members, philanthropists and charitable foundations through the Regeneration Fund and other initiatives. We are fortunate to receive much-valued support from our corporate partners – a great group that were joined this year by Deloitte when we became one of their charity Climate Partners.

It strikes me that the relevance is ever more apparent today of the name chosen by the charity's founders 76 years ago. The crucial importance of healthy soil is widely recognised, with increasing focus on its function in effectively sequestering carbon. The "social" part of "association" in uniting with others across the food, farming and forestry systems to increase our impact is a source of great strength. And of course we strive to promote working "in association" with nature - to join forces with the natural world as an ally to restore and sustain a world with good health, thriving biodiversity, and a safe climate.

Thank you for your ongoing interest in this vitally important cause. Your support makes a very real difference.

A handwritten signature in black ink that reads "Martin Nye". The signature is written in a cursive, flowing style.

Martin Nye

Trustees' Report

a. Chief Executive's foreword

The Soil Association has been in huge demand this year, and it's clear that our influence and utility is valued by more people and organisations than ever before. The ark of knowledge that we have husbanded for 76 years is now of immense value as the world recognises and seeks to act on the fundamentally important challenge of stabilising our climate, reversing the biodiversity decline and feeding everyone a healthy diet, while doing all this in a fair and ethical way. As you will read in this report, we have been working on many fronts to facilitate and advise on the way ahead for our land and its people, in order to meet the immense challenges facing society. Through our schemes and services too, we've been giving the practical support and incentives to businesses and individuals to enable them to make the most progress towards a more sustainable and resilient future.

We worked hard on our strategy this year, to ensure that we had fully evaluated the rapidly changing context we are living in, and that we put our charitable resources into the activities that will be likely to have the greatest impact. We sought to understand what others in our sector are doing, so that we can support them while targeting our efforts at the gaps that we are best suited to fill. This is a time when collaboration and common purpose is vital; we will never have the resources to do everything we would like to, or is asked of us, so it's vital, as a charity and as a sector, that we constantly evaluate our priorities and competencies.

That's not to say we should constantly chop and change. Persistence is also crucial, and many of our major areas of work have remarkable longevity, albeit evolving as we learn more over the years. Our Food for Life programme is a case in point. Now in its 19th year, it is still the most successful school and public setting standard for sustainable, healthy food, even though the periodic cut backs in Local Authority spending and the wavering commitment from policy makers to ensuring our children have the best nutritional start in life, can at times stall progress. This year we are also celebrating 10 years of Innovative Farmers, the programme which has done most to both deliver exciting, farmer led research, and to showcase the way forward for cost effective, knowledge intensive applied R & D. Do keep a look out for our short video which brings these achievements to life on our YouTube Channel.

Our policy team have been highly active and effective. We commissioned or undertook in house a number of reports to address key gaps in thought leadership and evidence. We worked closely with the National Food Strategy, for instance, and sought to bridge the seeming divide on the role of new technologies, with a detailed paper that explored

where and how these technologies could support the transition to agroecology and healthy, sustainable diets. We published 'Fixing Nitrogen' and a ground breaking paper on Regenerative Forestry, which sets out a vision for how to optimise commercial, environmental and social goals. And working closely with the Food, Farming and Countryside Commission, we continued to develop the modelling by IDDR, on the feasibility and impacts of a widespread move to agroecology across the UK.

Our Certification business has had a deeply challenging year, dealing with the problems of remote audits, Brexit complications and a rapidly growing demand for organic and forestry certification. Despite these stresses, and partly because of the exceptional circumstances, the business had an unusually profitable year, allowing us to boost reserves and provide a small cushion as we head into a period which looks complex and uncertain on many fronts. It has also allowed us to invest in a new climate and landscape services team, to deliver audits on the woodland and peat carbon codes, and to work here and internationally on landscape scale recovery.

It's been an exciting year for the Soil Association Land Trust, our sister charity within the group. The donation of Woodoaks Farm, spanning the M25 close to Maple Cross, has allowed us the opportunity to put our many ideas into practice in a place close to many millions of people. We have invited new entrants to apply to come to set up at the farm, planted new hedges, rescued and renovated a wonderful listed barn, and have teams of volunteers getting active on the land. At a time when the big picture can feel overwhelming, it's sometimes great just to be able to get on and do things that in themselves, show how the future of food and farming could be if we had our way! Which, of course, we will continue to strive to do.

On behalf of the Soil Association Group, I would like to express my whole-hearted thanks to the many individuals, charitable trusts and foundations, companies and symbol holders whose unwavering, continued support has led to great achievements over the past year. It takes an enormous team effort to make progress, and working with you all has created a really amazing team!



Helen Browning
Chief Executive

b. Charitable objects

The objects of the Charity are as follows:

- To advance the education of the public by promoting a full understanding of the vital relationship between the health of the soil, plants, animals, people and the environment;
- To advance the education of the public by carrying out research (and disseminating the results) into agricultural and forestry production methods and the effects of these methods on the quality of food and other outputs on human health and the environment;
- To preserve, conserve and protect the environment through the prudent use of natural resources, including by the promotion of organic and sustainable farming techniques;
- To promote and enhance human health through providing information and advice in relation to healthy eating and nutrition; and
- To promote high standards in the care and welfare of farm animals to prevent cruelty to and suffering by farm animals.

Overview of progress

Overview of Progress: Highlights from 2021/2022

Throughout 2021/22 the Soil Association has joined forces to provide solutions to climate, nature and health crises with the invaluable support of our members, partners and friends.

Some of this year's highlights include:

Innovative Farmers' 10-year anniversary

2022 marks Innovative Farmers' tenth anniversary. In the last decade, Innovative Farmers has launched over 120 farmer-led field labs, supporting farmers to test their ideas and explore sustainable agricultural practices. It has also awarded over £450,000 in grants to groups of farmers, supporting them to research the issues that matter to them.

Presence at COP26

Attending the 2021 United Nations Climate Change Conference summit (COP26) this year gave us the opportunity to connect with even more supporters and promote truly sustainable solutions to the climate emergency. We highlighted the role of agroecology through our farmer ambassadors, and promoted the Food for Life Served Here award as a sustainable catering choice for local authorities.

Improving food access for diverse communities

This year, Food for Life's reach has expanded further into communities across the country, ensuring that more children have access to good food. Overall, 286,230 children are in 821 Food for Life participating settings (schools and early years) that serve good quality, nutritious food made from locally sourced ingredients.

Supporting organic growth

The UK organic market saw good growth at 5.2% in 2021 and increasing by 23% since 2019 prior to the pandemic. It is now worth £3.2 billion with 86% of households buying something organic last year, according to Kantar.

Growing better together: Strategy to 2030 vision goals

We want to be able to measure progress against our vision for regeneration. Our Growing Better Together strategy sets out 10 vision goals we'd like to see as a reality in 2030.

- **Connections:** We all experience meaningful connections with each other and with nature through food.
- **Soil health:** Soil carbon loss is reversed and increases by 0.4% per year, and all soils are sustainably managed.
- **Biodiversity:** Declines in abundance and diversity of pollinator, butterfly and bird species are reversed.
- **Diversity:** We all understand the value of diversity in what we grow, eat and consume, and of different perspectives on food, farming and land use.
- **Clean air and water:** Environmental pollution from farms is reduced by 90% and rivers are restored to high ecological standards of water quality.
- **All farmed animals experience a 'good life':** Reducing antibiotic use in UK livestock farming and aquaculture by 90%.
- **A fairer deal for food producers and citizens:** A healthy, ethical and sustainable diet is affordable, accessible and the norm for all.
- **Healthy diets for children:** Childhood obesity (and inequalities) is halved, and all children eat at least 5-a-day fruit and veg.
- **Trade:** No net environmental harm is associated with the UK's food, farming & forestry consumption footprint.
- **Values-based living:** We all live by the organic principles of fairness, care, health & ecology.

Our objective is for all the work we do to contribute to the success of these outcomes.

We have identified some key reporting areas that will indicate progress against our vision goals, and we work with available metrics throughout this report.

Our new strategy

We achieved much together last year, but there is still more to do to achieve our vision of a regenerated world.

We need to focus on solutions. Because the future doesn't have to be daunting. We can re-claim it as our time for positive renewal. Our new strategy sets our path to work better with everyone, and with nature, to do just that.

The Soil Association is unique in that our aim is not to control or protect the natural world, it is to join forces with it as an ally to help build a better a future - one with good health, thriving wildlife, and a safe climate.

Over time, how we grow, eat and live our lives has become more and more intensified. It's been driven further and further away from what nature intended.

Using our 75 years of experience in pioneering solutions, we will work across the whole food, farming and forestry system to drive action and set that right.

We will strive to support three key transitions by 2030:

1. Farming and land use

Changing how we work with our land and what we produce. Supporting a ten-year transition to nature-friendly methods like agroecology and regenerative forestry.

2. Diets and lifestyle

Changing how we access food and reduce consumption footprints. Supporting a ten-year transition to healthy and sustainable diets and living for all.

3. Connections

Changing how we connect with nature and each other. Promoting joining forces for positive change, and championing respect for all.

Working together across these three areas allows us to see the full system and how the moving parts work as one: emotionally - how people connect with world crises, practically - how nature-friendly methods are possible, socially - how people like to work together, and realistically - how they will best hear and support solutions.

We will influence large-scale system change by being inclusive and curious, connecting diverse knowledge and people to help everyone build natural solutions together.

The time for change is now. Together with nature, we can restore a world with good health, in balance with nature, and a safe climate.

Parameters of Reporting

The breadth and depth of our impact is very important to us as an organisation. As such, we have chosen to report against the Individual Social Material (ISM) model to ensure that our activities can enable all possible forms of behavioural change.

Our achievements and performance this year

Impact: Farming and land use (FLU) transition

The Soil Association has continued to connect farmers, policymakers, citizens, supporters, organisations, and businesses to support the development, adoption and success of sustainable farming and land use practices. The global pandemic and the complexities of Brexit have continued to impact farmers, foresters, and businesses during 2021/22, but we have still been working to help make these practices the norm and balance the needs of climate, nature, and health.

We are developing stronger metrics to evaluate the number of farmers we support and the rate of change we are achieving. These include:

- Total land (Ha) area managed by land managers engaged with Soil Association Farming and Land use team
- % of farmers adopting agroecological farming practices
- % of farmers adopting agroforestry
- Total UK farm woodland (Ha)
- Number of farmers currently engaged in organic conversion, SA webinars, support calls and visits
- Farmer and land manager sentiment re: agroecology
- Engagement in SA FLU programmes and activities

Growing Individual Support

We are supporting farmers in the transition to more agroecological practices by continuing our work on FABulous Farmers. The programme centres on Functional Agro-Biodiversity (FAB), which promotes biodiversity and sustainable production in an agricultural context, and was created by The Interreg North-West Europe Programme, a transnational cooperation supporting innovation in Europe.

This year we have promoted the benefits of farm biodiversity through five on-farm Learning Networks sessions, engaging farmers on the topic of agroecological practices. This in turn led to over 25 demonstration farms implementing FAB practices, highlighting the effectiveness of our outreach activities. In terms of the biodiverse benefits of agroforestry, even more farmers have engaged with the practical applications of agroforestry through our film "Agroforestry on upland farms in the UK" which has already surpassed 50,000 views, building interest and confidence in the practice.

We also helped farmers to learn more about nature-friendly farming this year by supplying a range of information through our networks. This included Organic Farming Magazine which is produced three times per year, monthly Organic Farming News sent out electronically to our 6,300 strong networks, as well as responses to an average of 40-50 producer support enquiries every month.

Developing Social Goals

To help farmers and land managers in Devon and Somerset navigate the changes brought about by the Agricultural Transition we ran five face-to-face informational workshops, four specialist workshops, as well as the delivery of one-to-one advice to 50 farm businesses under the Defra Future Farm Resilience Fund between October 2021 and March 2022.

We are also continuing to develop relationships between researchers and farmers looking for avenues to engage with sustainable practices through our programme Innovative Farmers. The programme, which was created in 2012, is a network now numbering over 12,000 people including farmers, producers and research bodies who run on-farm trials called field labs on topics they wish to explore; during the trial the process and results are documented in order to share with other members. It is backed by the Soil Association, alongside a team from Linking Environment and Farming (LEAF), Innovation for Agriculture, and the Organic Research Centre. In the last 12 months, we helped launch a further nine field labs, enabling even more farmers to access a support framework whilst implementing new ideas measures on-farm.

Throughout the year, through the European Union's research programme Replacement of Contentious Inputs in Organic Farming Systems (RELACS) we have been involved with several projects exploring innovative and agroecological farm practices. With the aim of connecting, building, and sharing knowledge across the farming community, we have helped to guide:

- A farmer focus group testing sustainable alternatives to anthelmintics (anti-parasitic drugs that target parasites such as worms) such as heather extract in Scotland, followed by several webinars on the results due to demand.
- Two farmer field schools to support the reduction of antibiotics. This included trialling the use of essential oils as a treatment for mild mastitis cases as an alternative to antimicrobials.
- A well-attended meeting with stakeholders from the organic sector in June 2021 to develop plans to promote alternatives to anthelmintic and antibiotic use. This highlighted the needs for further trials to build the evidence base, and wider dialogue on alternative treatments with vets.
- A trial looking at copper replacement spray programmes for fruit production. Copper based sprays are currently used in organic farming as both a protection for plants against bacterial and fungal diseases and as a foliar fertiliser. The need

for this trial to find alternatives is because use of copper-based sprays is strictly limited as build-up in the soil can be toxic.

- A field lab looking at alternative mulches to plastic for horticulture.

In order to support farmers, foresters and rural businesses in their day-to-day challenges, we have grown our skills and understanding through the Better Rural Innovation: Linking Actors, Instruments and Policies through Networks (LIAISON) programme, which was funded by EU Horizon. LIAISON is a collaborative project which has been funded within the agricultural European Innovation Partnership (EIP Agri), an initiative launched by the European Commission to foster competitive and sustainable agriculture and forestry that “achieves more and better from less”. Through our partnership in this programme, we have contributed to the development of best practice in this area and benefited from utilising the practice-ready methods, protocols and tools designed by LIAISON, enabling us to deliver more effective support for change.

LIAISON has also enabled us to promote farmer-to-farmer learning as we brought together findings from the Soil Association-managed Scottish Government-funded Rural Innovation Support Service as a case study to the project, and used the findings to produce five practical and accessible How to Guides. We also developed a 12-hour training programme to share the findings of the project and support practitioners to use the tools identified and recommended by LIAISON to improve their practice. Our involvement in this project has also driven potential collaborators and partners towards us.

The impact of our involvement in this project is highlighted by this comment, which we received from a participant of the pilot of our training programme:

“Thank you for this opportunity - it has made me realise how valuable getting feedback could be for us on different projects. Having a day to think about and evaluate things is something we rarely give ourselves permission for! There are loads of tools LIAISON has created which I can use and adapt for educational and facilitator training purposes, as well as facilitating projects myself in practice. But without coming today that would have been left to chance – coming and being a very tiny part of the process has given the motivation and appetite to go away and play with more of the tools! Brilliant job and thank you!”

We have also been impacting the farming sector through our work on carbon sequestration. Finding pathways to relate carbon sequestration back to farming practices through our Carbon Assets for Soil Health (CASH) project has allowed us to see farmers rewarded financially for the ‘public good’ that great soil management can deliver. Through this we have assembled soil and practice data from over 60 farmers and analysed this for correlations, which will feed back into the CASH. Going forward, the learnings from this project will be used to support farmers to improve soil health on-farm by facilitating industry-wide knowledge sharing and collaboration through our new initiative Soil Association Exchange (SAX), which aims to enable and empower farmers to make positive environmental and social changes on their farm.

In addition to this, Soil Association joined with Duchy College, the land-based specialist college, and Farm Carbon Toolkit, a community interest company that acts as a vehicle for farmers to work together to reduce farm business greenhouse gas emissions through 'Farm Net Zero', a five-year funded lottery funded programme to support farmers in the Cornwall to move towards net zero carbon emissions.

This year we've also continued to explore the benefits of growing trees on farms and the promotion of silvo-pasture (the integration of trees, forage and livestock grazing) through the publication of our agroforestry handbook. The handbook has been downloaded almost 5,000 times since its initial launch, highlighting how effective a tool it has been for farmers, with content being further developed to create an online learning course to support further learning and exploration of this nature-friendly practice. Further to this, in Scotland we have delivered successful peer-to-peer knowledge exchange programmes focused on agroecological approaches and agroforestry. We've also supported the establishment of a Scottish Agroforestry Learning Network. Further programmes are in development for the 2022/23 period.

Achieving Material Change

Alongside the FABulous Farmers programme, the FAB partnership was successful in receiving extra funding to help develop collaboration platforms across Europe. This infrastructure will support more farmers to adopt functional agro-biodiversity farming practices, improving farm biodiversity by facilitating exchanges of knowledge and rewarding farmers for adopting nature-friendly measures.

As Innovative Farmers is now embedded in several UK research programmes, we have been using the learnings from the programme to help to ensure that agricultural innovations currently being researched by these programmes are conducted to the highest standard. Our expertise has helped to inform future Innovate UK (the UK's innovation agency) funding programmes and frameworks, with the end goal of promoting more agroecological practice by ensuring that a higher percentage of Innovate UK's funding going to farming projects. This reflects our desire to see farmers paid fairly for making sustainable and nature-friendly choices.

We have also been furthering this goal by facilitating the introduction of a Sustainable Farming Incentive for organic farming, to be introduced in 2025. This incentive will pay farmers to manage their land in an environmentally sustainable way and is one of the Government's Environmental Land Management schemes (ELMs). ELMs focus on improving the environment by paying farmers for certain environmental benefits, instead of offering payments based on the amount of land farmed and interact with government wider environmental and climate change objectives.

In line with this activity, we also concluded our Defra Test to identify mechanisms to monitor ELMs delivery. This will help to facilitate delivery to farming communities,

ensuring that it is as effective as possible. We have also provided expert input to Defra on organic retail pricing models and the UK Agricultural Partnership on soil carbon natural capital, allowing us to deepen our relationships with these organisations, which will in turn allow us to advocate for models and practices which will benefit climate, nature and health.

Next Year

Growing Individual Support

To further promote farmers' agroecological knowledge building, we will run more demonstration events, learning sessions and master classes, alongside two stakeholder meetings planned for the FABulous Farmers project.

Championing high standards of care and animal welfare remains important to us, we will continue to deliver AssureWel Welfare Outcome Training, with sessions booked in for new Red Tractor assessors and FiBL researchers, and renewed interest from leading retailers on our training offer. Through the Soil Association Exchange programme, we will be developing our work on positive welfare resource tiers and rebuilding the online training tool on welfare outcomes.

Developing Social Goals

In the year of 2022/23, we will continue our work helping those in the food, farming and forestry sectors connect and share knowledge to drive an agricultural transition. This includes starting two new projects with partial EU funding. We are programme partners in:

- **Transect** – disseminating information to farmers and other supply chain stakeholders to support their agroecological transition.
- **Attractiss** – increasing the skills and capacity of actors to deliver innovation support services. We are leading on upskilling for collaborative approaches.

We will also seek funding to implement three new programmes and services designed to respectively:

- support transitions to agroecology across the UK,
- increase the conversion rate of UK farmland to organic (10% of UK farmland by 2030) and
- implement a farmer-led tree revolution.

Thanks to support from a UK retailer, we will expand our learning networks within FABulous Farmers to support more farmers to transition to agroecology.

Our Soil Association Exchange programme will be supported and developed through the FAB Capitalisation Work Package. This work package is enabling us to develop the metrics, our "offer" to farmers and carry out investor engagement through this programme. The team will prepare over 150 farms as a pilot scheme by the end of the

calendar year as well as develop report templates for farmers which will enable them to record their results and share them with their peers. We will also gain insights from our European partners and utilise the expertise from researchers at UK CEH.

Alongside this, the CASH project will continue to collect soil data, linking the results with farming practice to identify trends and build knowledge across the farming sector. This project will run in parallel to Soil Association Exchange to provide learnings on soil health improvement. We will be running workshops for farmers and producing fact sheets based on the findings of the first round of soil testing.

We will also be working with the Crop Health and Productivity (CHAP) Agritech Centre to bring key stakeholders together and raise awareness of the need to breed plants “fit for the future”. This will kick off with a conference focusing on what we need our future plants to do and in what systems they will need to do this.

In 2022 we will also be celebrating the 10th anniversary of Innovative Farmers (IF). A range of activities will mark this landmark year including an event at Chatham House in the autumn where the Innovative Farmers model will be showcased for a global audience. A minimum of 12 farmer-led field labs will be launched annually to help farm businesses adopt more sustainable farming practices with all our field labs focusing on topics which will support the transition to agroecological farming practices.

Achieving Material Change

Our work to transform the physical and regulatory landscape continues into 2022/23, with activity across the farming and land use landscape.

As a result of funding success, we will lead a consortium to develop an agroforestry carbon standard for the UK, which will allow practitioners to prove their commitment to sustainable practice and demonstrate that carbon sequestration is taking place on their farms.

To ensure that Defra can effectively support this sector to respond to their transition objectives, we will continue to engage with them and work on an Organic Action Plan for England. We will implement a further Defra test to understand the impact of the current Sustainable Farming Incentive (SFI) standards on organic farmers and identify suitable monitoring mechanisms including organic certification.

Impact: Healthy and Sustainable Diets (HSD)

We have made good progress in the Healthy and Sustainable Diets sector in 2021/22. We remain dedicated to facilitating access to good food for all. Despite having another challenging year in the catering industry due to the impacts of Covid, cost of living and fuel crises and supply chain disruption caused by the war in Ukraine, we are seeing continued interest in healthy and sustainable programmes, aided by the National Food Strategy and Hospital Food Review recommendations.

Our metrics for evaluation of our activity in the healthy and sustainable diets sector include:

Number of Food for Life Served Here meals served daily	1.82m
Number of Learning Authorities in Scotland engaged with Food for Life Served Here programme	22 (18 with awards)
Number of Schools & Early Years settings participating in Food for Life Awards	832
Number of Sustainable Food Places members	68
Number of food community leaders since start of Food for Life Get Togethers	2,921
Number of Food for Life place-based commissions	In development

Growing Individual Support

We believe everyone can make a difference and become active food citizens, living consciously to support good food and reducing footprints to enable positive climate, nature and health outcomes.

Our food citizenship work through My Food Community and Food for Life Get Togethers (FFLGTs) supports food citizens to get engaged in healthy and sustainable food-related issues, initiatives and systems change within and beyond their community. My Food Community is a programme that helps people who want to champion good food in their community by facilitating learning, personal development, and access to the programme's network, whilst FFLGTs are regular community activities that connect people of all ages and backgrounds through food.

Work across these two programmes has seen great success this year:

- 41 community food champions have been supported to develop their leadership capacity to apply climate, nature and health food strategies in their communities or places via My Food Community.

At least 120,000 citizens connected at FFLGT activities at 2,579 registered activities to date. A UWE Evaluation found that 99% of FFLGT organizers surveyed felt that the activity helped participants connect with one another, indicating a positive effect for social cohesion.

- Between September 2021 – March 2022, we saw 821 registrations for FFLGTs network events. According to our post-session survey, 70% of attendees agreed that they felt better connected to other people involved in good food activities in their community as a result of the session. 55% of attendees reported they were likely to use these connections to support good food activities in their own community.
- 3,039 organisations or groups have engaged citizens in food issues, initiatives or systems change through FFLGTs to date.

Developing Social Goals

We are motivated by the belief that good food starts with communities, and at the core of our activities is the belief that the best way of improving access to good food is to work within these communities and empower them to succeed using our knowledge.

This year, our work has helped us progress towards our goal of every child learning to cook, grow and access nature. Food for Life is Soil Association's programme making good food the easy choice for everyone through a stratified awards scheme. 286,230 children² are now in 821 Food for Life (FFL) participating settings (schools and early years). This represents 4.1% of all primary schools in England and 3.4% of primary schools and early years settings in England. A Food for Life participating setting is one that is working on or has gained at least one Food for Life award, which are centred on four areas of development demonstrating a commitment to good food: Food Quality, Food Leadership and Food Culture, Food Education, and Community and Partnerships. This year 92 new primary schools enrolled with Food for Life and 24 new schools awarded Food for Life status; 32 new early years settings enrolled and 14 were awarded.

Supporting every child to have at least one healthy and sustainable meal a day, Food for Life Served Here (FFLSH) is Soil Association's award system for caterers, operated through FFL. A school that has an external caterer (private or local authority) will need to have a caterer with a FFLSH award in order to qualify for a FFL award. FFLSH meals are served in 50% of primary schools in England and 54% of primary school sites in Scotland. In Scotland, 56% of meals served in primary schools are FFLSH (128,172 meals daily) and 40% of meals served in education sites from nursery through to secondary are FFLSH (139,290 meals daily). All of these meals are freshly prepared, use sustainable ingredients, are made with more locally sourced and ethical ingredients that support local economies.

² Schools number of children is based on Jan 2021 census on roll data (most recent census data available). Early Years number of children is based on setting capacity reported by setting on enrolment with FFL.

Our work extends beyond schools. We also support public (and large scale private) sector settings to serve healthy and sustainable menus. 2 million (2,053,457) Food for Life Served Here meals are now served daily across the UK in these sectors, including within 18 of the 32 local authorities in Scotland. This means that over 2 million meals that are better for health, nature and our climate are served every day - over 400 million annually. In addition to this, FFLSH is also served in 50 hospitals and 50 universities.

We strive to support all UK (cities and) local authorities (areas) to implement sustainable food policies, strategies, plans and campaigns. The Sustainable Food places partnership, a programme led by the Soil Association, Food Matters and Sustain: the alliance for better food and farming, makes progress towards this by supporting and celebrating places making positive changes to their food systems and culture.

This year, 23 new members joined the Sustainable Food Places partnership. Bristol also became the second Gold award holder alongside Brighton & Hove after being a member of the Sustainable Food Places Network previously. A Gold award holder has demonstrated that they demonstrate excellence in the areas of Reducing Food Waste and Building a Good Food Movement, in addition to the six pieces of evidence on food related themes needed for the bronze and silver awards. To date, 68 places (cities, towns, boroughs, districts or counties) are establishing cross-sector food partnerships through Sustainable Food Places to transform their local food system and are driving innovation and best practice on all aspects of healthy and sustainable food.

Achieving Material Change

As part of our work in the healthy and sustainable diets sector, we have also spent the last year influencing policy makers, advocating for policy change, and supporting shifts to healthier and more sustainable choices in places where food is served.

We successfully influenced the recommendations related to school food in the National Food Strategy, with our Food for Life programme highlighted as the model to emulate, both in sustainable procurement and a whole school approach. The Strategy recommended that a mandatory accreditation scheme should be developed, informed by Food for Life, indicating the programme's success. In line with our Ultra-Processed Planet report, it also highlighted the impact ultra-processed foods are having on our health, recommending that government take action to break the 'junk food cycle', where retailers oversupply the public with low-nutrient sugary foods and the public in turn demands more of them.

We're also enacting policy change as well as influencing it; all 11 current Public Health commissions have a Food for Life Get Togethers presence and six are also Sustainable Food Place members, meaning that our Healthy and Sustainable Diets ethos has a national presence and the potential to transform further communities. In addition to this, this year the Soil Association has also been working on a place-based model that can be commissioned by local authorities, allowing them to transform the food system from a local level up by bringing together different Soil Association offerings across settings, schemes, communities, and places.

The Out to Lunch campaign has been driving change towards healthier and sustainable diets since 2013, and the year 21/22 has been no exception. Ten out of the UK's leading restaurant chains signed our 'Stop Deforestation Pledge'. Giraffe, JD Wetherspoon, Zizzi, Nando's, Chiquito, Frankie & Benny's, Wahaca, Fridays, Wagamama, Prezzo have all committed to taking action to ensure all soya used as animal feed is from sustainable sources and is not linked to deforestation. Until now, a much smaller number of restaurants had such policies in place so this expansion to mainstream eateries is a significant step forward – a fact that we have discovered this year by engaging and surveying UK supermarkets to understand the current retail landscape. Out to Lunch has also driven an increase in vegetables on the plate, with an estimated 1.6 million extra portions of veg served this year (relative to 2019) as a direct result of this campaign.

Next Year

Supporting Individual Growth

In the financial year 2022/23, we aim to support individual growth by incorporating our learning from our programmes into our wider activity.

We will continue to influence citizens to get engaged with food-related issues and system change in their communities. As part of this, as we approach the final year of the four-year Food for Life Get Togethers programme, we will ensure learnings will be embedded into existing and new Soil Association work. This includes:

- Developing distributed leadership capacity of food champions to continue engaging citizens in good initiatives, including through a second cohort of My Food Community.
- Incorporating learnings from FFLGTs into future place-based community or funding bids where appropriate.
- Supporting effective handover of citizen engagement campaigns to the Soil Association, providing accessible entry points into the good food movement and on-going journeys for those already engaged.

Developing Social Goals

In 2022/23, we will continue to grow and develop networks supporting healthy and sustainable diets by continuing to promote and reinforce our work in the food sector.

Our Schools and Early Years Award remain our best vehicle for children's food education and access to nature. This year we intend to retain our existing commissions of awarded and enrolled settings and to maintain growth in the number of commissions to provide Food for Life Awards in more primary schools and early years settings in England.

To help every child have at least one healthy and sustainable meal a day, we will continue to support as many Scottish local authorities as possible to achieve and

maintain FFLSH awards for their school meals service. We will facilitate opportunities to increase Scottish sourcing for Scottish school meals.

Our learning from the FFLGT programme will also help to develop the ways in which we improve community access to good food in 2022/23 by:

- Building out from FFLGT's approach to create a networking event offer, giving us the ability to connect all healthy and sustainable diets audiences
- Co-ordinating a second major research project with Coventry University to understand approaches and metrics which evidence a transition to healthy and sustainable diets in communities and places

To support all public and large-scale private sector settings to serve healthy and sustainable menus, we plan to continue the growth of FFLSH and the number of meals served throughout the next year. We aim to achieve this through a new partnership with Unison, as well as by sending a joint letter on the back of the Hospital Food Review encouraging their branch members in NHS sites to push for FFLSH to be applied to staff and retail outlets to drive our business in hospitals. Alongside this, we will be developing a programme of support for further public sector expansion using learning from the 2022-23 pilot expansion in Glasgow.

Achieving Material Change

In the next year, we intend to further promote policy changes that will make good food more accessible to all, and to advocate for businesses in the food sector to make more sustainable choices.

The government's response to the National Food Strategy will be a key moment for us in the coming year. We will also focus over the next 12 months on capitalising on any opportunities to positively influence healthy and sustainable diets policy. We believe that our place-based model for local authorities is a good vehicle for this. It is currently in development, and we hope to announce our first place-based commission within the 2022/23 year.

We will continue driving corporate policy changes through Out to Lunch 2022. Secret diners will review the food offering at 16 of the most-visited and family-friendly visitor attractions, analyzing their food sustainability and health credentials. The Out to Lunch methodology will provide a suitable framework for attractions to create stronger corporate policies on healthy and sustainable diets and we will provide support to caterers and hospitality managers to help develop their policies. The anticipated media attention will add pressure and put the spotlight on businesses to implement change.

We also hope to captivate the media's attention with the launch of the Stop Poison Poultry report and subsequent campaign, calling on supermarkets to remove wildlife-killing pesticides from their soya supply chains. This will also include asking citizens to call on supermarkets to address the risks to farm workers and wildlife from exposure to pesticides sprayed on soya crops in Latin America that are fed to intensively-reared

chickens in the UK. We will develop a robust and meaningful policy that helps supermarket suppliers phase out their use of imported soya, including via the use of alternative feeds.

Impact: Joining Forces for Positive Change

Over the last year, we have witnessed a rapidly increasing appetite for learning about agroecological solutions to the climate, nature, and health crises. A key role of the Soil Association is to join together diverse voices to support the development of sector-wide solutions, that consider and include everyone.

By nature, our Joining Forces for Positive Change transition overlaps with other areas of activity. As such, we are using the below metrics to guide our progress and are reviewing how to ensure that we recognise the scale of the wider network that supports us, as well as the diversity and inclusion of our network.

- Network growth
- Organic for all plan
- Agricultural Inclusion
- Number of members
- Nurture journey sign ups
- Unrestricted income
- Regeneration fund income
- % of citizens that understand what we do
- PR reach
- New website visitors
- Social media engagement

Joining Forces for Personal Change

Simple adjustments to the way we live can add up to a big difference. Recognising this, we have developed the Pledge for our Planet for those at the start of their engagement journey who are looking to make small changes to support climate, nature and health. Over 7,000 people have already made a pledge since its launch in September 2021, with the most popular being "Plant one bee friendly herb or flower this month" (more than 700 sign-ups). Our pledge development and nurture journey invite people wanting to know more to engage with the Soil Association directly.

More generally, we've recorded over 1 million sessions on our website, the central hub of our activity online where we hold information intended to help individual citizens find the right solutions for themselves. Of those sessions, we have recorded 760,000 users. This represents an increase of 2.7% and 6.7% respectively compared to the previous financial year.

Joining Forces for Social Change

To help more people engage and connect with us and each other to support a nature-friendly future, we have expanded our audience reach. This was achieved primarily through our social media following, with almost 250,000 combined followers across

Twitter, Facebook, and Instagram. This is helping us to advance understanding of agroecology and to share practical solutions with a far more diverse audience than we could reach in person, and by extension allowing us to collate feedback that allows us to strengthen our ways of working.

We also now know that, typically, the UK public have three opportunities to read about our work each month. This exposure enables us to promote solutions to a vast and diverse network including citizens, farmers, policy makers and businesses. In addition to this, this year we have completed a major analysis of our social media channels, which will help to guide future interactions and help us to engage our networks more effectively on key themes such as biodiversity and agroecology. One such example of this is by engaging citizens through a "Worm Hunt" and running sessions in person with schools.

This year one of our key focuses has been strengthening our internal relationships, policies, and practices so that we have the wherewithal to further build support for the movement and expand our network. We have also had the chance to reflect on our name – the Soil Association. Although we might not think about it every day, we have realised that we are a **true** association, with millions of people engaging in a desire to see us work together to regenerate our planet as part of nature.

Our brand refresh, conducted this year, has been a key opportunity to further our progress in this respect. We have been able to summarise our organisational role as 'helping everyone to build natural solutions together' with our new strapline as 'a force for nature'. We are already beginning to see the impact of this refresh as our brand has become more recognisable, with 47% of individuals knowing of the Soil Association – although we still have more to do to make sure that the public know what we do and want to get involved with the movement with us.

The diverse teams in the organisation have engaged in a process to reflect and review what our role means for them in light of our new strategy. As a result of this effort to review, adjustments to creative work, content and internal processes are being rolled out in order make the most of our unique role.

We are fortunate to work with incredibly talented people who speak their truth about the solutions they have developed to restore our planet to full health; our farming ambassadors play a key part in this as a bridge between the Soil Association, farmers, and citizens. As such, we have made efforts to build the sense of community - both internally through our brand workshops, which have given communications colleagues the ability to interact with teams who sit in programmes teams and Certification (and vice versa) as well as externally through events such as those run by the Agroecology Comms Network, all with the end aim of reinforcing our relationships and our identity as an Association.

Joining Forces for Material change

Joining Forces for Positive Change is one of the Soil Association's core benefits, and working towards making those changes on a legislative and policy level is very much a part of this.

This year saw our Associate Director of Standards Innovation, Sarah Compson, elected to the International Federation of Organic Agriculture Movements (IFOAM) world board. IFOAM is a membership-based organisation working to bring true sustainability to agriculture across the globe. By being elected to this 10-member team, Sarah has taken on the responsibility for overseeing and supporting IFOAM's work growing the global organic marketplace, communicating the benefits of organic, training organic leaders, and facilitating capacity-building for organic farmers. This appointment will help us to further our relationship with IFOAM, as well as with its members and the farmers that it supports.

We know that in the past, not everyone has been able to access our work and this year we have been trying to improve our practices to reach a greater level of inclusion. Internally, we have recruited a new ED&I Advisor who will help us to reflect and build our next steps in response to this awareness, and who will be supported by a group of colleagues from a wide range of teams. We also recognise that British farming and environmental charities seem to attract people from privileged backgrounds disproportionately. Whilst the food supply chain fully reflects our diverse nation, Soil Association employees do not. As a result, we have been reviewing the underlying reasons for this fact, and by extension what we can do to better reflect our diverse beneficiaries.

A powerful example of where we're succeeding in our efforts to be more inclusive is our FFLGT programme. More than 80% of local education authorities (LEAs) now have some involvement in the work that this programme does, and we have reached 42% of the 30% most deprived communities in the UK. In a study conducted to explore this success, Coventry University concluded that "There is a consensus that participation and longer-term engagement in community food activities will take place as long as the expectations of involved individuals, organisations and other stakeholders are fulfilled and if communities feel that they have ownership in terms of the project design and activities."

Next year

Joining Forces for Personal change

In the year 22/23, we aim to perform a number of actions that will allow us to better engage with our audience and support their individual journeys towards a nature-friendly future. We will reassess citizen understanding of the Soil Association and our work so that we can prioritise time and funds into our most equitable areas. This will also help guide our Equality, Diversity & Inclusion strategy by identifying areas that are not accessible or that actively disadvantage diverse audiences from accessing our work.

We will also refresh the Soil Association website to bring it in line with our new brand guidelines, so that our audience has access to the solutions that they are seeking in the clearest format which we expect will in turn increase brand understanding, recognition, and loyalty. In addition to this, the changes identified in the analysis of our social media channels will be put into place with the end goal of creating deeper and more meaningful engagement with members that are currently inaccessible to us.

Internally, we intend to continue to work on our Equality, Diversity and Inclusion goals. This will begin with developing Wellbeing Champions as well as Inclusion Champion roles. These positions will complement and support each other and the wider organisation, partners and stakeholders, with the end goal of ensuring all our employees and stakeholders feel valued, supported and empowered as part of the Soil Association.

Joining Forces for Social change

This year, one of our key focuses for our Joining Forces for Positive Change activity has been strengthening our internal identity and relationships to increase our capacity for external change.

The core charity operations have established a dedicated management team to work alongside the existing Certification business management team. This will allow us to deliver value from our operations.

Both teams are supported by a group services team who can see synergies in our people, IT and finance operations. This will have the further benefit of supporting a unified approach that will make teams across the group feel like they're working together rather than at odds, improving internal loyalty and the clarity of external communications. One example of the benefits of this new group structure is that it has allowed us to pilot Soil Association Exchange (SAX) by giving us an avenue to access and test the viability of the network that SAX will create with Soil Association certified farmers and producers. Externally, we intend to build a network of Food Ambassadors and develop our 'Soil Association' voices to support our messaging across all programmes and campaigns.

Joining Forces for Material change

Our work across the Soil Association helps to promote the wider adoption of organic food as a healthy and sustainable solution.

We intend to make material change that will increase the potential for all UK households to eat organic food. Policy and government incentives such as the National Organic action plan are positive steps that will also function as facilitatory actions towards increasing the impact of these activities. The National Organic Action Plan is intended to stimulate demand for the organic sector, ensure consumer trust and improve the contribution of organic farming to environmental sustainability. We recognise that many households feel that organic food is not the best choice for them and associate it with being more expensive. We will work with the full supply chain, including retailers, to explore a more inclusive approach to enjoying the benefits of organic food.

Our Organisation

In order to be a force for nature and help everyone build natural solutions together, we need to be as fit as possible internally. Our capacity to deliver the impact we want in the world is directly related to our organisational culture. This means that we need to ensure we have the funding and people to carry out our activities, and that we need to make sure to maintain our valuable partnerships both externally and internally within the Soil Association Group.

Our Funding

Soil Association supporters can be assured that we are registered with the Fundraising Regulator and we comply with the regulatory standard for fundraising.

The charity benefits from varied income streams and, as the pandemic continued, we were able to maintain income levels as planned. We were also fortunate to receive some Covid-emergency grants. This sustained funding allowed us to continue our charitable work.

Our supporters and members are the lifeblood of the charity, supporting our campaigns, signing petitions, amplifying our voice and of course providing vital income. This year, we focused on nurturing and growing our pool of regular supporters who provide critical unrestricted funding for the charity; more than 10,000 people support us directly as members demonstrating their commitment to climate, nature and health issues through financial support and advocacy of our solution-based approach. Our ambition this year as always was for our members and supporters to have the very best giving experience possible and we have continued to strive to find ways to thank and steward people so that they understand how important their support is to the work of the Soil Association.

Overall, this seems to have been successful as our retention rate for members was 90% and we increased the average lifetime of a member to 14 years. This year, we also received 12 legacy gifts where people had generously decided to include the Soil Association in their will.

Moreover, in order to further drive membership signups we launched the Regeneration Fund – an ambitious £8m campaign focused on the six critical projects that will drive progress to reach our 2030 charitable goals. With support from people, companies, and charitable trusts we have raised over £2.3m. We held four virtual roundtable events for people to come and learn about these projects and hear from our experts, reducing reputational risk by giving our supporters the ability to raise queries or concerns about our activities and receive answers.

We also hosted our first ever hybrid event in November 2021 for the 4th Annual Peter Melchett Memorial Lecture with Lord Deben as speaker around the theme of “Grounding COP26: Why farmers hold the key to Nature Based Solutions”. We had 133 attendees online and a small VIP audience of 31 people. The aim of this lecture was to inform,

inspire and motivate current and potential funders to support or continue supporting the work of the Soil Association.

In the corporate fundraising sector, the Soil Association went from strength to strength with Pukka Herbs continuing to provide support for our Policy and Influencing work. A fantastic new partnership with Blue Diamond Garden centres delivered income and provided us with the opportunity to talk to people about the benefits of nature friendly gardening. We became one of Deloitte's charity Climate Partners who are offering strategic advice on our programmes and offering volunteers to support our work.

Trusts, foundations, and statutory funders continued to provide important income to support our programmes and projects. A ground-breaking funder collaboration between Ashden Trust, Esmee Fairbairn Foundation, Samworth Foundation, Thirty Percy and A-Team Foundation enabled the Soil Association, working with partners, to establish Agroecology as a credible narrative on the future of farming in the context of COP26 and England's National Food Strategy.

Our People

Impact of Coronavirus Pandemic on our workforce

The impact of Covid-19 on our workforce and their activities continued into 2021/22 but the year saw the impact progressively diminish as lockdown restrictions began to lift. In the summer of 2021, we reopened our Bristol and Edinburgh offices maintaining Covid-19 safety protocols in line with Government guidance at the time. By the spring of 2022, with the ending of all Government restrictions, our activities have largely returned to a pre-pandemic state. In doing so we continue to observe good Covid-19 practices as advised by the Government/HSE both in our offices and in our external activities.

Throughout 2021/22 we were able to protect our workforce from any job losses associated with the pandemic. Over the last year employee headcount in the Group has increased from 313 to 343 up over 9%. This increase in team resources has been in Soil Association Certification Limited where in particular, the growth in demand for organic food and forestry certification services has required additional capacity.

Employee health, safety, and wellbeing

Through the year we continued to focus on supporting employee wellbeing. The reopening of our offices certainly helped individuals by providing much needed social contact and a welcome option to working at home.

Much on our health and safety focus was on keeping our Covid-19 risk assessments up to date as Government/Health and Safety Executive (HSE) guidance changed through the year.

Employees have a number of resources available to them if they have questions or issues, including access to health and safety advice, a confidential external counselling and advice service (for employees and their immediate family) as well as support through

managers, the Human Resources team and colleagues who are trained mental health first aiders.

Employee engagement

The Soil Association operates a framework for employee information and consultation. During this year, the approach to providing employees information about the organisation has continued through twice-monthly staff newsletters and through staff briefings.

During the year the Group's new strategy was finalised, a process involving considerable employee engagement. All employees were given the opportunity to attend workshops exploring the Soil Association's brand and how it supports delivery of the Charity's new strategy.

The Soil Association has a recognition agreement with the UNITE trade union and consults with union representatives on relevant matters relating to the employment terms of staff.

We continued to make use of the Best Companies survey tool. This allows employees to confidentially feedback on how they feel about working for the Soil Association, giving us a measure of employee engagement that can be tracked over time. Compared to the prior years' survey there had been a small decline in our overall engagement score, almost certainly influenced by the continuing impact of the pandemic on people's work and personal lives, but the organisation maintained a 1-star rating, continuing to demonstrate very good levels of workplace engagement.

Equality, Diversity, and Inclusion (ED&I)

Through 2021/22 the Soil Association has run a comprehensive learning programme for employees involving team workshops that explore a wide range of ED&I issues. Work continued with implementation of the organisation's ED&I plan, and this was given additional impetus with the appointment of a consultant to act as a senior ED&I advisor. This role will help the Soil Association improve its understanding, behaviours and how to positively channel the Group's impact on this area.

Through the operation of its recruitment policy and equal opportunities policy, the Soil Association gives full consideration to applications for employment from people with a disability where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to people with a disability for training, career development and promotion. Where existing employees become disabled, it is the Group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

As part of our efforts, we have committed to the following accreditations and initiatives: The Real Living Wage, Disability Confident Scheme, The Good Business Charter and the Bristol Equality Charter.

Consideration of Directors' responsibilities

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

The likely consequences of any decision in the long term

Our strategic planning, as laid out in the section entitled "Growing Better Together: Strategy to 2030 vision goals" were developed as part of a long term strategy to improve access to information about climate change and choices that citizens, farmers, policymakers and businesses can make to counter it. We routinely review external developments and assess for future trends and ensure that our plans can be adapted as needed to meet changing circumstances.

The interests of the company's employees

Our colleagues are a key part of the Soil Association group, whether they work within the Charity or Certification teams, or with one of partner programmes. We regard regular engagement with them as a top priority, and our employee engagement levels are important to our progress. This year, through our programme of brand workshops colleagues from across the group have been able to share their views on the organisation's values and identity; the feedback from these sessions is now being applied to our working practice.

The need to foster the company's business relationships with suppliers, customers and others

Our directorate prioritises maintaining beneficial relationships with all of our stakeholders, as well as our wider audience. They will continue to do so as our reach grows through social media activity and member recruitment.

The impact of the company's operations on the community and the environment

We want to remain accountable to our members and supporters and as such recognise that the way our activities affect the environment and our community should be as transparent as possible. As such, we have compiled information on our environmental impact which can be found in the section entitled "Streamlined Energy and Carbon Reporting". We also hold regular citizen panels to assess our impact on beneficiaries, with groups that span supporters and non-supporters.

The desirability of the company maintaining a reputation for high standards of business conduct

We are regulated by the Charity Commission as well as by the Fundraising Regulator, ensuring that our conduct remains close to both our organisational values and what our audience expects from us. In recruitment, we ensure that everyone who meets the requirements for a position has equal opportunity and access to apply, and that applicants with criminal records are considered on their individual merits unless the

posting is exempt from the Rehabilitation of Offenders Act 1974. In working practice, we also adhere to the actions set out in our Modern Slavery Statement so that our stakeholders and business partners can be assured that our practice is ethical throughout our whole supply chain.

The need to act fairly as between members of the company

Having a fully equal, diverse, and inclusive organisation remains one of our prime considerations. We want to be as accessible and relevant to as many people as possible, and we recognise that we need to diversify both our internal practices and external activities in order to ensure that this develops. More information on our Equality, Diversity, and Inclusion work can be found under the Joining Forces for Positive Change section.

Our Land Trust

Soil Association's Land Trust is a charity that preserved, conserves, and protects areas of countryside for the public benefit.

Woodoaks Farm was donated to the Soil Association Land Trust in the prior financial year. Ownership of this farm gives us the ability to develop relationships with audiences in the local community and engage them with nature-friendly farming; 287,000 people live within 5 miles of the site, and 2.5million live within 15 miles.

Woodoaks includes arable and pastureland and around 75 acres of semi-natural woodland, on a total of just over 300 acres. We have been supporting the farm through organic conversion in 2023 by working with our new organic grower and existing tenant farmers to apply agroecological techniques to the land.

Tenant farmers have been enabled to improve soil fertility by through guidance on how to reduce inputs, plant herbal rich leys and lay new hedgerows. When we invited potential partners to apply for tenancy, over 90 applicants were attracted by the offer and the first grower was appointed in March. He has already involved the local community to help set up his permaculture site which will specialise in alkaline growing, and is continuing to engage volunteers from the local area in his work to the benefit of both the environment and the community itself. We are also currently strengthening relationships with these groups by holding weekly sessions undertaking conservation tasks, and creating a compost club.

As a result of this, we now can showcase a farm transitioning to a robust and regenerative system, in addition to being a space in which we can connect people with food, farming and nature and help them to understand the impact of these factors within their own community. Working with three local schools, two businesses and over 100 volunteers, we have been providing education to the community as well as encouraging them to engage in agroecological practices on the site by planting 850 metres of new hedgerow funded through a dedicated Soil Association fundraising campaign.

Soil Association Certification

Soil Association Certification Limited is a wholly owned subsidiary within the Soil Association group and is the country's leading organic certifier, covering a range of organic and sustainable certification schemes across food, farming, catering, beauty and wellbeing, fashion and textiles and forestry.³

Soil Association Certification is supporting Individual Farmers, Producers, and Licensees

Supporting individual farmers and producers, whether they are already licensees or are just starting out on their journey towards certification, has been a priority for Soil Association Certification in the year 2021/22.

To support more farmers to learn about and explore organic practice and conversion and to develop understanding of these topics across the board we hosted three online webinars at the Northern, Welsh, and Oxford Real Farming Conferences. Through these webinars we helped over 130 attendees to access information on building organic resilience and the importance of livestock within an integrated farming system. In addition to this, we also held an 'Economics of organic farming' conversion webinar, attracting an additional 45 participants who were all able to further their individual understanding of the financial factors of organic conversion. This is often a topic which causes concern to farmers looking to switch to organic, and so by running this webinar we laid the groundwork to further organic conversions in the future as well as providing education to our farming community.

With organic overtrading online, so engaging in more business than can be supported by the market, many organic businesses explored new and innovative routes to market, with home delivery and box schemes growing. We supported this growth by hosting bespoke "selling online" events and by working in partnership with Amazon, listing over 7,000 Soil Association Certification products under their "climate friendly pledge" scheme to support customers make more sustainable choices.

As our organic market report survey revealed exports have increased to account for 12% of all organic food and drink sales. following a Brexit hiatus 2021 saw a return to export support activity, including:

- publication of six new non-EU organic territory guides
- a non-EU export opportunities webinar (which brought together the heads of organic trade organisations from the US, Canada, New Zealand, Australia and Japan)
- collaboration with DIT in support of their ambition to expand UK organic food and drink exports and,

³ From this footnote to the beginning of the next section (marked 'Next year for our organisation'), any reference to 'our', 'us' or 'we' relates solely to Soil Association Certification.

- a new collaboration with Santander to showcase case Soil Association Certification expertise in export within their global digital business banking ecosystem

Customer interest in online shopping, home delivery and veg boxes has continued since the pandemic with organic sales online increasing by 13% as recorded in the Soil Association Certification Organic Market Report. Soil Association Certification has supported businesses to sell more online through a series of webinars and events sharing best practice guidance for maximising opportunities through this channel. To support this upward trend in citizen audiences, Soil Association Certification created new assets to enhance citizen understanding of the Soil Association organic symbol.

Alongside this, our Best of Organic Market Awards celebrated excellence and innovation in the organic sector. This year's Best of Organic Market (BOOM) Awards had 570 entries, 209 of which were small businesses that benefited from our small business entry fee waiver. Out of these entries, we had 143 finalists and winners, who were able to promote their achievement to customers and buyers including the 300 attendees of the hybrid event. These finalists got to meet 60+ industry judges, as well as benefiting from the event's press exposure, with a reach of 20.5million. In total, the event counted 9,500 public votes and triggered 2,600 sign up to Nurture, our supporter email programme. This will help to build interest in the organic sector amongst the citizen audience, and promote conscious shopping habits.

Ocado sponsored the event, with nine additional categories also being sponsored. Categories were expanded beyond food & drink to include farming, beauty and wellbeing, and fashion and textiles helping the awards to grow in both scale and recognition and better reflect the breadth of the organic sector and the organic certification schemes we offer. The awards had the highest number of entries and sponsors to date, highlighting the real desire for recognition in the organic sector as well as the strength of the individual support from citizens.

Soil Association Certification is Building Relationships

Soil Association Certification has been working to build relationships and further develop our relationships with external contacts in order to ensure that the reach of our values and work is as wide as possible.

We have provided support to organic businesses following the end of the Brexit transition period, helping them prepare for potential trade disruption. Digital communications and interactions with certification clients were extensive, including regular email communications, web updates and four webinars attended by over 420 businesses.

This year, we organised a number of events aimed at boosting the reach and sustainability of our network. We held a successful summer 'North Yorks Organic Farm Walk' at a licensee's farm, with 52 attendees including Soil Association Certification farmers, Defra and local stakeholder representatives. This included updates on market

opportunities, payment policy transition and technical/practical farm walks. We also exhibited at the regenerative agriculture event Groundswell, which attracted 3,500 visitors over two days and generated leads who were interested in finding more about Soil Association Certification's work.

With lockdown lifting and shopping habits adjusting, Soil Association Certification hosted multiple events and campaigns to share market and consumer insights and support our organic licensees as they adjusted to the changing trade environment and the emergence of new opportunities.

We undertook a hybrid or virtual model for many events with over 600 people attending our hybrid trade conference and organic market launch events. Over the year we engaged with approximately 2,000 people through 19 hosted events and talks including on-farm organic learning days, organic fresh produce forum, Brexit webinars, organic beauty and wellbeing panels and selling online sessions, alongside four organic farming webinars and an on-farm event for farming clients in the north of England.

Soil Association Certification worked alongside the Organic Trade Board and many organic businesses and retailers to hold another successful Organic September. With over 5 major retailers taking part to influence communities they engage with alongside hundreds of independent retailers, box schemes and farm shops, growth across the month was over 13% compared to pre-pandemic levels in 2019 and levels of engagement increased significantly as the message that 'nature has the answer' hit home. Along with the BOOMs, this campaign engaged citizens on the benefits of organic, with both activities enabling us to reach a wider and more diverse audience through their public facing nature.

Organic September has allowed us to build a network of advocates for organic as a nature friendly solution through the attention that it garnered. This includes 247,000 engagements with campaign content via social media, 584 pieces of positive coverage from a 3.9 million strong print and broadcast press reach, and 677 clients downloading our bespoke digital toolkit to help them spread the word about Organic September. In addition to this, 253 retailers joined Organic September Saturday and 87 box schemes and farm shops distributed campaign materials to help them communicate the message to their customers.

Soil Association Certification has also been working to build relationships with licensees and interested parties such as Fashion and Textiles UK, where we spoke on their panel discussing 'Sustainability & Ethics within the Fashion and Textiles Industry'. We have also created a webinar for Earth Day 2022 with the theme Invest in Our Planet, with the aim of supporting fashion and textiles licensees as well as other interested parties to explore the importance of sustainable and ethical business practices in protecting the planet. This also included an overview the Organic Market Report 2021 and a live Q&A with a panel of industry experts.

We have also been promoting sustainable and ethical practices in the Forestry sector. Our work in Forestry has also been going from strength to strength, allowing us to

support the expansion of sustainable forestry by helping more forestry professionals learn about the practice through training. During the year, 12 FSC accredited training courses were held remotely on the following topics:

- Forest Management - covering the history and objectives of FSC as well as the key information for forestry management including social requirements within certification and forestry management certification report writing.
- Chain of Custody - covering an overview of general requirements for FSC Chain of Custody applications, sourcing of reclaimed material and due diligence systems.
- ISO 19011 - a training course for auditing covering topics such as the principles of auditing and practical audit examples.

These 12 accredited training courses drew 123 trainees from over 22 countries joining from across Europe, Asia and Africa. Our Woodland Carbon Code & FSC Ecosystem courses also proved popular with over 100 trainees attending the courses over the year. The Woodland Carbon Code provides a model for a consistent approach to woodland carbon projects in the UK that can be used by producers; as such, this course along with the FSC Ecosystem course enabled attendees to take advantage of market opportunities for verified organisations as well as explaining the process of validation. We also resumed our in-person capacity building Excellence for Forest workshops, with two courses for 70 participants held in Abuja and Ekiti State in Nigeria during March 2022.

Soil Association Certification is Enabling Material Change

In 2021/22 Soil Association Certification continues to see strong support for organic from the farming and producing communities. There was 6.3% year-on-year increase in the number of new organic farming licences, and a total of 1,883 producer licences by end of March 2022. Land in-conversion has grown 9.3% since March 2021.

The UK organic market saw good growth at 5.2% in 2021 and increasing by 23% since 2019 prior to the pandemic. It is now worth £3.2 billion with 86% of households buying something organic last year, according to Kantar. Despite a challenging trade environment in 2021 with ongoing complications of Brexit and Covid-19, we supported many certified organic businesses to grow by exploring innovative routes to market such as online.

We also certified many new businesses as a direct result of supporting leads through changing regulatory requirements. By the end of the 2021/22 financial year, declared sales of certified organic product from our clients were up by 9% on the previous year. This highlights that shoppers are buying into organic more frequently and spending more on organic products, providing on the ground support for the industry.

Soil Association Certification has been supporting organic textiles clients this year by providing new ways to access the public as well as continued support. The sector reported a 39% increase in sales in 2021, making the market worth over £68 million. Textile businesses have continued to invest in their stores and products which has helped to increase the overall market significantly. Our certification makes it easier for

shoppers to understand and choose products which align to their values, which also helps to drive this market increase, evidenced by the fact that the market for certified organic and natural beauty grew +13% in 2020/21.

In addition to this, COSMOS, our worldwide standard for cosmetics, is now the leading international organic and natural standard for cosmetic products with over 23,000 certified products available worldwide – over three times more than the next leading natural and organic global cosmetics standards. 76% of these meet the COSMOS Organic standard and 24% are certified COSMOS Natural, meaning that nature-friendly products are more recognisable and popular everywhere.

We're also protecting more forests than ever before by maintaining year-on-year growth in the Forestry and Chain of Custody sector with more than 4,200 certificates issued and an area of over 26 million hectares of forest certified as sustainably managed.

This includes consolidation of our strong presence in central and eastern Europe where one of our longest standing certificates based in the Czech Republic has been audited annually against the FSC forest management standard for 22 years. Soil Association Certification is the leading FSC forest management certifier in Romania and has now issued the first PEFC forest management certificate in the country.

This year we've also incentivised land managers to make more sustainable choices through the accreditation we offer, which enables them to access 'social benefit' and the financial benefits that it can bring. This has been achieved through the rapid growth of our Woodland Carbon Code validation and verification work produces independently verified carbon units in the UK and is internationally recognised for high standards of sustainable forest management and carbon management. We've completed 108 projects covering 11,461 ha with the potential to sequester over 2 million tonnes of CO₂e.

Furthermore, the first Peatland Code registered restoration project, which achieved validation this year, is almost complete with more in the pipeline with pilot audits and scoping work for other nature-based solutions under way. The Peatland Code is a voluntary certification standard for UK peatland projects wishing to market the climate benefits of restoration, and validated projects must show that they are credible and deliverable in accordance with the standard.

In addition to this, to help streamline the process of certification for businesses in 2021/22 our Business Improvement project expanded into a Business Improvement programme and launched:

- a new public online search facility for suppliers of organic products
- a client portal to 2,300 organic food & drink, health & beauty and textile licensees, which enables licensees to manage their organic certification, view documents, respond to audit actions and submit certification forms
- an online listing for verified input products
- a suite of product management tools for internal use
- improved efficiencies in our organic producer inspections

Streamlined Energy and Carbon Reporting (SECR)

Scope

The energy and carbon use being reported upon is for the Soil Association Group excluding:

- The Soil Association Land Trust Limited. Energy consumption and carbon emissions at Land Trust properties are under the control of the farm tenants not the Land Trust Charity.
- Energy consumption at The Soil Association Limited's Edinburgh office. The Soil Association has a small number of workstations in a large office building sharing space as a sub-tenant with no separate utility metering/billing and very limited control over utility usage. The energy and associated carbon emissions related to this office space are considered immaterial in comparison to the size of the Soil Association Group's overall energy and carbon use.

Methodology

In 2021/22 the Soil Association Group had two principal sources of energy consumption and carbon emissions.

- Electricity and gas are used for heat, light and power at our Head Office in Bristol.

Energy usage was calculated from the bills paid during the financial year. Under Covid-19 restrictions the office was closed for the period 1st April to 27th June 2021. This means energy usage in 2021/22 will be lower than that likely to be reported in future years when we expect the office to be fully operational.

- Business travel undertaken by employees in vehicles. Only travel undertaken in vehicles where the Soil Association is responsible for purchasing the fuel are included. This includes company cars, hire cars and the employee's own private vehicle.

Data has been captured from employee expense claims, fuel card purchases and car hire invoices. Covid-19 limited business travel during 2021/22. This means business mileage in 2021/22 will likely be lower than that reported in future years when we expect activity to return closer to pre-pandemic levels.

Because of the large number of different vehicles used, assumptions had to be made about the vehicle size/type for calculating the carbon emissions of some vehicles.

Other travel methods such as air and rail journeys are not reported as the Soil Association is not responsible for purchasing the fuel. In addition, they are likely

immaterial in 2021/22 as Covid-19 lockdown restrictions significantly curtailed air and rail travel by Soil Association employees.

The UK Government Greenhouse gas reporting: conversion factors for 2021 has been used to provide the required conversion rates.

Emissions statistics

Bristol HQ

Energy consumption used to calculate emissions (kWh)	175,557
Emissions from combustion of gas (kgCO ₂ e)	18,075
Emissions from purchased electricity (kgCO ₂ e)	16,322
Total emissions from gas and electricity (kgCO ₂ e)	34,397
Net internal area (NIA) of office (m ²)	1,276
Intensity ratio (total kgCO ₂ e per m ² of office NIA)	27

Business travel

Energy consumption used to calculate emissions (kWh)	197,959
Total emissions from business travel (kgCO ₂ e)	48,936
Average full time equivalent (FTE) employees in 2021/22	277.1
Intensity ratio (total kgCO ₂ e per FTE employee from business travel)	177

Total

Energy consumed by Bristol HQ and business travel (kWh)	373,516
Emissions from Bristol HQ and business travel (kgCO ₂ e)	83,333

Current practice and improvement proposals

When our Head Office was refurbished in 2018 a number of energy saving measures were implemented such as motion activated LED lighting, the replacement of inefficient mechanical and electrical plant such as upgrading water heaters and boilers with more modern equipment, and a policy of encouraging staff to use natural ventilation rather than air-conditioning. We source our electricity from Good Energy, a supplier who

matches 100% of the electricity we use with power they generate at their own renewable energy farm or power they buy from independent renewable generators. Further improvement in the building's energy efficiency is likely to require significant capital funding for projects such as upgrading the HVAC system (something that could eliminate our use of gas), upgrading to more modern double glazing, renewing the building roof to incorporate better insulation and installation of solar PV.

Current organic and forestry certification regimes require physical inspections at client sites. Often these sites are in rural or out of town locations that cannot be easily accessed by public transport, and in the case of forestry a significant number of clients are overseas necessitating air travel. For so long as the regulations require physical inspections a significant degree of business travel will need to be undertaken. Improvements that can be explored include reviewing the scheduling of visits to minimise distances travelled and the fuel efficiency of the vehicles driven.

For other UK business travel in the Soil Association Group, we operate a travel hierarchy that encourages online meetings, but when not possible we encourage the use of public transport and car sharing.

We are currently in the process of exploring more comprehensive environmental reporting approaches such as the implementation of ISO14001, a leading international standard for environmental management systems. Such an approach would provide a formal framework within which a wider view of the organisation's environmental footprint can be captured, improvement plans drawn up, and targets set.

Next year

Our Funding

We see a world where sustainable farming is valued, trees are protected, and we all eat healthy food. We want to find more people who care about the same things that we do, so that we can carry out the work needed to enact lasting change. In order to do that we have to grow our fundraising and our ambition in 2022/23 is to grow our fundraising and identify new opportunities to grown income.

The charity has made the conscious decision to invest in growing our fundraising over the coming years so that we can reach more supporters and find more people who are inspired by our work. In turn, these supporters will provide a growing income stream to the charity so that we can reach our ambitious 2030 goals to achieve Regeneration. To realise these ambitions, we will focus on recruiting over 2,000 new regular givers to the charity, and look to increase our retention rates for members to 91%.

We are looking to reach more companies with sustainable and climate-friendly ambitions who can support our charitable objectives. We are looking forward to growing our partnerships with Pukka Herbs, Blue Diamond, Deloitte and we look forward to working with Ocado who are support our FABulous farmers programme. We are looking forward to talking about our Innovative Farmers programme on BBC Radio 4 as one of their charity appeals in August 2022.

As the world starts to open up more, we are looking forward to hosting some in-person events, but we will continue to hold virtual events as they have proved to be popular with so many of our supporters, and allowed us to reach people nationally and internationally. For the year 2022/2023 we have planned many events so that we can reconnect with our supporters but also reach as large an audience as possible. We will be hosting two in-person walks at Eastbrook farm in the summer, a tour of Highgrove and a dinner in the Autumn, as well as our Annual Peter Melchett Memorial Lecture with a large in person and online audience.

Other goals for 22/23 include:

- Continuing to secure funding for the Regeneration Fund and grow major donor income through networks and contacts, and events
- Building a movement for change: increasing the number and depth of citizens' engagements with us
- Delivering our 'gifts in wills' marketing strategy to members and supporters.
- Recruiting a Volunteer Manager to launch a face-to-face fundraising acquisition programme through talks and presentations to interested groups
- Identifying opportunities to apply for Trust and grant funding for our Farming and Land Use and Healthy and Sustainable Diets programmes. While at the same time securing trust and statutory funding for a three year policy programme - 'Ten Years for Agroecology 22-25'

- Growing inclusion by ensuring that all of our fundraising and citizen engagement materials, content and events appeal to a diverse audience and are accessible for all

Our People

Hybrid working

The pandemic has brought about a significant shift in many organisation's approaches to flexible working. In spring 2022 we are introducing a new hybrid-working policy designed to leverage the benefits for employer and employee that arise from balancing regular work alongside colleagues with work performed at home. The success of the new policy will be reviewed in 2022/23 to ensure that this way of working supports effective delivery of the Soil Association's objectives.

Employee health, safety, and wellbeing

Wellbeing will continue to be a focus for the next 12 months. Employees will continue to have access to health and safety advice, a confidential external counselling and advice service (for them and their immediate family) as well as support from the HR team and their colleagues.

Enforced curbs on our activities have meant that for a sustained period of time we have not faced many of the risks associated with our ordinary operations and as such the number of health and safety incidents reported has been very low. As we begin to reinstate our normal ways of working management are ensuring employees are reminded of how to perform their roles safely.

Employee engagement

We will be using the Best Companies survey again this year to gauge and measure our employee engagement. As lockdown restrictions have lifted additional efforts are being planned by management to reconnect employees with their colleagues, particularly those recruited during the pandemic who may have had little opportunity to meet others or experience our wider work.

Equality, Diversity, and Inclusion (ED&I)

Our new senior ED&I advisor will continue to review our work in this area, suggesting improvements and new means for the Soil Association to explore how we deliver and make our charitable work ever more relevant to beneficiaries within marginalised and disadvantaged communities.

Next year for Our Land Trust

Continuing our work supporting Woodoaks in its organic conversion, next year we will add new food producers and processors in poultry and egg production, a bakery, a food forest and flower growing.

Our 2022 hedge planting is already in planning, with a further 1km of new hedges to be planted with the support of more schools and local businesses. We will also lean more on the support of volunteers, upskilling them to help with wildlife surveys as part our conservation management plan which we have developed together with the local wildlife trust.

Next year for Soil Association Certification

Soil Association Certification is Support Individual Farmers, Producers, and Licensees

To support on-going growth of both the UK organic market and certification income, Soil Association Certification will continue to increase client and wider trade engagement by delivering high quality insights, guidance, and marketing support via multiple channels (e.g. direct account management, digital, social, press and physical/hybrid events) with increasing reach.

Soil Association Certification will be running engagement and supplier sessions specifically for major retailers to facilitate range extensions and reinforce the connection between organic, trust and a sustainable future, particularly in the context of rising costs and inflation.

Soil Association Certification is Building Relationships

Soil Association Certification will continue to hold engagement events to support those farmers interested in conversion to organic, and will develop a resilience pack for organic clients facing challenges relating to rising costs and other challenges from the impacts of the Russian invasion of Ukraine

In 2022/23 we will be working on three different forestry portals, a new quality management system, rolling out the client portal to organic producers, a robust reporting database and more to promote more efficient workflows.

We are currently working on plans for our 5th BOOM Awards in 2023, with five sponsors already signed up and we hope that this will provide further opportunities for our licensees through the interest in the organic market that it has been proven to create in the past.

Soil Association Certification is Enabling Material Change

With the aim of making organic produce more accessible, Soil Association Certification will continue to work with brands on communicating the organic message and importance of the Soil Association Organic symbol and will continue to support them to access new routes to markets.

Helping clients adapt to commercial, technical, or regulatory changes in the trade environment, including supply chain disruption resulting from Brexit and from the Ukraine conflict, will remain a priority to support continued growth in the organic sector.

Financial review and results for the year

a. Financial Review

The Consolidated Statement of Financial Activities and Consolidated Balance Sheet incorporate the financial performance of The Soil Association Limited (the "Charity"), Soil Association Certification Limited ("SA Certification"), SA Sales and Services Limited ("SASS") and The Soil Association Land Trust (the "Land Trust") – collectively we refer to these entities as the "Group".

Funding is classified as either unrestricted or restricted. Unrestricted funds are those that charity Trustees may spend as they see fit in the delivery of the Charity's objectives. Restricted funds are those that must be spent according to the funder's wishes in delivery of the Charity's objectives.

2021/22 Consolidated Statement of Financial Activities

Charitable giving from individual supporters (donations, legacies and membership subscriptions) totalled £1,749k, which was £4,744k lower than the prior financial year. Restricted donation income fell by £4,415k due to the prior year income including both the gift of Woodoaks Farm and a significant individual donation to the Land Trust. Unrestricted donation income fell by £615k compared to the prior year due to a significant multi-year pledged donation to the Charity recognised in the prior year and also covid emergency grants received last year from Trusts and Foundations. Legacy income was £328k in 2021/22, up £246k on the prior year and Membership income also increased by 5% to £770k.

Income from charitable activities, which is a mixture of earned income and grant funding, decreased from £16,421k to £14,187k. The £2,234k decrease compared to the prior year breaks down as follows:

- £3,304k decrease in income from restricted grants. This was mainly due to recognition of two years of funding for our Food for Life Get Togethers programme in the prior year as well as full recognition of a multi-year grant for core cost funding from Esmée Fairbairn Foundation. In 2021/22, we accrued the full value of funding awarded by The Prince of Wales's Charitable Foundation for our Innovative Farmers Programme where delivery will take place over the next three years. Restricted grants are often awarded for multi-year projects and charity accounting rules dictate that unless there are clear performance criteria upon which funding in future years is dependent, the entire value of the grant must be recognised in the year of award, even though the associated expenditure will be recognised over future years. This accounting treatment can complicate prior year comparisons of restricted income.

Grant awards won in 2021/22 included the following:

- £480k from Scottish Government to fund the continuation of Food for Life in Scotland in 2022/23 (no income recognised in 2021/22)
- £191k from Samworth Foundation for Citizen Insight and Digital Transformation (recognised in full in 2021/22)
- €183k from Erasmus + for the two year Digital Food Education project, where we are the lead partner (£109k income recognised in 2021/22)
- €167k from Interreg for the two year Cool Food Pro project, where we are a sub-partner (£20k income recognised in 2020/21)

- £438k (30.0%) decrease in funding earned by the Charity through providing contract and consultancy services to the public and private sectors. These revenues are principally associated with (a) our Food for Life work commissioned by local authorities and others as well as the associated Food for Life Served Here scheme being adopted by caterers; and (b) contracts for Farming and Land Use consultancy work. Our contract with the Scottish Government to facilitate farmer led innovation finished in the prior year, driving much of the decrease in contract income. In addition, one of our Food for Life commissions ended mid-year, although this has been replaced with two new commissions awarded towards the end of the financial year. Our Food for Life Served Here Scheme has started to recover from the Covid-19 pandemic with an increase in income vs. the prior year but income was still significantly lower than pre-pandemic levels.
- £1,508k (17%) increase in certification income is due to high licensee retention, good growth in the UK organic market and continued growth in income from the Forestry and Chain of Custody sector.

Total income received from other trading activities increased by £155k compared to the prior year with most of this increase in SASS, where income from non-primary purpose trading such as corporate sponsorship and affinity partnerships increased by £129k.

Other income of £8k relates to claims under the Coronavirus Job Retention Scheme in the financial year, which is significantly reduced from the prior year. This scheme was made available to employers to protect jobs during the Covid-19 pandemic.

Expenditure on fundraising activities, including membership, was £737k, up £124k (20%) from £613k in the prior financial year.

Expenditure on charitable activities during 2021/22 increased by £1,478k over the prior financial year to £16,862k. Of this increase:

- £657k was in SA Certification due to expenditure returning to more of a normal level as we emerged from the pandemic. Travel was limited in the prior year due to Covid-19 and measures were also taken to control expenditure at a time when it was difficult to predict the impact the pandemic would have on income.

- £586k was within farming and land use transition and healthy and sustainable diets work with activity levels again increasing when compared to a year of significant disruption in the prior year.
- £235k increased expenditure in Land Trust, mostly due to investment in Woodoaks Farm but other property repairs and maintenance were also higher than in the prior year.

The amounts received, and resources expended during the year generated a net income in unrestricted funds of £626k, down from £1,110k in the prior year.

Restricted expenditure exceeded restricted income in the year which led to a restricted deficit of £2,044k, compared to a restricted surplus of £6,235k in the prior year. The prior year included significant donations to the Land Trust as well as significant accrued grant income. The deficit in the current year was due to. Restricted funds reduced from £12,485k held at the beginning of the year to £10,441k at the end.

Reserves at 31 March 2022

At 31 March 2022 the total funds held by the Group were £14,963k, down from £16,381k at 31 March 2021. Total funds at 31 March 2022 were made up of £4,522k unrestricted funds and £10,441k restricted funds.

Unrestricted funds and reserves

Unrestricted funds and reserves increased to £4,522k at the end March 2022 from £3,896k at the end of March 2021.

The Trustees have set a reserves policy that determines a desired range of free unrestricted reserves based upon future expenditure plans and the risks and opportunities inherent within our Group business model. Free unrestricted reserves are those amounts readily available to support charitable activities in the event of unexpected reductions in income, cost increases and to provide a source of funds for planned investment in future years. The Group deems its unrestricted free reserves to be total unrestricted funds less designated funds less unrestricted pledged donations where the cash has not yet been received.

As at the end of March 2022, the Group's free reserves were considered to be £1,754k (2021: £974k) which significantly exceeds the target maximum level of free reserves set by the trustees for 2021/22 of £700k. The increase in free reserves from 31 March 2021 is largely due to the exceptional profit donation made by the SA Certification trading subsidiary, which is not expected to be repeated in financial year 2022/23. Looking forward, the Trustees consider that free reserves should be a maximum of £700k and have approved a deficit operating budget for the Group in 2022/23 that draws on unrestricted reserves to fund additional charitable activities and invests in building

financial resilience for the future. We expect that by 31st March 2023, our reserves will be back to the target level set by Trustees.

The Soil Association's reserves are generated by and held for the benefit of the Soil Association Charity and also its trading subsidiaries Soil Association Certification and SA Sales & Services Ltd.

Restricted funds and reserves

Restricted funds and reserves decreased to £10,441k at the end of March 2022 from £12,485k at the end of March 2021, due to expenditure of restricted project funds where the grant income was recognised in an earlier year.

The £10,441k of funds largely comprises fixed assets (land, buildings and machinery) totalling £5,958k within the Land Trust and £3,577k of grant funding held by the Charity for future expenditure on restricted projects as directed by funders.

b. Going concern

The Trustees have reviewed the ability of the Charity and the Group to continue as a going concern and noted no material uncertainties that would mean it would be inappropriate to prepare the accounts on a going concern basis. They have therefore continued to adopt the going concern basis in the preparation of the Group and Charity accounts. In making this judgment the Trustees have had regard to the following:

- Going concern assessments have been made by the respective boards of Soil Association Certification Limited, SA Sales and Services Limited and Soil Association Land Trust Limited with no issues identified.
- Cashflow forecasts have been prepared for all Group companies up to September 2023 that show sufficient cash balances to meet liabilities when they fall due.
- Detailed financial budgets have been prepared for all Group companies up to March 2023 and there has been no indication to date that financial performance will not be within anticipated parameters.
- The Group benefits from a diverse mix of revenue sources, spanning individual charitable giving, corporate partnerships, grants from charitable funders and the public sector, public sector service contracts, and private sector service contracts within the UK and overseas.
- The only material long-term financial liability in the Group is mortgage borrowing on the Charity's Bristol Head Office. This borrowing is fixed at a low interest rate over the long-term and despite recent falls in commercial property values it is estimated that there remains equity in the asset which if required could be realised through a sale or increased borrowing.
- The Group holds £1,754k in unrestricted free reserves at March 2022 providing a buffer against unforeseen adverse financial performance.

c. Significant risks and uncertainties

Trustees have identified the following financial risks facing the Soil Association Group:

- The current economic climate with high inflation and the potential for a recession could lead to organisational costs increasing ahead of budgeted levels as well as a reduction in income from certification and from charitable donations as donors feel the impact of cost of living increases. Market declines due to the war in Ukraine could impact funds available for investment by Trusts and Foundations and lead to a reduction in grant funding.
- Challenges in the catering and hospitality sector including staff recruitment and the economic turn-down could continue to adversely impact income from our Food For Life Served Here scheme.
- Continuing public health restrictions may disrupt inspection regimes within Soil Association Certification. This is likely to have the most severe effect on Forestry as it is undertaken internationally, as well as certain programmes of activity within the Charity such as with schools.
- The worsening of public sector finances may cause the Government to reduce or deprioritise funding into those areas currently aligned with and funding aspects of our and our partner's charitable work, whether public health, education, farming or the wider environment.
- Cross border trade with the EU is now more complex placing additional cost burdens on and causing disruption to businesses and associated services such as those provided by Soil Association Certification; the degree to which these problems subside or how they are absorbed within supply chains is still to be seen.
- Post-Brexit trade deals will have a significant impact on the shape and prospects of UK food and farming sectors over the next decade, opening up the UK's market to allow import of products at lower cost risks undermining sections of the domestic market that operate to higher standards; and it is these current operators that help fund the Soil Association Group and by doing so partner with us in delivering our charitable aims
- Issues sourcing ingredients from Ukraine and Russia could disrupt organic supply chains, particularly affecting the price and availability of organic feed and key commodities such as sunflower oil. Soil Association Certification is working with key

stakeholders and Defra to help find solutions and ease the impact of supply chain disruption.

- The transition out of the EU Common Agricultural Policy into the Environmental Land Management Scheme (ELMS) has the potential to significantly disrupt the economics of farming and growing, we need ELMS to reward high standards of environmental stewardship in order to support a healthy and expanding organic sector

These risks continue to be counterbalanced to some degree by the resurgence in interest about food provenance, food security and the health of populations, supported by a desire from individuals, communities and civil society to build a better future for climate, nature and human health together. In addition, we are benefitting from expansion into new markets such as in the Climate and Land Use team (Woodland and Peatland Carbon Codes) which have seen rapid growth and aid the expansion of our work to diversity our income streams. All of this plays into the ongoing work and positioning of the Soil Association Group such that during these challenging times we have renewed confidence in our collective mission.

The Group benefits from a diverse mix of income revenue sources which means we are not over-reliant on one source of funding. The Group is also holding a good level of unrestricted free reserves at 31 March 2022 which could prove to be a useful buffer in light of the current economic conditions. Notwithstanding this, if the Group does experience a material and sustained reduction in revenue, the impact of which cannot be accommodated within reserves, the Group does have a flexible cost base with much of its expenditure relating to payroll costs. There is sufficient scope within expenditure plans to sensibly scale back headcount without jeopardising continuation of the Group's core activities or contractual commitments.

d. Structure, governance, and management

Structure and Governance

The Charity is a company limited by guarantee and governed by Articles of Association.

The governing body of the Charity is the Board of Trustees, who are also the directors for the purposes of company law. The Board meets six times per year. The Board elects a Chair for a term up to three years, which may be renewed once.

The Board consists of eight to twelve trustees, who may be appointed by the Charity's members or directly by the Board of Trustees. Trustee appointments are for a term of up to four years and a trustee may ordinarily serve a maximum of two terms, with a third term possible only if the Board determine it to be in the best interests of the Charity.

Under the guidance of its Trustee Recruitment and Succession Committee, the Charity assesses the skills and experience it requires on the Board of Trustees and when vacancies arise candidates are sought who meet these requirements. The Charity advertises opportunities to join the Board of Trustees using a variety of methods including features in its members magazine, posting vacancies on its website and through the use of specialist trustee recruitment services. Applications received are reviewed by the Trustee Recruitment and Succession Committee and short-listed candidates are invited to meet with members of the Committee. The Committee will then recommend potential trustees to the Board, with the full Board responsible for making the appointments. An induction process exists for newly appointed trustees which includes meeting with senior managers of the Group to learn about its operation, attendance at a number of key committees and boards, as well as the opportunity to visit beneficiaries of the Charity and see our work on the ground.

The Charity provides directors' and officers' indemnity insurance which covers the trustees, directors of subsidiary companies and any other member of staff of the Group.

Key Committees and Boards

Trustee Recruitment and Succession Committee

This executive committee consists of the Vice-Chair, one to two other trustees, the Group's Chief Executive and an external member skilled in trustee recruitment. It has delegated authority from the Board of Trustees to oversee the identification, selection and nomination of candidates for appointment as trustees.

Audit and Risk Committee

This executive committee consists of three to four trustees. It has delegated authority from the Board of Trustees to review the effectiveness of the Charity's risk management processes, financial reporting and systems of internal control.

Remuneration Committee

This executive committee consists of two trustees. It has delegated authority from the Board of Trustees to oversee policies relating to the remuneration and employment terms of employees. The committee also has two members who are non-executive directors from the Charity's trading subsidiary, Soil Association Certification Limited.

Farmer and Grower Board

This advisory board consists of representatives elected from organic producers. The Soil Association consults with the Board on a range of topics relevant to producers.

Standards Board

This advisory board consists of lay representatives and experts drawn from industry sectors in which the Soil Association operates. The Board is chaired by an independent lay member. The role of the Standards Board is to provide independent oversight of the integrity of the Soil Association's standards and to make recommendations for their improvement to the Board of Trustees.

Group Leadership Team / Charity Leadership Team

The day-to-day running of the organisation is delegated to and undertaken by the Chief Executive and the senior management team who make up the Group and Charity Leadership Teams. The Chief Executive operates under a scheme of delegation agreed with the Board of Trustees.

Pay setting for key management personnel

The Trustees consider the Chief Executive and director level appointments within the Charity and the Soil Association Certification Limited executive teams are the key management personnel of the Group. The pay of such staff is determined by the respective Chief Executives of the Charity and Soil Association Certification, with oversight from the Remuneration Committee. Starting pay levels for these senior roles are determined using a combination of the Group's job-scoring mechanism, internal benchmarking of comparative roles and assessment of the external job market. Pay progression is reviewed annually and normally increased in line with the standard pay award given to all other staff.

Relationships with Group entities

The Charity operates the following wholly owned subsidiaries:

- Soil Association Certification Limited; and
- SA Sales and Services Limited.

The performance of each subsidiary is monitored by the Board of Trustees.

The Charity is sole member of the Soil Association Land Trust Limited, a separate charity. By virtue of this control Soil Association Land Trust is deemed to be a subsidiary of the Charity and is consolidated into the Group accounts.

How we secure funding

Soil Association supporters can be assured that we are registered with the Fundraising Regulator and we comply with the regulatory standard for fundraising.

We fundraise by submitting applications to grant-giving trusts, by partnering with companies to deliver joint benefits and by securing donations and gifts-in-wills from individuals and members. Our fundraising from supporters takes the form of appeals, and direct asks; face-to-face, by letter, by phone or by email.

Last year, we continued to use Ethicall telemarketing agency to deliver telephone campaigns to fundraise and reactivate lapsed or cancelled members. We always ensure that any agency we use to assist us with our fundraising is fully accredited with the relevant industry bodies and registered with the Fundraising Regulator. We expect them to also observe the highest standards in terms of fundraising practice and deliver the most sustainable and ethical business practices. We approve the wording of all telephone scripts used and all phone calls are recorded, which we monitor on a regular basis to ensure they are following fundraising best practice.

The fundraising, supporter development and citizen marketing team – an in-house team of 19 full and part-time fundraisers and marketeers – are familiar with, and work in accordance with, the Fundraising Regulator's code of practice. The team keep abreast of new fundraising trends and practices, always ensuring that the interests of our donors are at the heart of all we do.

Our focus is to strive for all donors to have the very best giving experience when they support the work of the Soil Association, and we use up-to-date policies, procedures and informal training to look after the needs of vulnerable people. This financial year we received no complaints about our fundraising. All donors are given the opportunity to update their preferences in how we communicate with them. They can contact us by phone, post or email to change their preferences at any time, and all of our emails offer a one-click unsubscribe option to facilitate easy change of preferences. We also update our records whenever we are notified of undelivered mail, or if we are notified by an official institution such as a bank that a member is deceased. Everyone we contact has the opportunity to remove themselves from future communications and we are committed to carefully monitoring the content and frequency of our approach to individuals.

On our website there are easy to find policies, including: privacy policy, complaints : <https://www.soilassociation.org/media/14249/soil-association-charity-complaints-procedure.pdf>), safeguarding, our approach to GDPR and our supporter promise.

e. Statement of Trustees' responsibilities

The trustees (who are also directors of The Soil Association Limited 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 Charity and the Group and of the incoming resources and application of resources, including the income and expenditure of the Group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the Charity and the Group 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 Charity'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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees confirm they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. When reviewing the aims and objectives of the Group and in planning its future activities the trustees refer to the guidance and consider, in particular, how planned activities will contribute to the aims and objectives they have set.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

The Report of the Trustees prepared under the Charities Act 2011, which also contains all information required in a Directors' report by the Companies Act 2006, and the incorporated Strategic Report prepared under the Companies Act 2006, was approved by the Board of Trustees on 19 July 2022 and signed on behalf of the Trustees by:



Martin Nye
Chair of the Board of Trustees

Independent auditor's report to the members of the Soil Association Limited

Opinion

We have audited the financial statements of Soil Association Ltd (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Charity Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 the parent charitable company's affairs as at 31 March 2022 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.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 and parent charitable company 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustee's Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustee's Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Trustee's Report, which includes the Directors' Report and the Strategic 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 and the Strategic Report included within the Trustee's Report have 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 parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustee's Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Statement of Trustees' responsibilities set out on page 52, 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 parent charitable 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to ongoing accreditations with International Organic and Sustainable Accreditation, United Kingdom Accreditation Service and Assurance Services International, fundraising regulations and GDPR compliance. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates, performing substantive analytical review over income, testing a sample of invoices, funding agreements and donations around year end to confirm cut-off, and agreeing a sample of invoices raised and income recognised in the year to source contracts, funding agreements, and other donation and legacy documentation.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kerry Gallagher

KERRY GALLAGHER (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor Chartered Accountants

Second Floor, 1 The Square,

Temple Quay,

Bristol, BS1 6DG

Date: 11 August 2022

Financial Statements

a. Consolidated statement of financial activities

(incorporating a consolidated income and expenditure account)
for the year ended 31 March 2022

	Note	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
INCOME FROM:					
Donations and legacies	2	1,542	207	1,749	6,493
Charitable activities	3	11,311	2,876	14,187	16,421
Other trading activities	4	292	59	351	196
Investment income	5	4	-	4	5
Other income	6	8	-	8	270
Total income		<u>13,157</u>	<u>3,142</u>	<u>16,299</u>	<u>23,385</u>
EXPENDITURE ON:					
Raising funds		722	15	737	613
Charitable activities	7	11,691	5,171	16,862	15,384
Other trading activities		132	-	132	61
Total expenditure	9	<u>12,545</u>	<u>5,186</u>	<u>17,731</u>	<u>16,058</u>
Net gain on investments	15	<u>14</u>	<u>-</u>	<u>14</u>	<u>18</u>
Net (expenditure) / income and net movement in funds		<u>626</u>	<u>(2,044)</u>	<u>(1,418)</u>	<u>7,345</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>3,896</u>	<u>12,485</u>	<u>16,381</u>	<u>9,036</u>
Total funds carried forward	22	<u>4,522</u>	<u>10,441</u>	<u>14,963</u>	<u>16,381</u>

The accompanying notes on pages 66 to 100 are an integral part of the consolidated financial statements.

b. Charity statement of financial activities

(incorporating an income and expenditure account)

for the year ended 31 March 2022

	Note	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
INCOME FROM:					
Donation and legacies	2	1,542	184	1,726	2,281
Charitable activities	3	1,416	2,853	4,269	8,119
Other trading activities	4	23	-	23	15
Investment income	5	1,240	-	1,240	369
Other income	6	6	-	6	145
Total income		<u>4,227</u>	<u>3,037</u>	<u>7,264</u>	<u>10,929</u>
EXPENDITURE ON:					
Raising funds		722	15	737	613
Charitable activities	7	2,958	4,888	7,846	7,175
Total expenditure	9	<u>3,680</u>	<u>4,903</u>	<u>8,583</u>	<u>7,788</u>
Net gain on investments	15	<u>14</u>	<u>-</u>	<u>14</u>	<u>18</u>
Net (expenditure) / income and net movement in funds		<u>561</u>	<u>(1,866)</u>	<u>(1,305)</u>	<u>3,159</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>3,836</u>	<u>5,437</u>	<u>9,273</u>	<u>6,114</u>
Total funds carried forward	22	<u>4,397</u>	<u>3,571</u>	<u>7,968</u>	<u>9,273</u>

The accompanying notes on pages 66 to 100 are an integral part of the consolidated financial statements.

c. Consolidated balance sheet

As at 31 March 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
FIXED ASSETS					
Intangible assets	13	340		433	
Tangible assets	14	9,332		9,461	
Investments	15	117		103	
			9,789		9,997
CURRENT ASSETS					
Debtors	16	4,824		7,318	
Cash at bank and in hand		7,905		7,486	
		12,729		14,804	
CREDITORS: Amounts falling due within one year	17	(5,959)		(6,664)	
NET CURRENT ASSETS			6,770		8,140
TOTAL ASSETS LESS CURRENT LIABILITIES			16,559		18,137
CREDITORS: Amounts falling due after more than one year	18		(1,596)		(1,756)
NET ASSETS			14,963		16,381
FUNDS AND RESERVES					
Unrestricted funds:					
Designated funds	21	2,468		2,522	
General unrestricted funds		2,054		1,374	
			4,522		3,896
Restricted funds	22		10,441		12,485
TOTAL FUNDS	22		14,963		16,381

The accompanying notes on pages 66 to 100 are an integral part of the consolidated financial statements.

These financial statements were approved by the Board of Trustees on 19 July 2022 and signed on their behalf by:



Martin Nye, Chair of the Board of Trustees

d. Charity balance sheet

for the year ended 31 March 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
FIXED ASSETS					
Intangible assets	13	186		252	
Tangible assets	14	3,355		3,425	
Investments	15	117		103	
			3,658		3,780
CURRENT ASSETS					
Debtors	16	3,943		5,079	
Cash at bank and in hand		3,914		4,251	
		7,857		9,330	
CREDITORS: Amounts falling due within one year	17	(1,951)		(2,081)	
NET CURRENT ASSETS			5,906		7,249
TOTAL ASSETS LESS CURRENT LIABILITIES			9,564		11,029
CREDITORS: Amounts falling due after more than one year	18		(1,596)		(1,756)
NET ASSETS			7,968		9,273
FUNDS AND RESERVES					
Unrestricted funds:					
Designated funds	21	2,295		2,271	
General unrestricted funds		2,102		1,565	
			4,397		3,836
Restricted funds	22		3,571		5,437
TOTAL FUNDS	22		7,968		9,273

The accompanying notes on pages 66 to 100 are an integral part of the consolidated financial statements. These financial statements were approved by the Board of Trustees on 19 July 2022 and signed on their behalf by:



Martin Nye, Chair of the Board of Trustees

e. Consolidated statement of cash flows

for the year ended 31 March 2022

	Note	2022 £000	2021 £000
Net cash inflow from operating activities	23	760	2,898
Cash flow from investing activities:			
Cash receipts from sale of equipment		1	-
Purchase of software, plant and equipment		(38)	(125)
		<u>(37)</u>	<u>(125)</u>
Cash flows from financing activities:			
Repayments of borrowing		(243)	(42)
Interest paid on borrowing		(61)	(62)
		<u>(304)</u>	<u>(104)</u>
Increase in cash and cash equivalents in the year		<u>419</u>	<u>2,669</u>
Cash and cash equivalents at the beginning of the year		<u>7,486</u>	<u>4,817</u>
Cash and cash equivalents at the end of the year	23	<u>7,905</u>	<u>7,486</u>

The accompanying notes on pages 66 to 100 are an integral part of the consolidated financial statements

f. Charity statement of cash flows

for the year ended 31 March 2022

	Note	2022 £000	2021 £000
Net cash (outflow) / inflow from operating activities	23	(2)	1,471
Cash flow from investing activities:			
Cash receipts from sale of equipment		1	-
Purchase of software, plant and equipment		(32)	(105)
		<u>(31)</u>	<u>(105)</u>
Cash flows from financing activities:			
Repayments of borrowing		(243)	(42)
Interest paid on borrowing		(61)	(62)
		<u>(304)</u>	<u>(104)</u>
(Decrease) / increase in cash and cash equivalents in the year		<u>(337)</u>	<u>1,262</u>
Cash and cash equivalents at the beginning of the year		<u>4,251</u>	<u>2,989</u>
Cash and cash equivalents at the end of the year	23	<u>3,914</u>	<u>4,251</u>

The accompanying notes on pages 66 to 100 are an integral part of the consolidated financial statements

g. Notes to the Financial Statements

for the year ended 31 March 2022

1. Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice ('SORP') applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Soil Association Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. Values in the financial statements have been rounded to the nearest thousand pounds.

Preparation of the accounts on a going concern basis

The trustees have reviewed the ability of the Charity and the Group to continue as a going concern and noted no material uncertainties that would mean it would be inappropriate to prepare the accounts on a going concern basis. They have therefore continued to adopt the going concern basis in the preparation of the group and Charity accounts.

In reviewing the going concern basis, the trustees have considered the going concern assessments made by the subsidiaries and the cashflow forecasts and budgets up to September 2023 for all Group companies. Furthermore, the trustees have considered the likely requirements for maintaining reserves across the group, liquidity expectations given the already secured longer-term mortgage borrowing and contingency requirements. More detail on this review can be found in the Trustees' report on page 46.

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 £5 per member of the Charity.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity.

Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work.

1. Accounting policies (continued)

Group financial statements

The financial statements consolidate the results of the Charity and other Group entities listed on page 50 on a line by line basis. Intra-group income and expenditure transactions are eliminated on consolidation.

Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

- Legacies: Entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution;
- Grant income, including income from government grants, is recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.
- Certification fees are recognised at the date that the licences are granted or renewed. Application fees for new licences are recognised as income when formal appraisal of the application takes place. In the event of suspension or termination of licences, or rejection of an application, fees are not refundable and no obligation for this is therefore recognised at the balance sheet date;
- Contracted donations and gifts are recognised according to the contract terms;
- Donations and gifts are recognised when the Charity has entitlement to the funds, any performance conditions attached to the donation have been met, it is probable that the income will be received and the amount can be measured reliably; and
- Activity income is recognised when the activity takes place.

Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1. Accounting policies (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are those incurred in seeking voluntary contributions, including membership and do not include the costs of disseminating information in support of the charitable activities.
- Expenditure on charitable activities include the costs incurred to further the purposes of the Charity, including associated support costs.
- Expenditure on trading activities represents the costs incurred to undertake trading activities such as those undertaken by SA Sales & Services Ltd.

Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The holiday year for Soil Association Group ends at the reporting date and employees were entitled to carry forward up to 7 days of any unused holiday entitlement for a full time employee (pro-rated for part-time employees) at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

Allocation of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated is set out in note 11.

Intangible fixed assets

Goodwill is calculated as the difference between the fair value of the consideration on the acquisition of a business and the fair value of the identifiable assets and liabilities. Software is initially recorded at cost and subsequently measured at cost less amortisation and impairment.

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

Goodwill	seven years straight-line method
Software	three to eight years straight-line method

The net book value of goodwill is reviewed annually for any significant change in useful life or residual value.

1. Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and included at cost including any incidental expenses of acquisition, net of depreciation and any provision for impairment.

Donated assets are included in the balance sheet at their fair value at the date of the gift and also included in the SOFA as an incoming resource.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost on a straight-line basis over their expected useful economic life as follows:

Freehold buildings	fifty years straight-line method
Leasehold improvements	evenly over the lease term
Building improvements	ten years straight-line method
Office equipment: Fixtures and fittings	five to ten years straight-line method
Office equipment: IT network hardware	five to eight years straight-line method
Office equipment: other IT equipment	three years straight-line method
Machinery: renewable energy systems	twenty years straight-line method

The Companies Act 2006 requires tangible fixed assets to be depreciated over a finite period. The trustees of the Soil Association Land Trust Limited consider that the freehold land and buildings held by the trust have an infinite life, and residual values to be high enough to ensure that there is no significant annual depreciation. Consequently, the trustees consider that to depreciate these assets would not provide a true and fair view and so the financial statements depart from this specific requirement in the Companies Act 2006.

If this departure from the Companies Act 2006 had not been made, the surplus for the financial period may have been decreased by depreciation. The amount of this depreciation is not considered material because of the indefinite life of these assets and the trustees have invoked a true and fair override.

Impairments

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairment losses are recognised in the SOFA.

1. Accounting policies (continued)

Fixed asset investments

Investments in the group are held to generate income or for their investment potential. They are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and from disposals throughout the year.

In the Charity balance sheet, investments in subsidiaries are also included, stated at the cost of the nominal value of the shares issued.

Debtors

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

Creditors

Creditors are recognised where the Charity has 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. Creditors are normally recognised at their settlement amount after allowing for any trade discounts used.

Employee benefits

The group contributes to money purchase schemes to which employees also contribute. The amount charged to the SOFA is the contribution payable in the year. The group has no other pension liabilities.

Termination payments

The best estimate of the expenditure required to settle an obligation for termination benefits, is recognised immediately as an expense, when the Group is demonstrably committed to terminate the employment of an employee, or to provide termination benefits.

Finance and operating leases

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the SOFA in proportion to the remaining balance outstanding. All other leases are "operating leases" and the annual rentals are charged to the SOFA on a straight-line basis over the lease term.

1. Accounting policies (continued)

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the surplus.

Taxation

The Soil Association Limited and Soil Association Land Trust Limited are registered charities and as such are exempt from taxation of their income and gains falling within part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charges have arisen in the year.

The profits of the following subsidiaries of the Charity are subject to corporation tax. However, no tax charge will arise as any taxable profits will be distributed to the Charity.

- Soil Association Certification Limited;
- SA Sales and Services Limited;

Provision for deferred taxation is made in the subsidiary companies at the appropriate rates in respect of all material timing differences only to the extent that, in the opinion of the trustees, there is a reasonable probability that an asset or liability will crystallise in the foreseeable future.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key judgements made in these financial statements are considered to be:-

- Income recognition, particularly around restricted grants, where management need to make a judgement, with reference to the grant agreement, whether receipt of the income is probable or not.
- The level of provision held against debts which may not be fully recoverable, particularly within Soil Association Certification Limited where a provision of £459k (2021: £340k) was recognised in respect of debts not deemed to be recoverable. In the Charity a much smaller provision of £21k (2021: £17k) is held in respect of debts not deemed to be recoverable.
- No depreciation is charged on the freehold land and buildings held by the Soil Association Land Trust Limited due to the judgement made by the trustees of the trust that these assets have an infinite life and that their residual values are high enough to ensure that there is no significant annual depreciation

2. Income from Donations and Legacies

Group

	Unrestricted Funds £000	Restricted funds £000	2022 Total £000	Unrestricted Funds £000	Restricted funds £000	2021 Total £000
Donations	472	179	651	1,087	4,594	5,681
Legacies	300	28	328	82	-	82
Membership	770	-	770	730	-	730
	<u>1,542</u>	<u>207</u>	<u>1,749</u>	<u>1,899</u>	<u>4,594</u>	<u>6,493</u>

Charity

	Unrestricted Funds £000	Restricted funds £000	2022 Total £000	Unrestricted Funds £000	Restricted funds £000	2021 Total £000
Donations	472	156	628	1,087	382	1,469
Legacies	300	28	328	82	-	82
Membership	770	-	770	730	-	730
	<u>1,542</u>	<u>184</u>	<u>1,726</u>	<u>1,899</u>	<u>382</u>	<u>2,281</u>

3. Income from Charitable Activities

Group

	Unrestricted Funds £000	Restricted funds £000	2022 Total £000	Unrestricted Funds £000	Restricted funds £000	2021 Total £000
Contract and consultancy income	1,033	-	1,033	1,471	-	1,471
Certification income	10,278	-	10,278	8,770	-	8,770
Grants receivable	-	2,876	2,876	-	6,180	6,180
	<u>11,311</u>	<u>2,876</u>	<u>14,187</u>	<u>10,241</u>	<u>6,180</u>	<u>16,421</u>

Charity

	Unrestricted Funds £000	Restricted funds £000	2022 Total £000	Unrestricted Funds £000	Restricted funds £000	2021 Total £000
Contract and consultancy income	1,033	-	1,033	1,471	-	1,471
Symbol licence fee	383	-	383	468	-	468
Grants receivable	-	2,853	2,853	-	6,180	6,180
	<u>1,416</u>	<u>2,853</u>	<u>4,269</u>	<u>1,939</u>	<u>6,180</u>	<u>8,119</u>

4. Income from Other Trading Activities

Group

	Unrestricted Funds £000	Restricted funds £000	2022 Total £000	Unrestricted Funds £000	Restricted funds £000	2021 Total £000
Royalty income	3	-	3	4	-	4
Rental income	-	51	51	-	34	34
Sundry income	16	8	24	7	7	14
Other trading income	273	-	273	144	-	144
	<u>292</u>	<u>59</u>	<u>351</u>	<u>155</u>	<u>41</u>	<u>196</u>

Charity

	Unrestricted Funds £000	Restricted funds £000	2022 Total £000	Unrestricted Funds £000	Restricted funds £000	2021 Total £000
Royalty income	3	-	3	4	-	4
Rental income	4	-	4	4	-	4
Sundry income	16	-	16	7	-	7
	<u>23</u>	<u>-</u>	<u>23</u>	<u>15</u>	<u>-</u>	<u>15</u>

5. Investment Income

Group

	Unrestricted Funds £000	Restricted funds £000	2022 Total £000	Unrestricted Funds £000	Restricted funds £000	2021 Total £000
Bank interest	2	-	2	3	-	3
Dividends	2	-	2	2	-	2
	<u>4</u>	<u>-</u>	<u>4</u>	<u>5</u>	<u>-</u>	<u>5</u>

Charity

	Unrestricted Funds £000	Restricted funds £000	2022 Total £000	Unrestricted Funds £000	Restricted funds £000	2021 Total £000
Gift Aid from subsidiaries	1,236	-	1,236	364	-	364
Bank interest	2	-	2	3	-	3
Dividends	2	-	2	2	-	2
	<u>1,240</u>	<u>-</u>	<u>1,240</u>	<u>369</u>	<u>-</u>	<u>369</u>

6. Other Income

Group

	Unrestricted Funds £000	Restricted funds £000	2022 Total £000	Unrestricted Funds £000	Restricted funds £000	2021 Total £000
Coronavirus Job Retention Scheme	8	-	8	270	-	270
	<u>8</u>	<u>-</u>	<u>8</u>	<u>270</u>	<u>-</u>	<u>270</u>

Charity

	Unrestricted Funds £000	Restricted funds £000	2022 Total £000	Unrestricted Funds £000	Restricted funds £000	2021 Total £000
Coronavirus Job Retention Scheme	6	-	6	145	-	145
	<u>6</u>	<u>-</u>	<u>6</u>	<u>145</u>	<u>-</u>	<u>145</u>

7. Expenditure on Charitable Activities

Group

	Unrestricted Funds £000	Restricted funds £000	2022 Total £000	Unrestricted Funds £000	Restricted funds £000	2021 Total £000
Farming and land use transition	1,084	1,554	2,638	1,224	1,178	2,402
Healthy and sustainable diet	1,809	3,617	5,426	1,454	3,387	4,841
Certification costs	8,798	-	8,798	8,141	-	8,141
	<u>11,691</u>	<u>5,171</u>	<u>16,862</u>	<u>10,819</u>	<u>4,565</u>	<u>15,384</u>

Charity

	Unrestricted Funds £000	Restricted funds £000	2022 Total £000	Unrestricted Funds £000	Restricted funds £000	2021 Total £000
Farming and land use transition	1,149	1,271	2,420	1,224	1,110	2,334
Healthy and sustainable diet	1,809	3,617	5,426	1,454	3,387	4,841
	<u>2,958</u>	<u>4,888</u>	<u>7,846</u>	<u>2,678</u>	<u>4,497</u>	<u>7,175</u>

8. Staff Numbers and Costs, Trustee Remuneration and Expenses and the Cost of Key Management Personnel

Group	2022 No.	2021 No.
Average number of employees during the year	343	313

The aggregate payroll costs were as follows:	£000	£000
Wages and salaries	9,321	8,655
Social security costs	898	851
Pension costs	474	392
	<u>10,693</u>	<u>9,898</u>

Charity	2022 No.	2021 No.
Average number of employees during the year	174	171

The aggregate payroll costs were as follows:	2022 £000	2021 £000
Wages and salaries	4,523	4,612
Social security costs	435	443
Pension costs	206	209
	<u>5,164</u>	<u>5,264</u>

Redundancy and termination payments	<i>Group</i> 2022 £000	<i>Group</i> 2021 £000	<i>Charity</i> 2022 £000	<i>Charity</i> 2021 £000
Statutory redundancy payments	8	9	8	3
Other termination payments	7	-	7	-
	<u>15</u>	<u>9</u>	<u>15</u>	<u>3</u>

Of the above, £15,000 of statutory redundancy and other termination payments were accrued at 31 March 2022 and paid post year end (2021: £3,000).

8. Staff Numbers and Costs, Trustee Remuneration and Expenses and the Cost of Key Management Personnel (continued)

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Amounts outstanding at the year end in relation To defined contribution pension schemes	70	63	36	35

The number of higher paid staff whose employee benefits (excluding employer pension contributions) exceeded £60,000 in the year was as follows:

	Group 2022 No.	Group 2021 No.	Charity 2022 No.	Charity 2021 No.
£60,001 to £70,000	2	1	2	1
£70,001 to £80,000	4	3	3	2
£80,001 to £90,000	-	1	-	1
£90,001 to £100,000	1	1	-	-
	7	6	5	4

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Contributions to defined contribution pension schemes for the above higher paid staff amounted to	33	33	23	23

The trustees neither received nor waived any emoluments during the year (2021: £nil). Expenses incurred by 4 trustees (2021: 2), either out of pocket expenses reimbursed to trustees or paid directly to third parties, were as follows:

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Travel and subsistence	1	-	1	-

8. Staff Numbers and Costs, Trustee Remuneration and Expenses and the Cost of Key Management Personnel (continued)

Key Management Personnel

The key management personnel of the parent Charity comprise the trustees, Chief Executive, Chief Operating Officer, Charity Managing Director (previously Deputy CEO), Director of Communications, Programmes Director (previously Impact and Insights / Scotland Director), Director of Development and Policy and Strategy Director. The total employee benefits (including employers National Insurance and pension contributions) of the key management personnel of the Charity were £506,000 (2021: £511,000)

The key management personnel of the group comprise those of the Charity and those of its wholly owned subsidiary Soil Association Certification Limited. The key management personnel of Soil Association Certification are the Chief Executive , Business Development Director and Food and Non Food Director (previously Operation Director) whose employee benefits totalled £241,000 (2021: £256,000). The total employee benefits of key management personnel for the Group were therefore £747,000 (2021: £767,000).

9. Analysis of Expenditure

Group	Support costs £000	Direct costs £000	2022 Total £000	Support costs £000	Direct costs £000	2021 Total £000
Fundraising	67	670	737	16	597	613
Farming and land use transition	131	2,507	2,638	43	2,359	2,402
Healthy and sustainable diet	277	5,149	5,426	81	4,760	4,841
Certification costs	-	8,798	8,798	-	8,141	8,141
Other trading activities	-	132	132	-	61	61
	<u>475</u>	<u>17,256</u>	<u>17,731</u>	<u>140</u>	<u>15,918</u>	<u>16,058</u>

Charity	Support costs £000	Direct costs £000	2022 Total £000	Support costs £000	Direct costs £000	2021 Total £000
Fundraising	67	670	737	16	597	613
Farming and land use transition	131	2,289	2,420	43	2,291	2,334
Healthy and sustainable diet	277	5,149	5,426	81	4,760	4,841
	<u>475</u>	<u>8,108</u>	<u>8,583</u>	<u>140</u>	<u>7,648</u>	<u>7,788</u>

10. Net (Expenditure) / Income for the Year

This is stated after charging / (crediting):

Group	2022	2021
	£000	£000
Auditor's remuneration:		
Audit of consolidated annual accounts	14	13
Audit of the accounts of subsidiaries	20	17
Tax compliance services	7	8
Other non-audit services	8	15
Interest payable	61	62
Foreign exchange losses	13	39
Depreciation of owned assets	138	155
Amortisation	95	252
Loss on disposal of fixed assets	26	14
Operating lease rentals - land and buildings	27	15
Operating lease rentals - other	59	61

Charity	2022	2021
	£000	£000
Auditor's remuneration:		
Audit of charity's annual accounts	14	13
Tax compliance services	3	3
Interest payable	61	62
Foreign exchange losses	4	30
Depreciation of owned assets	100	112
Amortisation	68	47
(Profit) / loss on disposal of fixed assets	(1)	14
Operating lease rentals - land and buildings	27	27
Operating lease rentals - other	30	15

11. Support Costs

Group and Charity

	HR £000	Premises £000	Finance £000	IT £000	Govern- ance £000	Total support costs £000	Recharge to projects £000	2022 Total costs allocate d £000	2021 Total costs allocated £000
Fundraising	14	22	44	69	7	156	(89)	67	16
Farming and land use transition	27	43	85	134	14	303	(172)	131	43
Healthy and sustainable diets	58	92	179	285	30	644	(367)	277	81
Support costs	99	157	308	488	51	1,103	(628)	475	140
Costs recharged to Group entities						774			
Total support costs						1,877			

The basis for the allocation of support costs, being the number of staff, has been applied consistently in both this year and the prior year.

Governance costs are those incurred for compliance with constitutional and statutory requirements, such as the annual audit and professional fees and trustees' expenses plus an allocation of staff time.

12. Taxation

Group and Charity

The Charity is a registered charity and as such is exempt from taxation of its income and gains falling within part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year. This also applies to the Soil Association Land Trust, which is also a charity.

The profits of the following wholly owned subsidiaries of the Charity are subject to UK corporation tax, however no UK corporation tax charge will arise as any taxable profits will be gift aided to the Charity:

- Soil Association Certification Limited; and
- SA Sales and Services Limited.

13. Intangible Assets

Group

	Software £000	Goodwill £000	Total £000
Cost			
At 1 April 2021	1,011	2,050	3,061
Additions	2	-	2
	<hr/>	<hr/>	<hr/>
At 31 March 2022	1,013	2,050	3,063
	<hr/>	<hr/>	<hr/>
Amortisation			
At 1 April 2021	578	2,050	2,628
Charge for the year	95	-	95
	<hr/>	<hr/>	<hr/>
At 31 March 2022	673	2,050	2,723
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2022	340	-	340
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2021	433	-	433
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Charity

	Software £000
Cost	
At 1 April 2021	364
Additions	2
	<hr/>
At 31 March 2022	366
	<hr/>
Amortisation	
At 1 April 2021	112
Charge for the year	68
	<hr/>
At 31 March 2022	180
	<hr/>
Net book value	
At 31 March 2022	186
	<hr/> <hr/>
At 31 March 2021	252
	<hr/> <hr/>

Amortisation is included in support costs in the SOFA and split between costs of fundraising, farming and land use transition and healthy and sustainable diets based on headcount (see note 11).

14. Tangible Fixed Assets

Group

	Freehold land and buildings £000	Leasehold / building improvements £000	Machinery and office equipment £000	Total £000
Cost				
At 1 April 2021	9,248	37	660	9,945
Additions	-	-	36	36
Disposals	-	-	(127)	(127)
At 31 March 2022	9,248	37	569	9,854
Depreciation				
At 1 April 2021	139	5	340	484
Charge for year	50	5	83	138
Disposals	-	-	(100)	(100)
At 31 March 2022	189	10	323	522
Net book value				
At 31 March 2022	9,059	27	246	9,332
At 31 March 2021	9,109	32	320	9,461

Group freehold land and buildings represents the Soil Association head office, Spear House plus the farms owned by Soil Association Land Trust.

14. Tangible Fixed Assets (continued)

Charity

	Freehold land and buildings £000	Leasehold improvements £000	Office equipment £000	Total £000
Cost				
At 1 April 2021	3,386	12	389	3,787
Additions	-	-	30	30
Disposals	-	-	(5)	(5)
At 31 March 2022	<u>3,386</u>	<u>12</u>	<u>414</u>	<u>3,812</u>
Depreciation				
At 1 April 2021	139	3	220	362
Charge for year	50	2	48	100
Disposals	-	-	(5)	(5)
At 31 March 2022	<u>189</u>	<u>5</u>	<u>263</u>	<u>457</u>
Net book value				
At 31 March 2022	<u>3,197</u>	<u>7</u>	<u>151</u>	<u>3,355</u>
At 31 March 2021	<u>3,247</u>	<u>9</u>	<u>169</u>	<u>3,425</u>

Charity freehold land and buildings represents the Soil Association head office, Spear House.

15. Fixed Asset Investments

Group and Charity

Listed investments	2022 £000	2021 £000
Market value at start of year	103	85
Additions in year	-	-
Revaluation	14	18
	<u>117</u>	<u>103</u>

Group and Charity

	2022 £000	2021 £000
Historic cost at 31 March	<u>45</u>	<u>45</u>

	2022 £000	2021 £000
Unrealised gains at 31 March	<u>72</u>	<u>58</u>

In line with the preferred treatment of the Charities Statement of Recommended Practice, fixed asset investments have been revalued to their market value at 31 March 2022. The above relates to listed investments which have no restrictions imposed upon them.

Charity

Equity investment in group undertakings	£
Cost and net book value at 1 April 2021 and 31 March 2022	<u>105</u>

The Charity owns the whole of the issued ordinary share capital of Soil Association Certification Limited (Co. No. 00726903) and SA Sales and Services Limited (Co. No. 02313146), which are incorporated in the UK. Soil Association Land Trust Limited (Co. No. 06259578), limited by guarantee, registered charity number 1121011, is deemed to be a subsidiary of the Soil Association Limited by virtue of control. All of these entities have the same registered office as the Soil Association Limited.

The principal activity of Soil Association Certification Limited is that of a certification body granting licences to trade. SA Sales and Services Limited works with corporate partners on affinity schemes and sponsorship of Soil Association work and sells advertising space in Soil Association magazines and at Soil Association organised events.

15. Fixed Asset Investments (continued)

The principal activities of Soil Association Land Trust Limited are that of the preservation, conservation and protection of the countryside for the public benefit.

Soil Association Certification Limited and SA Sales and Services Limited distribute most of their taxable profits, net of taxable losses brought forward from previous years to the Soil Association Limited, as Gift Aid distributions.

A summary of subsidiary trading results is shown below.

	Soil Association Certification Limited £000	SA Sales & Services Limited £000	Soil Association Land Trust Limited £000	2022 Total £000	2021 Total £000
Income statement/ Statement of financial activities					
Donations	-	-	44	44	4,212
Income from sales	10,184	273	59	10,516	8,862
Grants receivable	94	-	28	122	99
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Turnover	10,278	273	131	10,682	13,173
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Cost of sales	(4,458)	(128)	(243)	(4,829)	(4,537)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Gross profit	5,820	145	(112)	5,853	8,636
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Administration expenses	(4,727)	(4)	-	(4,731)	(4,211)
Other income	2	-	-	2	124
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net profit	1,095	141	(112)	1,124	4,549
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Gift Aid payable	(1,095)	(141)	-	(1,236)	(364)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Retained in subsidiaries	-	-	(112)	(112)	4,185
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance sheet					
Fixed assets	153	-	5,978	6,131	6,216
Current assets	5,333	317	1,046	6,696	6,181
Current liabilities	(5,454)	(290)	(89)	(5,833)	(5,291)
Long term liabilities	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net assets	32	27	6,935	6,994	7,106
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

16. Debtors

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Trade debtors	2,556	3,310	161	600
Amounts owed by subsidiary undertakings	-	-	1,824	706
Prepayments and accrued income	2,270	4,008	1,958	3,773
	<u>4,826</u>	<u>7,318</u>	<u>3,943</u>	<u>5,079</u>

17. Creditors: Amounts Falling Due Within One Year

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Bank loan	127	113	127	113
Trade creditors	872	1,052	404	472
Payments received on account for contracts or performance-related grants	150	190	150	190
Accruals and deferred income	2,199	2,487	285	239
Other taxes and social security	637	617	124	110
Interest free loans	7	105	7	105
Financing agreement	26	25	26	25
Other creditors	1,941	2,075	828	827
	<u>5,959</u>	<u>6,664</u>	<u>1,951</u>	<u>2,081</u>

Deferred income reconciliation (included with accruals and deferred income above)

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
At beginning of year	1,532	1,314	4	55
Provided during year	1,359	1,532	8	4
Released during year	(1,532)	(1,314)	(4)	(55)
	<u>1,359</u>	<u>1,532</u>	<u>8</u>	<u>4</u>

Deferred income relates to licensing fees received in advance of the period to which the licence relates, which is deferred and transferred to the SoFA in the relevant period.

18. Creditors: Amounts Falling Due After More Than One Year

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Bank loans:				
Secured bank loans (falling due in one-two years)	131	127	131	127
Secured bank loans (falling due in two-five years)	420	407	420	407
Secured bank loans (falling due after five years)	1,037	1,181	1,037	1,181
Other creditors:				
Interest-free loan (falling due in one-two years)	8	7	8	7
Interest-free loan (falling due in two-five years)	-	8	-	8
Financing agreement (falling due in one-two years)	-	26	-	26
	<u>1,596</u>	<u>1,756</u>	<u>1,596</u>	<u>1,756</u>

The bank loans are secured on Spear House, a freehold property purchased in 2016-17, which has a carrying value of £3,197,000 at 31 March 2022 (2021: £3,247,000). The terms of the security provide for the lender to claim title to the property in the event of a default of principal and interest payments.

The loan financing comprises of two secured loans as follows:

- A loan of £1,250,000, repayable over 16 years, ending 13 September 2032 at a fixed rate of interest of 3.11% for the first 15 years.
- A loan of £900,000, repayable over 16 years, ending 6 September 2034 at a fixed rate of interest of 3.572% in the first 10 years.

19. Contingent Liabilities

Group and Charity

The charitable group is registered under a group VAT scheme and all group companies are jointly liable for the group VAT Liability, which at the year-end amounted to £403,000 (2021: £411,000).

20. Leasing Commitments

At the year end, the total future minimum lease payments and amounts receivable under non-cancellable operating leases are as follows:

Amounts payable:

Group	2022	2022	2021	2021
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
- within one year	27	42	27	33
- later than one year and not later than five years	14	82	41	18
	<u>41</u>	<u>124</u>	<u>68</u>	<u>51</u>

Charity	2022	2022	2021	2021
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
- within one year	27	8	27	14
- later than one year and not later than five years	14	28	41	18
	<u>41</u>	<u>36</u>	<u>68</u>	<u>32</u>

Amounts receivable:

	<i>Group</i> 2022 £000	<i>Group</i> 2021 £000	<i>Charity</i> 2022 £000	<i>Charity</i> 2021 £000
Land and Buildings				
- within one year	34	33	-	-
- later than one year and not later than five years	51	52	-	-
- later than five years	21	32	-	-
	<u>106</u>	<u>117</u>	<u>-</u>	<u>-</u>

21. Designated Funds

Group

	Balance at 31 Mar 2021 £000	Transfers from income and expenditure account £000	Balance at 31 Mar 2022 £000
Fixed asset fund	2,172	(54)	2,118
Bank loan covenant fund	350	-	350
Total designated funds	<u>2,522</u>	<u>(54)</u>	<u>2,468</u>

Charity

	Balance at 31 Mar 2021 £000	Transfers from income and expenditure account £000	Balance at 31 Mar 2022 £000
Fixed asset fund	1,921	24	1,945
Bank loan covenant fund	350	-	350
Total designated funds	<u>2,271</u>	<u>24</u>	<u>2,295</u>

The designated funds represent the following:

- Fixed asset fund: This fund represents the amount of our unrestricted reserves which are held as tangible and intangible fixed assets, including the HQ building. These assets are required for operational activities and are therefore not considered part of the Group's readily available free reserves. The fund is reduced by bank loan repayments due in more than one year as these would be repaid were the HQ building to be sold. The less than one-year bank loan repayments are not deducted as if a decision was taken to sell the HQ building, mortgage payments would still have to be made while the sale went through. This fund will be designated for the life of the assets included in it, reduced by the depreciation charge and increased by mortgage repayments.
- Bank loan covenant fund: a condition of our mortgage is that we maintain free reserves of a minimum of £350k, so by designating these funds we are reflecting that these funds are not freely available for expenditure. These funds will be designated until both long-term loans are fully repaid in September 2034.

22. Total Funds

Group

	At 31 Mar 2021 £000	Income £000	Expend £000	Unrealised gains £000	At 31 Mar 2022 £000
Unrestricted funds	3,896	13,157	(12,545)	14	4,522
Restricted funds:					
SA Land Trust	7,047	106	(289)	-	6,864
Farming and land use transition:					
The Prince of Wales's Charitable Fund	250	450	(202)	-	498
Other	909	427	(875)	-	461
Total Farming and land use transition	1,159	877	(1,077)	-	959
Healthy and sustainable diets:					
The National Lottery Community Fund – Better Care	11	-	-	-	11
The National Lottery Community Fund – Food For Life Get Togethers	2,485	-	(1,199)	-	1,286
The National Lottery Community Fund and Esmée Fairbairn Foundation - Sustainable Food Places phase three	819	1,136	(1,097)	-	858
The National Lottery Community Fund – Covid-19 Emergency Funding	420	-	(235)	-	185
Joseph Rowntree Charitable Trust	40	-	(40)	-	-
Other	183	812	(863)	-	132
Total Healthy and sustainable diets	3,958	1,948	(3,434)	-	2,472
Esmée Fairbairn Core Funding	316	-	(214)	-	102
Samworth Foundation - Citizen Insight & Digital Transformation	-	191	(172)	-	19
Fundraising	5	20	-	-	25
Total restricted funds	12,485	3,141	(5,185)	-	10,441
Total funds	16,381	16,299	(17,731)	14	14,963

22. Total funds (continued)

Group prior year

	At 31 Mar 2020 £000	Income £000	Expend £000	Unrealised losses £000	At 31 Mar 2021 £000
Unrestricted funds	2,787	12,570	(11,478)	18	3,896
Restricted funds:					
SA Land Trust	2,862	4,253	(68)	-	7,047
Farming and land use transition:					
The Prince of Wales' Charitable Foundation	-	500	(250)	-	250
Other	609	1,058	(758)	-	909
Total Farming and land use transition	609	1,558	(1,008)	-	1,159
Healthy and sustainable diets:					
The National Lottery Community Fund – Better Care	49	-	(38)	-	11
The National Lottery Community Fund – Development Grant	-	1,926	(1,511)	-	2,485
The National Lottery Community Fund – Food For Life Get Togethers	2,070	1,426	(958)	-	819
The National Lottery Community Fund and Esmée Fairbairn Foundation - Sustainable Food Places phase three	351	-	(5)	-	-
Esmée Fairbairn Foundation - Sustainable Food Cities phase two	5	431	(11)	-	420
Joseph Rowntree Charitable Trust	80	-	(40)	-	40
Other	219	696	(732)	-	183
Total Healthy and sustainable diets	2,774	4,479	(3,295)	-	3,958
Esmée Fairbairn Core Funding	-	525	(209)	-	316
Fundraising	5	-	-	-	5
Total restricted funds	6,250	10,815	(4,580)	-	12,485
Total funds	9,037	23,385	(16,058)	18	16,381

22. Total funds (continued)

Charity

	Balance at 31 Mar 2021 £000	Income £000	Expenditure £000	Unrealised gains £000	Balance at 31 Mar 2022 £000
Unrestricted funds	3,836	4,227	(3,680)	14	4,397
Restricted funds	5,437	3,037	(4,903)	-	3,571
Total funds	<u>9,273</u>	<u>7,264</u>	<u>(8,583)</u>	<u>14</u>	<u>7,968</u>

Charity prior year

	Balance at 31 Mar 2020 £000	Income £000	Expenditure £000	Unrealised losses £000	Balance at 31 Mar 2021 £000
Unrestricted funds	2,727	4,367	(3,276)	18	3,836
Restricted funds	3,387	6,562	(4,512)	-	5,437
Total funds	<u>6,114</u>	<u>10,929</u>	<u>(7,788)</u>	<u>18</u>	<u>9,273</u>

Restricted funds

The following restricted funds were in use during the year. All funds at the year-end were held in cash with the exception of the farms, machinery and stock donated from Land Heritage to Soil Association Land Trust Limited in previous years.

SA Land Trust

This fund represents the land and buildings owned by and activities undertaken in Soil Association Land Trust Limited.

Farming and land use transition and Healthy and sustainable diets

Funds received with a restriction to our work in Farming and land use transition and Healthy and sustainable diets.

Esmée Fairbairn Core Funding

Multi-year grant from Esmée Fairbairn Foundation to support salary costs of key staff in the organisation.

22. Total funds (continued)

Samworth Foundation - Citizen Insight & Digital Transformation

Grant from Samworth Foundation to support our work with citizen engagement and improvements to our digital infrastructure.

Fundraising

Donations restricted to Fundraising activities within the organisation.

Net assets by fund

Group

	Fixed assets £000	Net current assets £000	Long-term creditors £000	2022 Total £000
Unrestricted funds	3,831	2,287	(1,596)	4,522
Restricted funds	5,958	4,483	-	10,441
Total group funds	<u>9,789</u>	<u>6,770</u>	<u>(1,596)</u>	<u>14,963</u>

Charity

	Fixed assets £000	Net current assets £000	Long-term creditors £000	2022 Total £000
Unrestricted funds	3,658	2,335	(1,596)	4,397
Restricted funds	-	3,571	-	3,571
Total Charity funds	<u>3,658</u>	<u>5,906</u>	<u>(1,596)</u>	<u>7,968</u>

23. Cash Flow Information

Group

Reconciliation of changes in resources to net cash inflow from operating activities	2022 £000	2021 £000
Net (deficit) / income for the year	(1,418)	7,345
Add back depreciation charged	138	155
Add back amortisation charged	95	252
Add back loss on disposal of fixed assets	26	14
Deduct unrealised gain on investments	(14)	(18)
Add back interest paid	61	62
Decrease / (increase) in debtors	2,494	(1,428)
Decrease in creditors	(865)	(283)
Add back decrease in creditors from financing activities (shown on face of cashflow)	243	42
Deduct value of donated asset	-	(3,243)
Net cash inflow from operating activities	<u>760</u>	<u>2,898</u>

Analysis of cash and cash equivalents

	At 1 April 2021 £000	Cash flow £000	At 31 March 2022 £000
Cash at bank and in hand	<u>7,486</u>	<u>419</u>	<u>7,905</u>

Analysis of changes in net debt

	At 1 April 2021 £000	Cash flow £000	Other non- cash changes £000	At 31 March 2022 £000
Cash at bank and in hand	7,486	419	-	7,905
Loans falling due within one year	(243)	243	(160)	(160)
Loans falling due after one year	(1,756)	-	160	(1,596)
Total	<u>5,487</u>	<u>662</u>	<u>-</u>	<u>6,149</u>

23. Cash flow information (continued)

Charity

Reconciliation of changes in resources to net cash inflow from operating activities:	2022 £000	2021 £000
Net (deficit) / income for the year	(1,305)	3,159
Add back depreciation charged	100	112
Add back amortisation charged	68	47
(Deduct profit) / add back loss on disposal of fixed assets	(1)	14
Deduct unrealised gain on investments	(14)	(18)
Add back interest paid (shown on face of cashflow statement)	61	62
Decrease / (increase) in debtors	1,136	(1,309)
Decrease in creditors	(290)	(638)
Add back decrease in creditors from financing activities (shown on face of cashflow)	243	42
Net cash (outflow) / inflow from operating activities	(2)	1,471

Analysis of cash and cash equivalents

	At 1 April 2021 £000	Cash flow £000	At 31 March 2022 £000
Cash at bank and in hand	4,251	(337)	3,914

Analysis of changes in net debt

	At 1 April 2021 £000	Cash flow £000	Other non- cash changes £000	At 31 March 2022 £000
Cash at bank and in hand	4,251	(337)	-	3,914
Loans falling due within one year	(243)	243	(160)	(160)
Loans falling due after one year	(1,756)	-	160	(1,596)
Total	2,252	(94)	-	2,158

24. Financial Instruments

The financial instruments of the Group and Charity are as follows -

	<i>Group</i> 2022 £000	<i>Group</i> 2021 £000	<i>Charity</i> 2022 £000	<i>Charity</i> 2021 £000
Financial assets held at fair value				
Listed investments	117	103	117	103

25. Related Party Transactions

Group and Charity

In the financial year the following transactions took place between the Charity and other Group entities:

Soil Association Certification Limited ('Certification')

- A licence charge from the Charity to SA Certification of £383,004 (2021: £468,360) for the right to certify to the Charity's standards and to issue the symbol to its licensees for use in relation to their products.
- A Service Level Agreement charge from the Charity to SA Certification of £774,000 (2021: £750,465) for the supply of accommodation, Finance, HR and IT services and other central costs.
- A charge of £38,481 (2021: £50,589) from SA Certification to the Charity of staff costs.
- A charge of £3,954 (2021: £30,066) from the Charity to SA Certification of staff costs and desk rental.
- The transfer under gift aid of the trading profits of SA Certification to the Charity of £1,095,000 (2021: £280,936).
- The amount due from Certification to the Charity at 31 March 2022 was £1,495,000 (2021: £518,418).

Soil Association Land Trust Limited ('Land Trust')

- A charge of £80,065 (2021: £17,747) was made from the Charity to the Land Trust of staff costs and overheads.
- Grant income of £4,769 (2021: £4,913) was passed from the Charity to the Land Trust.
- Donation income of £20,000 (2021: £nil) was passed from the Charity to the Land Trust in relation to a fundraising appeal to plant hedgerow at Woodoaks Farm.
- During the year the Charity entered into an agreement with the Land Trust whereby the long-term intercompany debt owed by the Land Trust to the Charity will be reduced by amounts which Land Trust invest in Woodoaks Farm and are agreed to be of mutual benefit to both organisations. An amount of £64,926 was written off during the year (2021: £nil).
- The amount due from Land Trust to the Charity at 31 March 2022 was £42,702 (2021: £101,882).

25. Related Party Transactions (continued)

SA Sales and Services Limited (SASS)

- Commercial income of £1,894 (2021: £1,660) was transferred from the Charity to SASS.
- Cost of sales relating to raising commercial income, including staff costs and overhead contribution, of £96,262 (2021: £43,240) charged from the Charity to SASS.
- The transfer under gift aid of the trading profits of SASS to the Charity of £140,726 (2021: £82,816).
- The amount due from SASS to the Charity at 31 March 2022 was £220,343 (2021: £86,173).

Board members do not receive remuneration for the provision of their services as trustees of The Soil Association Limited. Board members receive reimbursement of out of pocket expenses for attendance at meetings and events (see note 8).

During the year, gifts were made to departing Trustees, with a cash value of £53 (2021: £101).

Total donations received from Trustees and key management personnel in the year, including Gift Aid, were £5,000 (2021: £12,500). In addition, one trustee made an interest-free loan to the Group of £10,000 in 2018-19. The final repayment was made on this loan in 2020-21 and there is no outstanding balance on this loan at 31 March 2022.

The Charity and Group purchased services from and made sales to companies whose directors are also Trustees or key management personnel of the Charity.

The majority of sales to companies whose directors are related parties related to certification services to licensees and were under normal commercial terms so are not disclosed.

Non-certification sales to companies owned by Helen Browning totalled £5,850 inclusive of VAT (2021: £5,850). Amounts outstanding at 31 March 2022 on sales made during the year were £975 incl. VAT (2021: £488).

Purchases from companies owned by or linked to Helen Browning totalled £8,827 inclusive of VAT (2021: £6,071). Amounts outstanding at 31 March 2022 on purchases made during the year were £nil (2021: £nil).

26. Capital Commitments

Group and Charity

At the year end the Group had capital commitments of £nil (2021: £nil) and the Charity £nil (2021: £nil).

27. Comparative Consolidated Statement of Financial Activities

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000
INCOME FROM:				
Donations and legacies	2	1,899	4,594	6,493
Charitable activities	3	10,241	6,180	16,421
Other trading activities	4	155	41	196
Investment income	5	5	-	5
Other income	6	270	-	270
Total income		<u>12,570</u>	<u>10,815</u>	<u>23,385</u>
EXPENDITURE ON:				
Raising funds		598	15	613
Charitable activities	7	10,819	4,565	15,384
Other trading activities		61	-	61
Total expenditure	9	<u>11,478</u>	<u>4,580</u>	<u>16,058</u>
Net gain on investments	15	<u>18</u>	<u>-</u>	<u>18</u>
Net income and net movement in funds		<u>1,110</u>	<u>6,235</u>	<u>7,345</u>
RECONCILIATION OF FUNDS				
Total funds brought forward		<u>2,786</u>	<u>6,250</u>	<u>9,036</u>
Total funds carried forward	22	<u>3,896</u>	<u>12,485</u>	<u>16,381</u>

h. Reference and administrative details

REGISTERED CHARITY NUMBER
206862 (England and Wales)
SCO39168 (Scotland)

ROYAL PATRON
HRH The Prince of Wales

HONORARY VICE PRESIDENTS
Charlotte Mitchell
Jonathan Dimbleby
Trudie Styler

TRUSTEES
Martin Nye (Chair)
Thomas Bourne (Vice-Chair)
Andrew Burgess
Phil Fearnley
Sepideh Golzari
Steven Lizars
Graeme Matravers, resigned 31 October 2021
Caroline Missen
Isabel Oliver
Rosemary Radcliffe
Jonathan Spencer

GROUP KEY MANAGEMENT PERSONNEL
Chief Executive - Helen Browning
Chief Operating Officer – Martin Dawson
Charity Managing Director – James Cashmore
Director of Marketing and Comms – Ian Ayling
Programmes Director – Aoife Behan
Director of Development – Louisa Pharoah
Policy and Strategy Director – Joanna Lewis
SA Certification Chief Executive
– Martin Sawyer, left 31 May 2022
SA Certification Chief Executive
– Dominic Robinson, started 23 May 2022
SA Certification Business Development Director
- Clare McDermott, left 9 March 2022
SA Certification Food & Non Food Director
– Hannah Turner

COMPANY SECRETARY
Emma Hussey

REGISTERED COMPANY
00409726

GOVERNING DOCUMENT
Articles of Association

CONSTITUTION
Company limited by guarantee

REGISTERED OFFICE
Spear House
51 Victoria Street Spear House
Bristol
BS1 6AD

BANKERS
Triodos Bank
Deanery Road
Bristol
BS1 5AS

Lloyds Bank
Canons House
Canons Way
Bristol
BS99 7LB

SOLICITOR
Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

AUDITOR
RSM UK Audit LLP
Second Floor
1 The Square
Temple Quay
Bristol
BS1 6GD

To find out more visit:

www.soilassociation.org



Soil Association, Spear House,
51 Victoria Street, Bristol BS1 6AD

T 0300 330 0100

F 0117 314 5001

Registered charity no. 206862

Soil Association Scotland, 20 Potterrow,
Edinburgh EH8 9BL

T 0131 370 8150

Registered charity no. SC039168

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