

LINKING ENVIRONMENT AND FARMING
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

**LINKING ENVIRONMENT AND FARMING
(A COMPANY LIMITED BY GUARANTEE)**

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**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

The chairman presents his statement for the year.

The past financial year 2020/2021 has been one of continued consolidation, growth and investment. Whilst the year has been dominated by the profound impact of the Coronavirus pandemic, we were determined not to let it overshadow the outstanding successes of the past year. The team have risen to the challenges of remote working, embraced new technologies, shown flexibility and been quick to respond to a changed world. Technology enabled us to roll out a whole range of virtual experiences from launching demonstration farms, running LEAF Online Farm Sunday to our first virtual Annual Conference on Dealing with the Climate Emergency. Furthermore, we have run fortnightly surgeries on topical issues with some top-level speakers. It is significant that the support and reach of these events has been unprecedented.

Added to this, all LEAF's activities have to be viewed against the changing political landscape which the farming sector is facing outside the EU. New trading relationships and changes in support payments with the introduction of the new Environmental Land Management scheme in England and the Climate Change plan in Scotland, with their focus on 'public money for public goods' will present both challenges and significant opportunities for LEAF and our members. We are determined to capitalize on this.

This year saw the launch of our new 10-year strategy (2021-2031) representing a significant and transformative moment for the organisation. With an updated vision and mission, well defined ambitions, set across eight cross cutting commitments, it builds on our core objectives and capabilities.

We have expanded our capability to engage more with farmers, the industry and government through our technical and visionary approaches. Our work in the field of education and public engagement has also been remarkable and provides a solid foundation on which we are continually building. In response to the Coronavirus pandemic, our team of Regional Education Consultants delivered imaginative and virtual learning programmes with schools across the UK, and we quickly adapted many of our Countryside Classroom resources for home schooling. As it was not possible to host live farm events, we ran two online events in June and September, involving live virtual farm tours and a programme of online talks. We were also delighted to host our first international live virtual farm tours in Ghana and Spain.


Similarly, Farmer Time played a hugely significant role in enabling young people to speak to farmers directly and experience farming in a safe way. Also, in response to the pressures of lockdown, our LEAF Education team prioritised health and wellbeing and adapted existing programmes and resources to incorporate creative, mindful and sensory activities to help children relax and connect with farming and nature. We will be building on this in the year ahead.

2021 marks the 30th anniversary of LEAF, a special moment for the charity. The next chapter is both exciting and inspiring. We are determined to find new ways of delivering productivity and prosperity for our farmers and members through the development and promotion of Climate Positive, integrated and regenerative farming as well as engaging with young people and society in a purposeful and meaningful manner.

As the industry continues to respond to the pandemic, navigate a post-Brexit world, fight for fair and equitable trade arrangements, LEAF will continue to maintain and build leadership in solution driven approaches.

Our work and our voice will be more important than ever.

Philip Wynn
Chairman
Date: 20/9/21



**LINKING ENVIRONMENT AND FARMING
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The trustees present their report and the financial statements for the year ended 31 March 2021. The charity is known as LEAF (Linking Environment And Farming).

REFERENCE AND ADMINISTRATIVE DETAIL

LEAF is a registered charity and a registered company limited by guarantee.

Charity number 1045781
Company number 03035047

The principal office is at National Agricultural Centre, Stoneleigh Park, Warwickshire, CV8 2LG.

"The Registered Office" means the office of the Charity at:
National Agricultural Centre
Stoneleigh Park
Warwickshire
CV8 2LG

Legal status

The charity is limited by guarantee. In the event of the charity being wound up, each member may be required to contribute a maximum of ten pounds.

Trustees

The trustees of the charity, who are also its directors, are as follows:

C W Porter
S C Eppel
I A Ashbridge
I Pigott
P G Wynn
T M C Green
A J Davison
K R Norman
M F Young
E K Penny
Professor R J Rickson

Senior Leadership Team

Chief Executive	Caroline Drummond
Chief Operating Officer	Stephen Jones
Director of Business Development	Clare Mike
Director of Education and Public Engagement	Carl Edwards
Technical Manager	Lucy Bates
Marketing & Communications Manager	Sam Conway
Assurance Manager	Jennifer Clark

**LINKING ENVIRONMENT AND FARMING
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Bankers

National Westminster Bank Plc
PO Box 137
59 The Parade
Leamington Spa
Warwickshire
CV32 4BA

Solicitors

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

Independent Auditor

Bishop Fleming LLP
1 – 3 College Yard
Worcester
WR1 2LB

STRUCTURE, GOVERNANCE AND MANAGEMENT

LEAF (Linking Environment And Farming) is a non profit making, membership based charity. It was founded in 1991 and became a registered charity in 1995. LEAF develops and promotes Integrated Farm Management (IFM). IFM is a whole farm approach combining traditional farming with modern technology. LEAF works to develop and communicate best practice messages to farmers, the agricultural and food industry and non farmers.

LEAF supports its members to adopt and promote more sustainable farming practices through the adoption of IFM. Specifically, through the provision of management tools, technical information, training and talks. LEAF Marque is an independent assurance scheme, developed by LEAF. LEAF Marque Limited is a wholly owned subsidiary company of LEAF the Charity, incorporated in 2002.

LEAF benefits from a significant voluntary contribution from a network of LEAF Demonstration Farmers, Innovation Centres and supporters, the many farmers and helpers involved in LEAF Open Farm Sunday and from representation on the main management committees of LEAF: the LEAF Board, Policy and Strategic Development Committee and Advisory Board as well as additional committees supporting LEAF Marque.

The governing documents are the Memorandum and Articles of Association and membership rules.

The Trustees are the Board of Directors of the Charity. They are principally responsible for the governance of the Charity. The Trustees are selected by the principal management committees and the Chairman is usually a farmer who serves three to five years in that position. The Chairman is elected by the Board of Trustees and presented to members at the annual LEAF conference.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees' induction and training

Most newly appointed Trustees are already familiar with the practical work of the charity, additionally all Trustees, and sub committee members are provided with a full briefing, terms of reference and supporting literature. The supporting literature has been prepared from information drawn from LEAF's publications, including details of the Memorandum and Articles of Association, membership rules and the latest financial statements.

LEAF has developed a guidance handbook for all Trustees, setting out their obligations as Trustees for the charity. This included their requirement to ensure the delivery of public good. This handbook is reviewed on an annual basis and updated when necessary.

Strategic development of the organisation is the responsibility of the Trustees with day to day management being the responsibility of the LEAF Chief Executive and is carried out by the small and dedicated LEAF team who operate principally from the LEAF office.

Pay policy for senior staff

The Trustees consider the board of trustees, who are also the Directors, and the Senior Leadership Team (as defined on page 2) comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The Trustees give all of their time freely and no Trustee has received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in note 12 to these financial statements.

The pay of the senior staff is reviewed annually by a remuneration committee comprised of a sub-group of Trustees and is normally increased in accordance with average earnings. In October each year, the Trustees will determine whether the salary levels for all staff should be adjusted for the forthcoming financial year beginning 1st April, to reflect changes in the cost of living and or to reflect changes in responsibility or improvements in performance.

The Trustees' considerations will begin with an assumption that salaries should be adjusted to match inflation (specifically the Consumer Price Index) over the preceding 12 months. They will then determine whether this is appropriate in the context of:

- the charity's financial situation (can it afford the CPI linked increase?)
- the charity's performance (have KPIs been met?)
- cost of living adjustments made in recent years (have salaries kept pace with the CPI over the longer-term?)
- pay reviews elsewhere (how might a failure to follow wider trends be perceived amongst staff, within partner organisations or amongst potential supporters?)

Risk management

The Trustees recognise their responsibilities in terms of managing risk and have systems in place to ensure that the risks faced by the charity are identified, assessed, mitigated, and monitored. The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to control these risks. This is reviewed at least annually. A Risk and Audit Sub Committee comprised of a small group of Trustees was established to support this function.

We have carried out a full assessment of the risks associated with our activities and work and do not perceive there to be any detriment or harm arising from any of our activities.

The key controls used include:

- preparation and review of the Risk Register;
- formal agenda for Board meetings;
- comprehensive strategic planning, budgeting and management accounting;
- established organisational and governance structure and lines of reporting; and
- formal written policies.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

The key risks that have been identified by the Trustees include:

- achieving insufficient income to meet the Trustees' target expenditure over the period of the strategic plan;
- being unable to respond quickly to a need to reduce expenditure;
- a loss of influence at a Government policy level;
- losing key staff and volunteers;
- the implications of Brexit; and
- restrictions resulting from the coronavirus pandemic.

Through the risk management process, the Trustees are satisfied that the risks have been identified and adequately mitigated. It is recognised that systems can only provide reasonable and not absolute assurance that major risks have been adequately managed.

Public benefit

When planning the charitable activities, reviewing our strategic aims and objectives and at Trustees meetings, LEAF's Trustees have paid attention to the Charity Commission's guidance with regards to our public benefit.

OBJECTIVES AND ACTIVITIES

LEAF's charity objectives

In 2012 LEAF revised its charitable objectives to reflect the global reach of the organisation. The charity's objects now read:

'The Charity's objects ("the objects") are in the United Kingdom and throughout the World to promote and improve agriculture, horticulture and other types of farming and raise standards of practice in farm management for the public benefit, in particular by the promotion and advancement of the education of farmers and the general public concerning methods of farm management which conserve and enhance the fabric and wildlife of the countryside'.

LEAF runs an exciting and bold programme, working with partners across the global food chain to deliver sustainable production systems in food and farming and to encourage a healthy and thriving society. Its aims are ambitious - to take the messages, skills and experience of LEAF, our members, partners and farmers that we develop throughout the UK, to Europe and the world.

Furthermore, in delivering such practices, a key part of our work is to create richer connection between farmers and the general public. The success of LEAF Open Farm Sunday and our on going demonstration, education and outreach activities throughout the year means that we host visits for thousands of members of the public out on farm, building trust and understanding of how our food is produced and our relationship with the environment. LEAF is an inclusive organisation benefiting from the close and active involvement of many volunteers who have a passion for farming and the environment. Through our LEAF Education activities, we inspire and connect future generations about farming and food production, through a range of activities including Farmer Time, Farming Fortnight, LEAF Open Farm Sunday, farm visits, Demonstration Schools and an extensive range of farming themed teaching resources across all key stages, delivered through the Countryside Classroom online portal.

A full breakdown of our main activities carried out throughout the year follows. We have committed a substantial amount of our resources in terms of funding and also voluntary time in ensuring that we successfully deliver on our charitable objectives as well as look ahead to what is next on the horizon.

LEAF is a membership based charity developing and promoting responsible, realistic farming systems through the advancement of Integrated Farm Management (IFM). LEAF was founded in 1991 and specialises in communicating best business and environmental farm practice to farmers, the agricultural and food industry and engaging with non farmers. Based in Stoneleigh, Warwickshire, LEAF works in the UK and internationally. Over the last 29 years we have encouraged farmers, Government and other agencies to research, adapt and adopt Integrated Farm Management (IFM). Today, IFM is widely recognised across the globe as a vehicle for the delivery of more sustainable farming systems.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

The new Strategy (2021-2031) provides the backbone for LEAF to set performance targets, identify niches, collaborate with others and ensure the organisation runs effectively through an efficient management and committee structure as we endeavour to encourage the development of sustainable production.

Our vision

A global farming and food system that delivers **Climate Positive** action, builds resilience and supports the **health, diversity** and **enrichment** of our food, farms, the environment and society.

Our mission

To inspire and enable more circular approaches to farming and food systems through **integrated, regenerative, and vibrant nature-based solutions**, that deliver productivity and prosperity among farmers, enriches the environment and positively engages young people and wider society.

As a charity we strive to deliver the best possible value for our members and partners in everything we do. We focus our resource on a range of priorities that deliver our key objectives and we are heavily reliant on a dedicated staff and many volunteers. This current strategy sets out our strategic priorities, and reflects the changing global environment that we find ourselves in.

The LEAF strategic plan:

- sets out our aspirations for a more sustainable approach to food, farming and consumption;
- guides our work and focus our priorities;
- inspires our staff and volunteers;
- informs and engages others in our work and ambitions; and
- forms the basis for our business planning.

Our strategy priorities

LEAF works with farmers, the food industry, scientists, environmentalists, teachers, young people and consumers to deliver productivity and prosperity among our farmers, enrich the environment and engage young people and society in a valuable and meaningful way. We deliver against **8 commitments**, through **3 cross-cutting themes (Health, Diversity, Enrichment)** and **3 core work streams**, namely:

Facilitating knowledge generation & exchange amongst farmers and researchers through our network of LEAF Demonstration Farms and Innovation Centres; farm business management tools and events.

- **Developing market opportunities** through the LEAF Marque global environmental assurance system.
- **Educating and Engaging young people and wider society in sustainable food and farming** through our LEAF Education activities.

KEY ACHIEVEMENTS AND PERFORMANCE

Throughout the financial period 1st April 2020 to 31st March 2021, our activities have focused on our 3 core workstreams. Key highlights included:

Facilitating knowledge generation and exchange

- Launched on-line two new LEAF Demonstration Farms showcasing exemplar sustainable farming practices – Nonington Farms in Kent and The Jersey Royal Company, Jersey.
- Adapted our hugely popular 2-day IFM training course to an online format.
- Ran a fortnightly series of members' surgeries, and technical podcast and webinars and representatives from the LEAF Network attended numerous virtual industry meetings throughout the year.
- Continued to work with partners across Europe in a number of Horizon 2020 funded projects exploring a variety of issues including intercropping, carbon sequestration, water management and on-farm demonstration.
- Expanded our Simply Sustainable series of technical guidance booklets with the launch of 'Simply Sustainable Integrated Pest Management'.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

- Held virtual Field Days with a number of our industry partners including Agrigology, Innovative Farmers and WRAP looking at intercropping, Integrated Pest Management and waste management.

Developing market opportunities

- Introduced Claims and Labelling as the new mechanism to regulate certification claims to ensure robustness of the LEAF Marque System.
- Strengthened many of our industry partnerships with Waitrose, the Jordans Farm Partnership, Tesco, Vitacress and Corteva as part of the Ready and Resilient programme.
- Continued involvement in the design of E.L.M.S Test and Trials.
- Ongoing work on the Island of Jersey with all its dairy and arable farmers, who are all LEAF Marque certified.
- Launched our Global Impacts Report showing continued growth and progress. LEAF Marque businesses operate in 21 countries worldwide and, in 2020, 45% of UK fruit and vegetables were produced on LEAF Marque farms. 42% of LEAF Marque farms routinely measure soil organic matter, 39% use a carbon footprint tool and 67% use energy derived from one or more renewable sources.
- We responded quickly to the Coronavirus pandemic to ensure the health and safety of our LEAF Marque growers and auditors by offering remote audits. At the time of writing, these continue.
- Delivered a number of LEAF Marque online training events.

Educating and Engaging the public in sustainable food and farming

- Continued work with schools, teachers, trainee teachers, farmers and parents to educate and connect young people with farming, how their food is produced and the natural environment.
- LEAF Open Farm Sunday could not go ahead in June 2020, but we responded quickly and held 2 hugely successful virtual events in June and September, involving virtual farm tours and a programme of talks around biodiversity, sustainability and food provenance.
- Regional Education Consultants, whilst not being able to organise farm visits or go into schools, continued to deliver imaginative virtual learning programmes with schools across the UK and support farmers in their education outreach.
- Developed new resources and updated existing resources designed specifically for home learning – all available from the Countryside Classroom website, which saw a 77% increase in users.
- Farmer Time played an even more important role in enabling young people to see the realities of farm life in a safe way. We saw a doubling in the number of children we reached through Farmer Time.
- Farming Fortnight – a two-week celebration of farming offered schools a wealth of free farming themed resources across all key stages.
- Launched 3 new LEAF Education Demonstration Schools showcasing best practise in food and farming education.

Governance

LEAF's Board of Trustees is responsible for the overall Governance of the charity. 6 board meetings have been held, together with initially weekly and now every three-week meetings with the Chairmen and Vice-Chairman of LEAF and LEAF Marque and the CEO and COO throughout the COVID-19 pandemic.

LEAF's new ten-year strategy (2021-2031) was formally launched in November 2020. Building on LEAF's core capabilities and strengths it is an advancement of our work in developing and demonstrating more sustainable agriculture through Integrated Farm Management and is based around the principles of Circular Agriculture.

The LEAF Sub Committees continue to inform LEAF policy and strategic thinking to ensure we are delivering on our objectives and retain robustness and transparency.

FINANCIAL REVIEW

Whilst the Charity took a decision based on existing reserves and the potential negative effects of Brexit on the food and farming sectors to increase its reserve level to permit further 'investment in growth' during the previous financial year, it had not foreseen the effects of the global pandemic. As the pandemic unfolded the Trustees took the decision to more frequently review business activity, its impacts, turnover, cash flows and reserve levels

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

– the Trustee's primary focus was to ensure LEAF's longer term sustainability post pandemic and noting the effect of Brexit were still unknown. As a result, the charity has experienced an increase in its income this year and subsequently a net increase in funds of £323,762 (2020: increase of £27,197). This is in comparison to the planned budgeted net increase in funds of £136,234. The charity looks to use the budget as its main key performance indicator and any improvement in income or reduction in expenditure is looked upon favourably.

LEAF Marque Limited made a profit of £Nil (2019: £Nil) during the year, after a gift aid donation to LEAF of £38,970 (2020: £23,158), giving rise to net assets of £5,083 (2020: £5,083).

Insurance

Insurance has been taken out by the charity under Section 232(2) of the Companies Act 2006, costing £1,760 (2020: £1,760) for its trustees and officers against liabilities in relation to the charity.

Reserves

The Trustees have set a reserves policy which requires reserves to be maintained at a level which ensures LEAF's core activity could continue during a period of unforeseen difficulty (of not less than 4 months) and reserves be maintained in a readily realisable form. The calculation of the required level of reserves is an integral part of the organisation's planning, budget, and forecast cycle. It considers risks associated with each stream of income and expenditure being different from that budgeted, planned activity levels and the organisations commitments. The reserves levels are closely monitored as part of the management reporting and Trustee's will adjust policy dynamically by resolution in line with the associated risks. The current reserves policy aims for minimum free reserves of £600,000 (2020: £505,000). Additionally, the Trustee have designated £100,000 of current free reserves to capacity and capability rebuilding post pandemic. Actual free undesignated reserves at 31 March 2021 were £891,126 (2020: £616,172).

Investment policy

Any surplus funds are placed on short term deposit.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies (Note 2.2).

PLANS FOR FUTURE ACTIVITIES

2021 is a significant and special year, not only for LEAF as we celebrate our landmark 30th anniversary but also for UK farming as we transition away from the CAP and look at ways to meet global carbon reduction targets. We are also heading towards COP26 later this this year, which will bring together world leaders to accelerate climate action.

LEAF Marque businesses are making outstanding achievements in delivering more sustainable farming and these hugely significant world events and campaigns only serve to amplify the importance and relevance of LEAF's work in supporting farmers towards more climate positive, regenerative and sustainable farming and food systems. Our members and growers are at the cutting edge of delivering the changes that are needed.

Added to this, the retail sector are themselves setting their own environmental targets. Food standards and safety, animal welfare and environmental protection are global issues, with consumers, food companies and governments all over the world looking for more sustainable methods of production. Through our strong links with the main multiples and the important advocacy role LEAF plays, we will continue to ensure that the voice of our members is heard; that the right balance is struck between the needs of farmers and what is achievable at a grass roots level, with those of our planet and our plates.

Our success in the field of education has also been remarkable and provides a solid foundation on which we will

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

continually build.

Scaling up our reach, quantifying and measuring results will be a priority in the year ahead. This will require us to develop deeper and extended business partnerships and new business models. In so doing, we will need to invest heavily in building capacity and capability to meet the increasing demands of such partnerships.

Our new 10 Year Strategy is paving a clear way forward and we are uniquely positioned as we navigate the next critical few years.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

AUDITORS

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. A resolution concerning the appointment of auditors for the ensuing year will be proposed at the Annual General Meeting.

By order of the Board

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

P G Wynn
Chair of Trustees
Date: 20/9/21

A handwritten signature in black ink, appearing to be 'P G Wynn', with a stylized, cursive script.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKING ENVIRONMENT AND FARMING

OPINION

We have audited the financial statements of Linking Environment And Farming (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 the 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKING ENVIRONMENT AND FARMING
(CONTINUED)**

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the 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 the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKING ENVIRONMENT AND FARMING
(CONTINUED)**

AUDITORS' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and members in relation to their own identification and assessment of the risk of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation; and
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019, FRS 102 and the terms and conditions attaching to material grants received by the Charity.

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or avoid a material penalty. These included data protection regulations, health and safety regulations and employment legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of revenue, specifically grants, with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINKING ENVIRONMENT AND FARMING
(CONTINUED)**

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Wood FCCA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard

Worcester
WR1 2LB

Date: 14th October 2021

**LINKING ENVIRONMENT AND FARMING
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	98,204	31,509	129,713	96,083
Charitable activities	5	1,186,705	249,037	1,435,742	1,398,805
Other trading activities	6	134,131	-	134,131	131,650
Investments	7	242	-	242	913
		<u>1,419,282</u>	<u>280,546</u>	<u>1,699,828</u>	<u>1,627,451</u>
Total income					
Expenditure on:					
Raising funds		101,127	-	101,127	128,625
Charitable activities	8	1,054,758	220,181	1,274,939	1,471,484
		<u>1,155,885</u>	<u>220,181</u>	<u>1,376,066</u>	<u>1,600,109</u>
Total expenditure					
Net income before net losses on investments		263,397	60,365	323,762	27,342
Net losses on investments		-	-	-	(145)
		<u>263,397</u>	<u>60,365</u>	<u>323,762</u>	<u>27,197</u>
Net income		263,397	60,365	323,762	27,197
Transfers between funds	21	18,000	(18,000)	-	-
		<u>281,397</u>	<u>42,365</u>	<u>323,762</u>	<u>27,197</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		676,110	64,844	740,954	713,757
Net movement in funds		281,397	42,365	323,762	27,197
		<u>957,507</u>	<u>107,209</u>	<u>1,064,716</u>	<u>740,954</u>
Total funds carried forward					

LINKING ENVIRONMENT AND FARMING
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:03035047

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	13		11,879		20,153
Tangible assets	14		54,647		39,785
Investments	15		321		321
			<u>66,847</u>		<u>60,259</u>
Current assets					
Debtors	16	467,502		472,817	
Cash at bank and in hand		1,111,151		522,094	
		<u>1,578,653</u>		<u>994,911</u>	
Creditors: amounts falling due within one year	17	(580,784)		(303,818)	
Net current assets			<u>997,869</u>		<u>691,093</u>
Total assets less current liabilities			<u>1,064,716</u>		<u>751,352</u>
Creditors: amounts falling due after more than one year	18		-		(10,398)
Total net assets			<u><u>1,064,716</u></u>		<u><u>740,954</u></u>
Charity funds					
Restricted funds	21		107,209		64,844
Unrestricted funds	21		957,507		676,110
Total funds			<u><u>1,064,716</u></u>		<u><u>740,954</u></u>

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

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

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

P G Wynn
Chair of Trustees
Date: 20/9/21



The notes on pages 18 to 43 form part of these financial statements.

LINKING ENVIRONMENT AND FARMING
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:03035047

CHARITY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	11,879	20,153
Tangible assets	14	54,647	39,785
Investments	15	322	322
		66,848	60,260
Current assets			
Debtors	16	499,092	495,668
Cash at bank and in hand		1,070,481	489,443
		1,569,573	985,111
Creditors: amounts falling due within one year	17	(576,787)	(299,101)
Net current assets		992,786	686,010
Total assets less current liabilities		1,059,634	746,270
Creditors: amounts falling due after more than one year	18	-	(10,398)
Net assets excluding pension asset		1,059,634	735,872
Total net assets		1,059,634	735,872
Charity funds			
Restricted funds	21	107,209	64,844
Unrestricted funds	21	952,425	671,028
Total funds		1,059,634	735,872

The Charity's net movement in funds for the year was £323,762 (2020 - £27,197).

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

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

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

P G Wynn
Chairman
Date: 20/9/21



The notes on pages 18 to 43 form part of these financial statements.

**LINKING ENVIRONMENT AND FARMING
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	653,357	(54,305)
Cash flows from investing activities		
Investment income	242	913
Purchase of intangible assets	(16,931)	(5,654)
Purchase of tangible fixed assets	(34,957)	(6,525)
Net cash used in investing activities	(51,646)	(11,266)
Cash flows from financing activities		
Interest element of hire purchase contracts	(1,335)	(2,222)
Capital element of hire purchase contracts	(11,319)	(11,759)
Net cash used in financing activities	(12,654)	(13,981)
Change in cash and cash equivalents in the year	589,057	(79,552)
Cash and cash equivalents at the beginning of the year	522,094	601,646
Cash and cash equivalents at the end of the year	1,111,151	522,094

The notes on pages 18 to 43 form part of these financial statements

**LINKING ENVIRONMENT AND FARMING
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. GENERAL INFORMATION

Linking Environment and Farming is a charitable company limited by guarantee incorporated in England & Wales and domiciled in England.

The registered office is National Agricultural Centre, Stoneleigh Park, Kenilworth, Warwickshire, CV8 2LG. The charitable company's registered number is 03035047.

In the event of the charity being wound up, each member has undertaken to contribute towards its liabilities a sum of not exceeding ten pounds.

The charity is registered as a charity, no 1045781, with the Charity Commission and is exempted from Corporation Tax on its income in the year.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Linking Environment And Farming 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.

The presentation currency for the group and the charitable company during the year was Sterling, and are rounded to the nearest £1.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking, LEAF Marque Limited, for the year. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2. ACCOUNTING POLICIES (continued)

2.2 GOING CONCERN

The trustees have reviewed all information available to them and do not consider there to be any significant doubts about the charitable company's ability to continue as a going concern. These financial statements have therefore been prepared on this basis.

The Trustees have prepared budgets and cash flow forecasts to for a period of at least 12 months following the date of approval of the financial statements. The group has a net asset value as at 31st March 2021 of £1,064,716 (2020: £725,954) and cash at bank and in hand of £1,111,151 (2020: £522,094). On this basis the financial statements have been prepared on a going concern basis.

The Trustees' assumptions and outlook consider the impact and uncertainty that the COVID-19 pandemic may have on the group. Updated projections have been put in place that consider a worst-case scenario in order to make sure the charitable company continues during these unprecedented times. This is being monitored on a weekly basis. The Trustees have also taken advantage of the government assistance, mainly the Coronavirus Job Retention Scheme.

The financial statements do not reflect the adjustments that would be necessary should the ability of the Charitable Company to operate be jeopardised due to a material issue with the availability of its work force, the level of demand for its services or a material decrease in revenues or grant funding.

2.3 FUND ACCOUNTING

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Investment income, gains and losses are allocated to the appropriate fund.

2. ACCOUNTING POLICIES (continued)

2.4 INCOME

Voluntary income including donations and grants that provide core funding or are of a general nature are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income is only deferred when the donor specifies that the grant or donation can only be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income is accounted for when receivable.

Commission/membership income is accounted for, in full, when received.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.5 EXPENDITURE

Expenditure is recognised on an accruals basis when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied.

Support costs include central functions.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

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

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES (continued)

2.6 INTANGIBLE ASSETS AND AMORTISATION

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised on a straight line basis over their estimated useful life. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Website development	- 3 years
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2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

Depreciation is charged by equal annual instalments commencing with the date of acquisition at rates estimated to write off their cost less any residual value over their expected useful lives which are as follows:

Long-term leasehold property improvements	- Over the life of the lease
Motor vehicles	- 5 years
Furniture and equipment	- 3 - 10 years

2.8 GOVERNMENT GRANTS

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

2.9 INVESTMENTS

Fixed asset investments are a form of financial instrument and are recognised at mid-market value at the balance sheet date.

2.10 RETIREMENT BENEFITS

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

2. ACCOUNTING POLICIES (continued)

2.11 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.12 FOREIGN CURRENCIES

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

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

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

2.13 HIRE PURCHASE AGREEMENTS

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets at their fair value. Assets acquired by hire purchase are depreciated over their useful lives. The capital element of the future payments is treated as a liability and the interest is charged to the Consolidated Statement of Financial Activities on a straight line basis.

2.14 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2.15 DEBTORS

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

2.16 CASH AT BANK AND IN HAND

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

2.17 LIABILITIES

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

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

2. ACCOUNTING POLICIES (continued)

2.18 FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Financial assets and liabilities that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

Financial assets and liabilities that are measured at fair value are determined using active market rate.

3. 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.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

The key area of judgement applied when preparing the financial statements is around the recognition of income and expenditure relating to Open Farm Sunday. All income and expenditure relating to the Open Farm Sunday event held in 2021 is recognised in these financial statements. As the event is nationwide and extremely unlikely to be cancelled (i.e. it would require a significant force majeure such as extreme weather for the event to be cancelled) income and expenditure is non-refundable. Furthermore, sponsors immediately reap the benefits of their sponsorship throughout the promotion of the event. All income and expenditure is therefore deemed to occur in the period covered by these financial statements and has been recognised accordingly.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	98,204	10,000	108,204	96,083
Government grants	-	21,509	21,509	-
TOTAL 2021	<u>98,204</u>	<u>31,509</u>	<u>129,713</u>	<u>96,083</u>
TOTAL 2020	<u>89,483</u>	<u>6,600</u>	<u>96,083</u>	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Membership renewals	544,535	-	544,535	547,839
Sponsorship	289,101	104,500	393,601	372,887
Project funding, grants, research and talks	346,765	142,867	489,632	440,193
Other income and DBS	6,304	1,670	7,974	37,886
TOTAL 2021	<u>1,186,705</u>	<u>249,037</u>	<u>1,435,742</u>	<u>1,398,805</u>
TOTAL 2020	<u>1,229,969</u>	<u>168,836</u>	<u>1,398,805</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other income	2,123	2,123	-
Income from LEAF Marque Limited	132,008	132,008	131,650
	<u>134,131</u>	<u>134,131</u>	<u>131,650</u>
TOTAL 2020	<u>131,650</u>	<u>131,650</u>	

The wholly owned trading subsidiary LEAF Marque Limited is incorporated in England and Wales (company number 04454468) and pays all of its profits to the Charity under the Gift Aid scheme. During the year ended 31 March 2020 LEAF Marque Limited reported income of £140,594 (2020: £131,650) and expenditure of £101,127 (2020: £108,492). Gift Aid of £39,467 (2020: £23,158) was paid to the Charity in respect of LEAF Marque Limited's profit for the year.

7. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Dividends received	-	-	15
Interest receivable	242	242	898
TOTAL 2021	<u>242</u>	<u>242</u>	<u>913</u>
TOTAL 2020	<u>913</u>	<u>913</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Integrated Farm Management	865,246	191,503	1,056,749	1,081,393
Education	189,512	28,678	218,190	390,091
TOTAL 2021	<u>1,054,758</u>	<u>220,181</u>	<u>1,274,939</u>	<u>1,471,484</u>
TOTAL 2020	<u>1,320,998</u>	<u>150,486</u>	<u>1,471,484</u>	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Integrated Farm Management	959,462	97,287	1,056,749	1,081,393
Education	208,488	9,702	218,190	390,091
TOTAL 2021	<u>1,167,950</u>	<u>106,989</u>	<u>1,274,939</u>	<u>1,471,484</u>
TOTAL 2020	<u>1,290,284</u>	<u>181,200</u>	<u>1,471,484</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Integrated farm management 2021 £	Education 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	688,435	9,960	698,395	717,678
Staff welfare and recruitment	21,102	-	21,102	19,778
Premises	26,073	1,634	27,707	19,183
Travel and subsistence	3,142	230	3,372	58,976
Hospitality and meeting costs	12	105	117	25,007
Training	4,379	225	4,604	7,118
Printing, postage, stationery and telephone	20,946	2,128	23,074	51,611
PR & marketing	42,636	15,698	58,334	61,125
Professional and consultancy fees	101,839	31,808	133,647	100,139
Website costs	40,220	39,707	79,927	101,029
Subscriptions	3,277	-	3,277	3,780
Repairs and maintenance	7,401	960	8,361	12,607
Field team	-	106,033	106,033	112,253
TOTAL 2021	959,462	208,488	1,167,950	1,290,284
TOTAL 2020	936,085	354,199	1,290,284	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Integrated farm management 2021 £	Education 2021 £	Total funds 2021 £	Total funds 2020 £
Depreciation and amortisation	38,638	-	38,638	46,077
Premises	6,175	-	6,175	9,182
Travel and subsistence	190	-	190	26,684
Hospitality and meeting costs	-	-	-	11,012
Audit and accountancy	23,001	9,626	32,627	26,933
Professional and consultancy fees	22,467	-	22,467	42,916
Subscriptions	1,404	-	1,404	1,620
Repairs and maintenance	1,169	-	1,169	5,401
General expenses	268	55	323	4,376
Bank charges	2,518	21	2,539	2,642
Hire purchase interest	1,335	-	1,335	2,222
Governance costs	122	-	122	2,135
	97,287	9,702	106,989	181,200
TOTAL 2020	145,308	35,892	181,200	

Relevant costs are split between direct and support in a ratio of 70:30 respectively.

10. AUDITORS' REMUNERATION

The auditors' remuneration amounts to an auditor fee of £11,150 (2020: £10,000), and accounts preparation and tax compliance services of £3,650 (2020: £3,450).

11. STAFF COSTS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Wages and salaries	535,034	555,821	535,034	555,821
Social security costs	62,427	61,641	62,427	61,641
Contribution to defined contribution pension schemes	100,934	100,216	100,934	100,216
	698,395	717,678	698,395	717,678

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. STAFF COSTS (CONTINUED)

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

	Group 2021 No.	Group 2020 No.
Employees	20	20

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	Group 2020 No.
In the band £70,001 - £80,000	1	1

The key management personnel of the group comprises the Trustees and the Senior Management Team. The total employee benefits of the key management personnel were £317,281 (2020: £413,020).

12. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no travel and general expenses were reimbursed or paid directly to any Trustees. (2020: £3,064 to 6 Trustees for travel and general expenses).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. INTANGIBLE ASSETS

GROUP AND CHARITY

	Website development £
COST	
At 1 April 2020	78,122
Additions	10,271
	<hr/>
At 31 March 2021	88,393
	<hr/>
AMORTISATION	
At 1 April 2020	57,969
Charge for the year	18,545
	<hr/>
At 31 March 2021	76,514
	<hr/>
NET BOOK VALUE	
	<hr/>
At 31 March 2021	11,879
	<hr/> <hr/>
At 31 March 2020	20,153
	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. TANGIBLE FIXED ASSETS

GROUP AND CHARITY

	Long-term leasehold property improvements £	Motor vehicles £	Furniture and equipment £	Total £
COST OR VALUATION				
At 1 April 2020	15,893	46,174	130,114	192,181
Additions	28,297	-	6,660	34,957
At 31 March 2021	44,190	46,174	136,774	227,138
DEPRECIATION				
At 1 April 2020	10,595	32,823	108,978	152,396
Charge for the year	5,298	4,855	9,942	20,095
At 31 March 2021	15,893	37,678	118,920	172,491
NET BOOK VALUE				
At 31 March 2021	28,297	8,496	17,854	54,647
At 31 March 2020	5,298	13,351	21,136	39,785

Assets held under finance leases and hire purchase agreements

Included within the net book value of £54,647 (2020: £39,785) is an amount of £8,496 (2020: £18,784) relating to assets held under finance leases and hire purchase agreements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. FIXED ASSET INVESTMENTS

	Investments £
CHARITY	
COST OR VALUATION	
At 1 April 2020	467
Revaluations	(145)
	<u>322</u>
AT 31 MARCH 2021	<u>322</u>
NET BOOK VALUE	
AT 31 MARCH 2021	<u>322</u>
AT 31 MARCH 2020	<u>467</u>

Investments held by the Charity include a £1 (2020: £1) investment in the subsidiary company, LEAF Marque Limited. This represents the Trustees' estimate of the market value of this investment. The investment represents the entire share capital of LEAF Marque Limited, a company incorporated in England and Wales. The company was incorporated on 5 June 2002. The principal activity of LEAF Marque Limited is to promote Integrated Farm Management through the use of the LEAF Marque trademark. The activities and results of this company are summarised in Note 6.

16. DEBTORS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
DUE WITHIN ONE YEAR				
Trade debtors	311,271	364,109	279,194	349,874
Amounts owed by group undertakings	-	-	71,991	45,310
Other debtors	19,039	-	19,039	-
Prepayments and accrued income	137,092	108,708	128,868	100,484
Tax recoverable	100	-	-	-
	<u>467,502</u>	<u>472,817</u>	<u>499,092</u>	<u>495,668</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	34,308	33,262	34,308	33,262
Other taxation and social security	101,036	53,060	100,039	51,343
Obligations under finance lease and hire purchase contracts	10,398	11,319	10,398	11,319
Other creditors	536	1,106	536	1,106
Accruals and deferred income	434,506	205,071	431,506	202,071
	580,784	303,818	576,787	299,101
	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Deferred income at 1 April 2020	191,959	58,537	191,959	58,537
Resources deferred during the year	507,058	207,070	507,058	207,070
Amounts released from previous periods	(308,199)	(73,648)	(308,199)	(73,648)
	390,818	191,959	390,818	191,959

Deferred income comprises grant and other income received in respect of various projects and in relation to Open Farm Sunday that take place in future periods.

Secured debts:

Obligations under finance lease and hire purchase contracts of £10,398 (2020: £11,319) are secured against the assets financed.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Net obligations under finance lease and hire purchase contracts	-	10,398	-	10,398

Secured debts:

Obligations under finance lease and hire purchase contracts of £Nil (2020: £10,398) are secured against the assets financed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. FINANCIAL INSTRUMENTS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
FINANCIAL ASSETS				
Financial assets measured at fair value through income and expenditure	1,111,151	522,094	1,070,481	489,443

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand

20. CORPORATION TAX

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
UNRESTRICTED FUNDS					
DESIGNATED FUNDS					
Designated Funds	59,938	-	-	6,443	66,381
GENERAL FUNDS					
General Funds	616,172	1,419,282	(1,155,885)	11,557	891,126
TOTAL UNRESTRICTED FUNDS	676,110	1,419,282	(1,155,885)	18,000	957,507
RESTRICTED FUNDS					
EU Horizon 2020	-	135,761	(135,761)	-	-
Chef on the Farm	3,377	-	-	-	3,377
ATF/Cevas	16,036	8,920	(12,944)	-	12,012
FarmerTime	45,431	39,143	(15,734)	(18,000)	50,840
Countryside classroom	-	68,750	(34,233)	-	34,517
ISEAL	-	6,463	-	-	6,463
Other government grants	-	21,509	(21,509)	-	-
	64,844	280,546	(220,181)	(18,000)	107,209
TOTAL OF FUNDS	740,954	1,699,828	(1,376,066)	-	1,064,716

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. STATEMENT OF FUNDS (CONTINUED)

Unrestricted funds are those which can be used in accordance with the charitable objectives at the discretion of the Trustees, as defined in the accounting policies.

The Trustees have designated funds which represent the unrestricted fixed assets of the Charity. The transfer relates to the movement on these unrestricted fixed assets.

Restricted funds are those held for specific purposes, as specified by the funder, as defined in the accounting policies.

FUND DESCRIPTIONS:

EU Horizon - This restricted fund relates to the grant funds projects under this scheme, which commenced in the 2016/17 and 2017/18 financial years.

Chef on the Farm - This restricted fund relates to the project under this scheme, which commenced post FACE merger.

ATF/Cevas - This restricted fund relates to the project under this scheme, which commenced post merger.

FarmerTime - This restricted fund relates to the project under this scheme, which commenced during 2019.

ISEAL - This restricted fund relates to the project under this scheme, which is carried out by LEAF Marque, and commenced during the 2020/21 financial year.

Other government grants - This restricted fund relates to JRS grants provided by the Government.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Designated Funds	93,836	-	-	(33,898)	-	59,938
GENERAL FUNDS						
General Funds	559,894	1,452,015	(1,429,490)	33,898	(145)	616,172
TOTAL UNRESTRICTED FUNDS	653,730	-	(1,429,490)	-	(145)	676,110
RESTRICTED FUNDS						
EU Horizon 2020	-	118,800	(118,800)	-	-	-
Chef on the Farm	4,485	2,250	(3,358)	-	-	3,377
ATF/Cevas	28,615	17,190	(29,769)	-	-	16,036
FarmerTime	26,927	37,196	(18,692)	-	-	45,431
	60,027	175,436	(170,619)	-	-	64,844
TOTAL OF FUNDS	713,757	175,436	(1,600,109)	-	(145)	740,954

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. STATEMENT OF FUNDS (CONTINUED)

FUND DESCRIPTIONS:

EU Horizon - This restricted fund relates to the grant funds projects under this scheme, which commenced in the 2016/17 and 2017/18 financial years.

Chef on the Farm - This restricted fund relates to the project under this scheme, which commenced post FACE merger.

ATF/Cevas - This restricted fund relates to the project under this scheme, which commenced post merger.

FarmerTime - This restricted fund relates to the project under this scheme, which commenced during 2019.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Designated funds	59,938	-	-	6,443	66,381
General funds	616,172	1,419,282	(1,155,885)	11,557	891,126
Restricted funds	64,844	280,546	(220,181)	(18,000)	107,209
	<u>740,954</u>	<u>1,699,828</u>	<u>(1,376,066)</u>	<u>-</u>	<u>1,064,716</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Designated funds	93,836	-	-	(33,898)	-	59,938
General funds	559,894	1,452,015	(1,429,490)	33,898	(145)	616,172
Restricted funds	60,027	175,436	(170,619)	-	-	64,844
	<u>713,757</u>	<u>1,627,451</u>	<u>(1,600,109)</u>	<u>-</u>	<u>(145)</u>	<u>740,954</u>

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	54,647	-	54,647
Intangible fixed assets	11,879	-	11,879
Fixed asset investments	321	-	321
Current assets	1,471,444	107,209	1,578,653
Creditors due within one year	(580,784)	-	(580,784)
TOTAL	<u>957,507</u>	<u>107,209</u>	<u>1,064,716</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	39,785	-	39,785
Intangible fixed assets	20,153	-	20,153
Fixed asset investments	321	-	321
Current assets	930,067	64,844	994,911
Creditors due within one year	(303,818)	-	(303,818)
Creditors due in more than one year	(10,398)	-	(10,398)
TOTAL	676,110	64,844	740,954

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	323,762	27,197
ADJUSTMENTS FOR:		
Depreciation charges	20,095	28,399
Amortisation charges	25,205	17,678
Loss on investments	-	145
Investment income	(242)	(913)
Interest paid	1,335	2,222
Decrease/(increase) in debtors	5,415	(236,358)
Increase in creditors	277,887	107,325
Corporation tax (received)/paid	(100)	-
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	653,357	(54,305)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2021 £	Group 2020 £
Cash in hand	1,111,151	522,094

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	522,094	589,057	1,111,151
Finance leases	(21,717)	11,319	(10,398)
	500,377	600,376	1,100,753

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

27. PENSION COMMITMENTS

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £100,934 (2020: £100,216). As at the year end, the Charity had outstanding pension contributions of £255 (2020: £205).

28. OPERATING LEASE COMMITMENTS

At 31 March 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Not later than 1 year	18,126	8,112	18,126	8,112
Later than 1 year and not later than 5 years	69,876	1,752	69,876	1,752
	88,002	9,864	88,002	9,864

29. FINANCE LEASE COMMITMENTS

Minimum lease payments under hire purchase and finance lease agreements fall due as follows:

	2021 £	2020 £
Within 1 year	8,856	13,351
Between 2 - 5 years	3,398	12,254
	12,254	25,605

30. RELATED PARTY TRANSACTIONS

During the year the Charity traded with the John Innes Foundation, a charity in which K R Norman is a trustee. The Charity received income during the year of £11,325 (2020: £Nil) in respect of project work undertaken during the financial year. At the year end a balance of £Nil (2020: £Nil) was due from the John Innes Foundation.

During the year the Charity traded with Waldersley Farms Limited, a company in which C R Porter is a director. The Charity received membership income during the year of £530 (2020: £Nil). At the year end a balance of £Nil (2020: £Nil) was due from Waldersley Farms Limited.

During the year the Charity traded with Beeswax Dyson Farming Limited, a company in which P G Wynn is a director. During the year the Charity received donations and membership income of £12,530 (2020: £12,624). During the year the Charity also incurred and paid for services of £480 (2020: Nil). At the year end a balance of £Nil (2020: £Nil) was due from Beeswax Dyson Farming Limited.

During the year the Charity traded with Haygrove Development Limited, a company in which A J Davison is a director. During the year the Charity received income of £10 (2020: £115). At the year end a balance of £Nil (2020: £Nil) was due from Haygrove Development Limited.

During the year the Charity recharged expenses to its wholly owned subsidiary LEAF Marque Limited totalling £55,174 (2020: £50,924). LEAF Marque Limited also Gift Aided the Charity £39,467 as at the year end (2020: £23,158). As at the year end a balance of £71,991 (2020: £45,310) was due from LEAF Marque Limited.