

THE SOIL ASSOCIATION LAND TRUST

England & Wales · Charity number 1121011

Details

Status	Registered
Legal form	Charitable company
Company number	06259578
Registered	2007-10-01
Register	View on the Charity Commission register

Contact

Address	Soil Association Land Trust Spear House 51 Victoria Street Bristol BS1 6AD
Phone	0300 330 0100
Email	ldavis@soilassociation.org
Website	www.soilassociation.org/landtrust

Activities

Objects: A) TO PRESERVE, CONSERVE AND PROTECT FOR THE PUBLIC BENEFIT THE ENVIRONMENT OF THE COUNTRYSIDE THROUGH THE PRUDENT MANAGEMENT AND HOLDING OF LAND AND THE USE OF NATURAL RESOURCES, INCLUDING THE PROMOTION AND USE OF ORGANIC, TRADITIONAL AND SUSTAINABLE LAND MANAGEMENT TECHNIQUES AND RELATED ACTIVITIES; AND B) THE EDUCATION OF THE PUBLIC IN THE SAME.

Activities: To preserve, conserve and protect for the public benefit the environment of the countryside through the prudent management and holding of land and the use of natural resources, including the promotion and use of organic, traditional and sustainable land management techniques and related activities; and the education of the public in the same.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED IN PRACTICE NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£638,635	£654,209	£6,566,810	0
2024-03-31	£331,465	£432,406	-	-
2023-03-31	£141,411	£393,822	-	-
2022-03-31	£130,956	£243,142	-	-
2021-03-31	£4,258,474	£73,078	£7,047,922	0

Trustees

Name	Role	Appointed
Michael William Orde	Chair	2025-03-25
Andrew Stanley Burgess		2024-12-10
Fiona Jane Barton		2017-07-12
Iain Robert McVicar		2017-07-12
JOANNA CECIL HERBERT-STEPNEY		
Jonathan William Spencer		2024-12-10
Mark Tinsley		2026-03-24
Richard Edward Leader		2025-03-25
Vimal Narotam Bhana		2025-03-25

THE SOIL ASSOCIATION LAND TRUST

England & Wales - Charity number 1121011

Accounts

Company Registration Number: 06259578

Registered Charity Number (in England and Wales): 1121011

The Soil Association Land Trust

Report and Financial Statements

for the year ended

31 March 2025

The Soil Association Land Trust

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The Soil Association Land Trust

TRUSTEES, OFFICERS AND PROFESSIONAL ADVISERS

KEY MANAGEMENT PERSONNEL: TRUSTEES

Michael Orde, Chair, appointed 25th March 2025

Thomas Curtis, former Chair, resigned 24th March 2025

Jane Barton

Vimal Bhana, appointed 25th March 2025

Andrew Burgess, appointed 10th December 2024

Mehr Fardoonji, resigned 29th July 2025

Joanna Herbert-Stepney

Richard Leader, appointed 25th March 2025

Graeme Matravers

Iain McVicar

Jonathan Spencer, appointed 10th December 2024

COMPANY SECRETARY

Iain McVicar

HONORARY TRUSTEE FOR LIFE

Mehr Fardoonji, appointed 29th July 2025

REGISTERED OFFICE

Spear House

51 Victoria Street

Bristol

BS1 6AD

BANKERS

Triodos Bank

Deanery Road

Bristol

BS1 5AS

SOLICITORS

Veale Wasbrough Vizards

Narrow Quay House

Narrow Quay

Bristol

BS1 4QA

AUDITOR

RSM UK Audit LLP

Second Floor

One The Square

Temple Quay

Bristol

BS1 6DG

The Soil Association Land Trust

TRUSTEES' REPORT

The trustees present their annual report and the audited financial statements of the charitable company for the year ended 31 March 2025. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting of Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102), effective 1 January 2019.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Soil Association Land Trust (the Charity) is registered as a charity, number 1121011 (England and Wales) and is limited by guarantee, company registration number 06259578. Details of trustees, officers and professional advisors and other information are set out on page 1. The Charity is consolidated into the group accounts of The Soil Association Limited as it is deemed to be a subsidiary by virtue of control.

STRUCTURE GOVERNANCE AND MANAGEMENT

Governance

The Charity is a company limited by guarantee and governed by a Memorandum and Articles of Association (last revised on 28 June 2017).

The governing body of the Charity is the Board of Trustees and meets four times a year. The Board of Trustees consists of five to ten trustees comprising Founder Trustees, Appointed Trustees and Co-opted Trustees. Appointed trustees (no fewer than four) are appointed by its member. The Board elects a Chair from the Appointed Trustees and can appoint Co-opted Trustees. Trustee appointments, excepting the Founder Trustees, 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 if the Board, and where applicable the member, determine it to be in the best interests of the Charity.

A Memorandum of Understanding with the parent charitable company, Soil Association Ltd, sets out guidelines for areas of collaboration and shared use of services.

The parent charitable company, Soil Association Ltd, provides directors and officers indemnity insurance which covers the trustees of subsidiary companies and any other member of staff of the group.

Statement of Trustees' responsibilities

The trustees (who are also directors of The Soil Association Land Trust 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).

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

STRUCTURE GOVERNANCE AND MANAGEMENT (continued)

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 of the incoming resources and application of resources, including the income and expenditure, of the Charity 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. They are also responsible for safeguarding the assets of the Charity 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 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 Charity 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.

Objectives and activities

The Charity is committed to two charitable objects:

- to preserve, conserve and protect for the public benefit the environment of the countryside through the prudent management and holding of land and the use of natural resources, including the promotion and use of organic, traditional and sustainable land management techniques and related activities; and
- the education of the public in the same.

The Charity provides a safe haven for sustainably managed land, enabling retiring farmers and others to secure a future for their land, and to ensure that their life's work is preserved and provides a legacy for future farming generations.

The Charity provides access to farms to enable people to enjoy the beauty and stewardship of the countryside and to understand the importance of food and farming in our society today. We want people to feel truly connected with the land in a way that inspires and educates.

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE

The year, once again, has seen a focus on developing plans for Woodoaks Farm. The new Farm Ranger took up post in April 2024 and immediately improved our ability to deal with practical matters on the farm including the organisation and co-ordination of our growing band of enthusiastic volunteers with an emphasis on habitat creation and management.

We worked closely with our appointed architect to develop plans for the Black Barn project, which centres on replacing an old concrete and asbestos shed with a new building to accommodate community uses, education and events. This process involved extensive public consultations including workshops and one-to-one discussions with key stakeholders to ensure the new building would meet the needs of potential users. The plans were finalised and the planning and listed building applications submitted in January.

In the meantime, work continued to complete the National Lottery Heritage Fund (NLHF) Delivery Phase funding application with a number of detailed plans including: a Conservation Plan for the farm, an Activity Plan to set out how people would benefit from the project, an Interpretation Plan to set out how we will explain the history and environment of the farm to visitors, in particular learning from the past to improve the sustainability of our future management, and a Business Plan. The bid was formally submitted in February 2025.

In September 2024 we launched a Fundraising Campaign to raise the £580,000 of match funding required for the NLHF bid. With strong support from Trusts and Foundations, High Net Worth Individuals and Corporates, together with a crowdfunding campaign that raised over £60,000, with over 400 supporters from the local community and individual stakeholders, the target was achieved by June 2025.

As part of the NLHF bid, we conducted a Governance Review of the charity using an external expert. Recommendations from this included the need to plan quickly for the succession of existing Trustees (including the Chair) who were nearing the end of their terms of appointment; refresh the Trust's Strategy to reflect the changes in priorities, especially following the gift of Woodoaks Farm; and to strengthen the governance links with the Soil Association. As a result, two new Trustees were appointed in December, both of whom sit on the board of the Soil Association, and a further three were recruited externally on a skills-basis, enhancing the Board's strategic capabilities around income generation, communications & marketing, and project management. These appointments included a new Chair who took up the role in March.

Exploration of the potential to re-use redundant farm buildings at Woodoaks continued, but will only be further developed as capital becomes available. To help address this, with the help of a specialist company, we explored the potential to establish a Biodiversity Net Gain scheme on the farm to generate financial value from the habitats we are already planning to create as part of our sustainable farming approach.

The organic conversion of the land at Woodoaks was completed in September and we continue to explore the potential to improve the financial viability of the more marginal farms in Devon and Somerset.

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

OBJECTIVES FOR THE FUTURE

- To continue to improve the financial performance of the Trust, with the aim of moving towards operating without an annual unrestricted deficit and with sufficient free reserves.
- Successfully progress the delivery phase of the NLHF funded Black Barn project at Woodoaks Farm.
- Complete implementation of the Trust's 2024 Governance Review recommendations, including development of a short-term strategic review and implementation of the organisational and structural changes.
- Further develop the Trust's model for working more closely with potential donors of land.
- Continue to work with our tenants to ensure the charity's objects are being achieved on the Trust's land holdings.
- Develop the Trust's work to offer appropriate opportunities to deliver Biodiversity Net Gain projects on the Trust's land holdings.

FINANCIAL REVIEW

The Trust's result for the year is presented in the Statement of Financial Activities (SOFA) on page 13, and is given in total as well as split between unrestricted and restricted result for the year. The unrestricted result is the Trust's net income and expenditure relating to unrestricted funds, which are funds the Trustees may spend as they see fit in the delivery of the Trust's charitable objectives. The restricted result is the net income and expenditure in relation to the Trust's restricted funds, which are those that are given for a specific purpose or project and must be spent as directed by the funder.

Result for the year

The Trust made a deficit of £15,574 in the year, which was reduced from £100,941 deficit in the previous year. The year-on-year improvement was largely within the restricted result, with a restricted surplus of £107,697 in the year, increased from £34,294 in the prior year. The Trust made an unrestricted deficit of £123,271 which was reduced from the prior year unrestricted deficit of £135,235.

Income

The Trust's total income in the year amounted to £638,635 (2024: £331,465), an increase of £307,170 from the previous year. This was split £239,906 unrestricted income (2024: £226,981) and £398,729 restricted income (2024: £104,484).

The main drivers of the year-on-year increase were as follows:

- £294,245 increase in restricted grant and donation income, mainly due to a grant from NLHF for the development phase of the Black Barn project. In addition, the Trust received donations to set up the Black Barn project fundraising website and we have also started to receive matched funding for the delivery phase of the project. The Groundwork / HS2-funded conservation volunteering project ran for a full year in 24/25 and we received funding towards installing a water tank on site to support our growers and additional funding as part of the Soil Association's New Organic Entrepreneurs project.
- £60,432 increase in Commercial income from the Woodoaks site, with the largest contributor funding from Soil Association to facilitate volunteering events under the Ocado Corporate Partnership.

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TRUSTEES' REPORT (continued)

- £27,187 increase in income from charitable lettings, partly due to a backdated increase in the rent due from the Woodoaks tenant under their Farm Business Tenancy agreement, but also due to some corrections put through in the prior year which reduced income last year.
- £76,169 decrease in unrestricted income due to a legacy received in the prior year.

Expenditure

Total expenditure amounted to £654,209 (2024: £432,406), an increase of £221,803 from the prior year, with the main variances as below:

- Expenditure on Woodoaks Farm increased by £238,315 from the prior year due to the following:
 - expansion of the team, with a Community Engagement Manager and Head of Fundraising joining at the end of the prior year and a Ranger joining the team in April 2025.
 - expenditure on the development phase of the Black Barn project, including professional services fees, planning application costs and architectural fees plus the cost of setting up the project's website.
 - expenditure on the HS2 project, including improving volunteer facilities on site.
 - installation of a water tank and deer fencing on site.
- Expenditure on the Land Heritage Cluster of farms and investment property was £18,216 lower than the previous year due to the write-off of some project costs in the prior year that were previously held as work in progress.

Balance Sheet and reserves at 31st March 2025

Net assets of the Charity at 31 March 2025 were £6,566,810, reduced by £15,574 from the prior year end. £5,968,773 of the Charity's net assets were held in tangible fixed assets at the year end, representing the Farms and residential property owned by the Trust. Cash at bank at 31 March 2025 remains healthy at £527,289, although reduced by £20,966 from the prior year end. Debtors and creditors are largely consistent with the prior year end, with a small decrease in debtors and a slightly higher decrease in creditors. Prepayments and accrued income totalled £95,728 at 31 March 2025 and included the final NLHF claim for the Black Barn project development phase which was paid in early April 2025.

Reserves held at 31st March 2025

At 31 March 2025, the total funds held by the Charity were £6,566,810, reduced from £6,582,384 held at 31 March 2024.

Of the total funds at 31 March 2025, £144,236 were restricted and £6,422,574 were unrestricted, split £5,968,773 designated funds and £453,801 general unrestricted funds. The designated funds are the value of the Charity's unrestricted reserves which are held as tangible fixed assets, largely the farms owned by the Trust. These are required for operational activities and are therefore not considered part of the Charity's readily available free reserves.

Further restricted grants and donations for Woodoaks Farm were received in the year. Restricted grant and donation income of £398,729 less expenditure from restricted funds of £291,032 meant restricted funds increased by £107,697 over the year to £144,236 at 31 March 2025 (2024: £36,539).

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

Free unrestricted reserves

The Board of 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 the trust business model. In this respect free unrestricted reserves are considered to be readily available cash or cash equivalents that the Trustees can call upon to mitigate adverse events or to exploit unexpected opportunities.

In 2024/2025 the desired reserves range was set at between £510,000 and £730,000. Having reserves within this range was believed to provide an adequate level of financial resilience for the year that would allow the Trust to continue to invest in Woodoaks Farm while delivering its core activities should risks to the Trust's finances materialise.

The Trust ended the year with a reserves level of £453,801 which is below the desired range, however acceptable due to continued investment required at Woodoaks Farm.

The NLHF-funded development of the Black Barn at Woodoaks, along with other commercial opportunities at the site, is expected to be the main driver for the Trust to move from its current annual unrestricted deficit to generating an unrestricted surplus, but this will take another couple of years. The trustees are forecasting that the Charity will continue to make annual deficits in 2025/26 and 2026/27, reducing its free reserves, before moving to surplus from 2027/28 and starting to build reserves up again.

Taking all these factors into account results in a desired reserves range for 2025/2026 of between £480,000 and £530,000.

Financial Controls

The trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. The systems of financial control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- The annual budget, approved by the trustees;
- Regular consideration by the trustees of financial results and variance from budget; and
- Identification and management of risks.

Going Concern

The level of reserves held at 31st March 2025 are slightly below the desired level set by Trustees for 2025/26, but this is not expected to impact the going concern of the Charity in the coming financial year. The funding from NLHF to enable further development of the Woodoaks site supports the Charity's aim of growing its income streams to fund the day-to-day running costs and development of the Land Trust estate.

A going concern assessment has been performed by the trustees which has involved the following:

- Preparation and review of cash flow forecasts up to September 2026 which show that the Charity is expected to maintain sufficient cash balances throughout this period to be able to meet their liabilities as they fall due.
- Assessment of the major financial risks facing the Charity as outlined above and their potential impact on the cash flow forecasts presented.

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TRUSTEES' REPORT (continued)

The result of the above assessment is that the trustees have noted no material uncertainties that would mean it is not appropriate for the Charity to adopt the going concern basis.

Auditor

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

The report was approved by the Board of Trustees on 18 September 2025 and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'M Orde', written in a cursive style.

Michael Orde
Chair of Trustees

The Soil Association Land Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST LIMITED

Opinion

We have audited the financial statements of The Soil Association Land Trust Limited (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 charitable company's affairs as at 31 March 2025 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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 Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' 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.

The Soil Association Land Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST (continued)

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 Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on pages 2 and 3, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

The Soil Association Land Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST (continued)

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 audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is 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 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

The Soil Association Land Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST (continued)

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 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 and performing detailed testing on a sample of income received in the year.

A further description of our responsibilities for the audit of the financial statements is located 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: 02/10/25

The Soil Association Land Trust
STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
Year ended 31 March 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
INCOME FROM:					
Donations and legacies	2	34,892	68,170	103,062	99,196
Grants		-	330,559	330,559	104,484
Other trading activities	3	202,581	-	202,581	124,679
Investment income	4	2,433	-	2,433	3,106
Total income		<u>239,906</u>	<u>398,729</u>	<u>638,635</u>	<u>331,465</u>
EXPENDITURE ON:					
Charitable Activities	5	(363,177)	(291,032)	(654,209)	(432,406)
Total expenditure		<u>(363,177)</u>	<u>(291,032)</u>	<u>(654,209)</u>	<u>(432,406)</u>
Net (expenditure) / income and net movement in funds		<u>(123,271)</u>	<u>107,697</u>	<u>(15,574)</u>	<u>(100,941)</u>
Reconciliation of funds:					
Total funds brought forward	13/14	<u>6,545,845</u>	<u>36,539</u>	<u>6,582,384</u>	<u>6,683,325</u>
Total funds carried forward	13/14	<u>6,422,574</u>	<u>144,236</u>	<u>6,566,810</u>	<u>6,582,384</u>

The accompanying notes on pages 17 to 28 are an integral part of the financial statements.

A comparative Statement of Financial Activities for year ended 31 March 2024 is included in note 20.

The Soil Association Land Trust

BALANCE SHEET

As at 31 March 2025

	Note	2025 £000	2025 £000	2024 £000	2024 £000
FIXED ASSETS					
Tangible assets	10	5,968,773			5,972,495
CURRENT ASSETS					
Debtors	11	170,061		180,787	
Cash at bank and in hand		527,289		548,255	
		-----		-----	
		697,350		729,042	
CREDITORS: Amounts falling due within one year	12	(99,313)		(119,153)	
		-----		-----	
NET CURRENT ASSETS			598,037		609,889
			-----		-----
NET ASSETS			6,566,810		6,582,384
			=====		=====
FUNDS AND RESERVES					
Unrestricted funds:					
Designated funds	13	5,968,773		5,972,495	
General unrestricted funds		453,801		573,350	
		-----		-----	
			6,422,574		6,545,845
Restricted funds	14		144,236		36,539
			-----		-----
TOTAL FUNDS	14		6,566,810		6,582,384
			=====		=====

The accompanying notes on pages 17 to 28 are an integral part of the financial statements.

These financial statements were approved by the Board of Trustees on 18 September 2025 and signed on their behalf by:



Michael Orde
Chair of Trustees

The Soil Association Land Trust

STATEMENT OF CASHFLOWS

for the year ended 31 March 2025

	2025 £	2024 £
Net cash outflow from operating activities	(10,501)	(104,728)
Purchase of property, plant and equipment	(10,465)	-
Decrease in cash in the year	<u>(20,966)</u>	<u>(104,728)</u>
Total cash at the beginning of the year	548,255	652,983
Total cash at the end of the year	<u>527,289</u>	<u>548,255</u>

Reconciliation of changes in resources to net cash outflow from operating activities

	2025 £	2024 £
Net decrease in funds	(15,574)	(100,941)
Add back depreciation	14,187	12,114
Decrease / (increase) in debtors	10,726	(97,115)
(Decrease) / increase in creditors	(19,840)	81,214
Net cash outflow from operating activities	<u>(10,501)</u>	<u>(104,728)</u>

Reconciliation of net cash flow to movement in net funds

	2025 £	2024 £
Decrease in cash in the year	<u>(20,966)</u>	<u>(104,728)</u>
Movement in net funds in the year	(20,966)	(104,728)
Net funds at beginning of year	548,255	652,983
Net funds at end of year	<u>527,289</u>	<u>548,255</u>

The Soil Association Land Trust
STATEMENT OF CASHFLOWS (continued)
for the year ended 31 March 2025

Analysis of net funds	At 1 April 2024 £	Cash flow £	At 31 March 2025 £
Cash at bank and in hand	548,255	(20,966)	527,289
Net funds	<u>548,255</u>	<u>(20,966)</u>	<u>527,289</u>

Cash at bank and in hand figures in the notes includes liquid cash assets only.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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 Land Trust 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 pound.

The registered office and principal place of business is Spear House, 51 Victoria Street, Bristol BS1 6AD.

PREPARATION OF THE ACCOUNTS ON A GOING CONCERN BASIS

A going concern assessment has been performed by the trustees which has involved the following:

- Preparation and review of cash flow forecasts up to September 2026 which show that the Charity is expected to maintain sufficient cash balances throughout this period to be able to meet their liabilities as they fall due.
- Assessment of the major financial risks facing the Charity and their potential impact on the cash flow forecasts presented. The trustees consider the most significant risk for the Charity to be shortfalls in income, in particular donation and legacy income which fund more discretionary charitable expenditure.

The result of the above assessment is that the trustees have noted no material uncertainties that would mean it is not appropriate for the Charity to adopt the going concern basis.

COMPANY STATUS

The Charity is a company limited by guarantee and has no share capital. The directors of the company are the trustees named on page 1. 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.

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

FINANCIAL INSTRUMENTS

The charity 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.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025 (continued)

1 ACCOUNTING POLICIES (continued)

INCOME

All incoming resources are included in the SOFA (Statement of Financial Activities) when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. These specific policies apply to the following categories of income:

- Donations and gifts are recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.
- Income from grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been or are expected to be met, it is probable that the income will be received and the amount can be measured reliably;
- Rents receivable represents rental income and is recognised at the fair value of the consideration received or receivable for services provided.
- Legacy income is recognised when the Charity is deemed to be entitled to the funds, it is probable that the income will be received and the amount can be measured reliably. 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.
- Income from generation of electricity and from recharging of electricity to tenants at Woodoaks Farm is recognised as due based on meter readings.

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 on charitable activities includes the costs of conserving and improving the Charity's properties to further the purposes of the Charity, and their associated support costs.

TANGIBLE FIXED ASSETS

Tangible fixed assets with a value of £500 or more are capitalised and included at deemed cost / fair value including any incidental expenses of acquisition.

No depreciation is charged on freehold land and buildings as the lives of the properties are considered to be indefinite and residual values to be high enough to ensure that there is no significant annual depreciation.

The Companies Act 2006 requires tangible fixed assets to be depreciated over a finite period. The trustees consider that the land and buildings have an infinite life, given the repairs and maintenance afforded to these assets. 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.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025 (continued)

1 ACCOUNTING POLICIES (continued)

The land and buildings are held for charitable purposes rather than for their investment returns and hence are not regarded as investment properties. An annual review is made to establish any permanent diminution in the value of the properties.

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

Farm machinery	twenty years straight-line method
Farm vehicles	three years straight-line method
Building improvements	ten years straight-line method

TAXATION

The Soil Association Land Trust 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.

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 area of judgement in these financial statements is the departure from the Companies Act 2006 requirement to depreciate tangible fixed assets in relation to the Charity's buildings as described in the Tangible Fixed Assets accounting policy above.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestr. Funds £	Restr. funds £	2025 Total £	Unrestr. Funds £	Restr. funds £	2024 Total £000
Donations	34,892	68,170	103,062	23,027	-	23,027
Legacies	-	-	-	76,169	-	76,169
	<u>34,892</u>	<u>68,170</u>	<u>103,062</u>	<u>99,196</u>	<u>-</u>	<u>99,196</u>

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025 (continued)

3 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income from charitable lettings	76,127	48,940
Electricity recharges to tenants	19,404	28,416
Electricity generation income	7,318	8,023
Commercial income	99,732	39,300
	<u>202,581</u>	<u>124,679</u>

4 INVESTMENT INCOME

	Unrestricted funds 2025 Total £	Unrestricted funds 2024 Total £
Bank interest	2,433	3,106
	<u>2,433</u>	<u>3,106</u>

5 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestr. Funds £	Restr. funds £	2025 Total £	Unrestr. Funds £	Restr. funds £	2024 Total £000
Land Heritage Cluster	59,140	-	59,140	77,356	-	77,356
Woodoaks Farm	289,563	291,032	580,595	272,090	70,190	342,280
Development work	14,474	-	14,474	12,770	-	12,770
	<u>363,177</u>	<u>291,032</u>	<u>654,209</u>	<u>362,216</u>	<u>70,190</u>	<u>432,406</u>

The Land Heritage Cluster is made up of the farms donated at the forming of the Trust, a residential holding, Southwood Lodge, and an 8-acre field in Dunkeld, Scotland.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025 (continued)

6 ANALYSIS OF EXPENDITURE

	Support costs £	Direct costs £	2025 Total £	Support costs £	Direct costs £	2024 Total £000
Land Heritage Cluster	5,050	54,090	59,140	3,945	73,411	77,356
Woodoaks Farm	30,553	550,042	580,595	12,721	542,980	555,701
Development work	1,236	13,238	14,474	651	12,119	12,770
	<u>36,839</u>	<u>617,370</u>	<u>654,209</u>	<u>17,317</u>	<u>628,510</u>	<u>645,827</u>

7 SUPPORT AND GOVERNANCE COSTS

	Service charge from parent company £	Finance and legal £	Governance £	Total support costs £	Overhead recovery from restricted projects £	2025 Total costs allocated £	2024 Total costs allocated £
Land Heritage Cluster	3,417	666	967	5,050	-	5,050	3,945
Woodoaks Farm	34,748	6,772	9,833	51,353	(20,800)	30,553	12,721
Development work	836	163	237	1,236	-	1,236	651
Support costs	<u>39,001</u>	<u>7,601</u>	<u>11,037</u>	<u>57,639</u>	<u>(20,800)</u>	<u>36,839</u>	<u>17,317</u>

The basis for the allocation of support costs is direct expenditure on the areas of work and 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 trustees' expenses.

Overhead recovery from restricted projects is a contribution from restricted project funds towards the Charity's overhead costs.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025 (continued)

8 STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

The staff costs are incurred by other group companies and are recharged to The Soil Association Land Trust. The trustees neither received nor waived any emoluments during the year (2024: £Nil).

One Trustee (2024: two) were reimbursed for expenses in the year as shown below. This includes out of pocket expenses reimbursed to trustees and expenses paid directly to third parties.

	2025	2024
	£	£
Travel	627	652
	<u>627</u>	<u>652</u>

9 NET MOVEMENT IN FUNDS

	2025	2024
	£	£
Net movement in funds is stated after charging the following:		
Auditor's remuneration:		
Audit of annual accounts	6,183	4,670
Tax compliance services	3,350	-
Depreciation of owned assets	14,187	12,114
	<u>23,720</u>	<u>16,784</u>

The Soil Association Land Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025 (continued)

10 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Building improvements £	Farm machinery £	Total £
Cost or valuation				
At 1 April 2024	5,862,239	42,346	157,591	6,062,176
Additions	-	-	10,465	10,465
At 31 March 2025	5,862,239	42,346	168,056	6,072,641
Depreciation				
At 1 April 2024	-	12,168	77,513	89,681
Charge for year	-	4,234	9,953	14,187
At 31 March 2025	-	16,402	87,466	103,868
Net book value				
At 31 March 2025	5,862,239	25,944	80,590	5,968,773
At 31 March 2024	5,862,239	30,178	80,078	5,972,495

11 DEBTORS

	2025 £	2024 £
Trade debtors	69,357	82,500
Amounts owed by group companies	4,976	30,484
Prepayments and accrued income	95,728	67,803
	<u>170,061</u>	<u>180,787</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade creditors	15,481	24,298
Amounts owed to group companies	60,657	75,719
Accruals and other creditors	23,175	15,936
Other taxes and social security	-	3,200
	<u>99,313</u>	<u>119,153</u>

The Soil Association Land Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025 (continued)

13 DESIGNATED FUNDS

	Balance at 31 Mar 2024 £000	Transfers from income and expenditure account £000	Balance at 31 Mar 2025 £000
Fixed asset fund	5,972,495	(3,722)	5,968,773
Total designated funds	<u>5,972,495</u>	<u>(3,722)</u>	<u>5,968,773</u>

This fund represents the amount of the Charity's unrestricted reserves which are held as tangible fixed assets, largely the farms owned by the Trust. These assets are required for operational activities and are therefore not considered part of the Charity's readily available free reserves.

14 TOTAL FUNDS

	Balance at 1 April 2024 £	Income £	Expend. £	Balance at 31 March 2025 £
Unrestricted funds	6,545,845	239,906	(363,177)	6,422,574
Restricted funds	36,539	398,729	(291,032)	144,236
Total funds	<u>6,582,384</u>	<u>638,635</u>	<u>(654,209)</u>	<u>6,566,810</u>

Restricted funds held at 31 March 2025 relate to restricted appeal income and restricted grant funding for work at Woodoaks Farm.

PRIOR YEAR TOTAL FUNDS

	Balance at 1 April 2023 £	Income £	Expend. £	Balance at 31 March 2024 £
Unrestricted funds	6,681,080	226,981	(362,216)	6,545,845
Restricted funds	2,245	104,484	(70,190)	36,539
Total funds	<u>6,683,325</u>	<u>331,465</u>	<u>(432,406)</u>	<u>6,582,384</u>

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025 (continued)

15 NET ASSETS BY FUND

	Fixed assets £	Net current assets £	Total 2025 £
Unrestricted funds	5,968,773	453,801	6,422,574
Restricted funds	-	144,236	144,236
Total funds	<u>5,968,773</u>	<u>598,037</u>	<u>6,566,810</u>

PRIOR YEAR NET ASSETS BY FUND

	Fixed assets £	Net current assets £	Total 2024 £
Unrestricted funds	5,972,495	573,350	6,545,845
Restricted funds	-	36,359	36,359
Total funds	<u>5,972,495</u>	<u>609,889</u>	<u>6,582,384</u>

16 CONTINGENT LIABILITY

The charitable company is registered under a group VAT scheme and jointly liable for the group VAT liability, which at the year-end amounted to £576,261 (2024: £586,327)

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025 (continued)

17 RELATED PARTY TRANSACTIONS

Members of the Board of Trustees do not receive remuneration for the provision of their services as trustees of the Charity.

Total donations received from trustees in the year, including Gift Aid, were £18,750 (2024: £18,750).

In the financial year a charge of £252,877 (2024: £104,567) was made from the ultimate parent undertaking to the Land Trust for staff costs and overheads.

During the year the Land Trust invoiced the ultimate parent undertaking for £37,500 (2024: £nil) for providing volunteering opportunities as part of the Ocado corporate partnership.

Restricted grant income of £15,720 (2024: £nil) was passed from the ultimate parent undertaking to the Land Trust in the year to contribute to the New Organic Entrepreneurs project. This income was restricted in the Land Trust's accounts and the balance of these restricted funds at 31 March 2025 was £5,724 (2024: £nil).

Restricted donation income of £8,100 was passed from the ultimate parent undertaking to the Land Trust in the prior year in relation to a fundraising appeal to plant hedgerow at Woodoaks Farm. This income was restricted in the Land Trust's accounts and the balance of these restricted funds at 31 March 2025 remains at £8,100 (2024: £8,100).

The intercompany amount due from the Land Trust to the ultimate parent undertaking at 31 March 2025 was £68,157 (2024: £75,720).

Another group company, Soil Association Certification Limited, pays the Group's net VAT liability to HMRC on behalf of all of the Group companies. The amount due to the Land Trust from Soil Association Certification in relation to this at 31 March 2025 was £4,976 (2024: £30,484).

18 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is The Soil Association Limited, a charitable company registered in England and Wales. Its charitable registration number is 206862 and its company registration number is 00409726.

The Soil Association is a membership Charity campaigning for planet-friendly food and farming. It is the sole member of the Soil Association Land Trust and controls the Charity by virtue of its power to appoint or remove the majority of trustees.

The smallest and largest group which includes the charitable company, and for which group financial statements are prepared, is The Soil Association Limited. Copies of consolidated financial statements can be obtained from the charitable company's registered office, Spear House, 51 Victoria Street, Bristol, BS1 6AD.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025 (continued)

19 LESSOR OPERATING LEASE COMMITMENTS

The Charity as lessor:

At the year end the Charity had contracted with tenants, under non-cancellable operating leases, for the following future minimum lease payments:

	2025	2024
	£	£
Amounts receivable:		
- within one year	50,722	38,651
- later than one year and not later than five years	46,918	52,023
- later than five years	5,756	5,756
	103,396	96,430

The Soil Association Land Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025 (continued)

20 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total Funds 2024 £
INCOME FROM:				
Donations and legacies	2	99,196	-	99,196
Grants		-	104,484	104,484
Other trading activities	3	124,679	-	124,679
Investment income	4	3,106	-	3,106
Total income		<u>226,981</u>	<u>104,484</u>	<u>331,465</u>
EXPENDITURE ON:				
Charitable Activities	5	(362,216)	(70,190)	(432,406)
Total expenditure		<u>(362,216)</u>	<u>(70,190)</u>	<u>(432,406)</u>
Net (expenditure) / income and net movement in funds		<u>(135,235)</u>	<u>34,294</u>	<u>(100,941)</u>
Reconciliation of funds:				
Total funds brought forward	13/14	<u>6,681,080</u>	<u>2,245</u>	<u>6,683,325</u>
Total funds carried forward	13/14	<u>6,545,845</u>	<u>36,539</u>	<u>6,582,384</u>

THE SOIL ASSOCIATION LAND TRUST

England & Wales - Charity number 1121011

Accounts

Company Registration Number: 06259578
Registered Charity Number (in England and Wales): 1121011

The Soil Association Land Trust
Report and Financial Statements
for the year ended
31 March 2024

The Soil Association Land Trust

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The Soil Association Land Trust

TRUSTEES, OFFICERS AND PROFESSIONAL ADVISERS

KEY MANAGEMENT PERSONNEL: TRUSTEES

Thomas Curtis, Chair

David Riddle (resigned 12 January 2024)

Graeme Matravers

Graham Harvey (resigned 11 March 2024)

Iain McVicar

Jane Barton

Joanna Herbert-Stepney

Mehr Fardoonji

COMPANY SECRETARY

Iain McVicar

GOVERNING DOCUMENT

Articles of Association (as revised 28 June 2017)

CONSTITUTION

Company limited by guarantee and registered charity

REGISTERED OFFICE

Spear House

51 Victoria Street

Bristol

BS1 6AD

BANKERS

Triodos Bank

Deanery Road

Bristol

BS1 5AS

SOLICITORS

Veale Wasbrough Vizards

Narrow Quay House

Narrow Quay

Bristol

BS1 4QA

AUDITOR

RSM UK Audit LLP

Second Floor

One The Square

Temple Quay

Bristol

BS1 6DG

The Soil Association Land Trust

TRUSTEES' REPORT

The trustees present their annual report and the audited financial statements of the charitable company for the year ended 31 March 2024. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting of Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102), effective 1 January 2019.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Soil Association Land Trust (the Charity) is registered as a charity, number 1121011 (England and Wales) and is limited by guarantee, company registration number 06259578. Details of trustees, officers and professional advisors and other information are set out on page 1. The Charity is consolidated into the group accounts of The Soil Association Limited as it is deemed to be a subsidiary by virtue of control.

STRUCTURE GOVERNANCE AND MANAGEMENT

Governance

The Charity is a company limited by guarantee and governed by a Memorandum and Articles of Association (last revised on 28 June 2017).

The governing body of the Charity is the Board of Trustees and meets four times a year. The Board of Trustees consists of five to ten trustees comprising Founder Trustees, Appointed Trustees and Co-opted Trustees. Appointed trustees (no fewer than four) are appointed by the members. The Board elects a Chair from the Appointed Trustees and can appoint Co-opted Trustees. Trustee appointments, excepting the Founder Trustees, 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 if the Board, and where applicable the members, determine it to be in the best interests of the Charity.

A Memorandum of Understanding with the parent charitable company, Soil Association Ltd, sets out guidelines for areas of collaboration and shared use of services.

The parent charitable company, Soil Association Ltd, provides directors and officers indemnity insurance which covers the trustees of subsidiary companies and any other member of staff of the group.

Statement of Trustees' responsibilities

The trustees (who are also directors of The Soil Association Land Trust 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).

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

STRUCTURE GOVERNANCE AND MANAGEMENT (continued)

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 of the incoming resources and application of resources, including the income and expenditure, of the Charity 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. They are also responsible for safeguarding the assets of the Charity 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 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 Charity 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.

Objectives and activities

The Charity is committed to two charitable objects:

- to preserve, conserve and protect for the public benefit the environment of the countryside through the prudent management and holding of land and the use of natural resources, including the promotion and use of organic, traditional and sustainable land management techniques and related activities; and
- the education of the public in the same.

The Charity provides a safe haven for sustainably managed land, enabling retiring farmers and others to secure a future for their land, and to ensure that their life's work is preserved and provides a legacy for future farming generations.

The Charity provides access to farms to enable people to enjoy the beauty and stewardship of the countryside and to understand the importance of food and farming in our society today. We want people to feel truly connected with the land in a way that inspires and educates.

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE

The development of plans for Woodoaks Farm has been the main focus for the Trust over the last year. This work continues to be funded by the Paget Fund together with new funding from The National Lottery Heritage Fund and HS2.

The National Lottery Heritage Fund (NLHF) confirmed their grant award in October 2023 for the development phase of a full bid to support the Black Barn project and granted permission to start in February 2024. The project involves the reconstruction of an ugly concrete block building adjacent to the listed barn to provide a new space for community use, education and events, to support use of the magnificent space provided by the barn itself. Architects have been appointed and are adopting a highly inclusive approach to developing the design, liaising closely with the local community and farm visitors.

We appointed a Head of Fundraising to develop a fundraising plan for the Trust as a whole, with initial focus on securing match funding for the Black Barn project.

A Community Engagement and Partnerships Manager post has been created with the help of NLHF and a Ranger, with responsibility for volunteering, has been taken on using funds from our HS2 Community and Environment Fund award.

An Activity Plan is being drawn up to map out how the farm will provide public benefit including access, education, volunteering, communications and interpretation of the site. In parallel, a Conservation Plan is being prepared to summarise the important features of the farm, describe their significance and to set out objectives and policies to determine the management that will be required to enhance and safeguard the farm for the future.

A Governance Review will be undertaken during the forthcoming year supported by NLHF. Trustees have already started discussions about new Trustee recruitment and a succession plan is expected to form part of the outcome of the Governance Review.

Organic conversion of the land has continued and will be complete in September 2024. All fields are currently down to fertility building herbal leys in advance of re-establishing a fully organic arable rotation. A further 750 meters of hedgerow were planted in the winter of 23/24 with the help of our highly committed band of volunteers, which continues to grow. We have taken advantage of Sustainable Farming Incentive funds as well as Countryside Stewardship to support this work.

In February, we applied to DEFRA to become a Responsible Body to hold Conservation Covenants. We have responded to some initial queries about our submission, but still await a decision.

We continued our collaborations with other land trusts and land-based organisations to develop the Land Trusts UK Network and identified a number of key topics to jointly progress: land donation models; stacking enterprises; recruiting and supporting tenants.

OBJECTIVES FOR THE FUTURE

- Continuously improve the financial strategy and position of the Trust, such that it is able to stabilise and maintain an appropriate level of reserves.
- Successfully complete the development phase of the HLF Black Barn project; prepare the application for the delivery phase and be awarded a grant agreement.

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

- Review the outcomes and recommendations from the Governance Review and implement an Action Plan including a programme for Trustee succession and recruitment
- Develop the Strategic Review and draw up an Action Plan for implementation including a plan for organisational and structural changes to the Charity
- Develop a fully resourced model for working more closely with potential donors of land
- Continue to work with our existing tenants and help support them in their future plans including navigating through the changes to farming support
- Assuming a successful outcome with Defra, develop and finalise the model for our use of Conservation Covenants to protect more land for common good
- Continue to work with other land trusts and land-based organisations to develop the Land Trusts UK Network to strengthen our collective work protecting land for the common good

FINANCIAL REVIEW

Total income in the year amounted to £331,465 (2023: £141,411), an increase of £190,054 from the previous year.

The main drivers of the year on year increase were as follows:

- £76,169 of Legacy income in the year (2023: £nil)
- £28,416 of electricity recharges to tenants at Woodoaks (2023: £nil) due to the Charity having taken over the electricity supply contract for the site.
- £15,117 increase in commercial income at the Woodoaks site to £39,300.
- £83,006 increase in restricted grant income to £104,484. This total includes our first claim to Heritage Lottery Fund for our development grant to support the restoration of the Black Barn at Woodoaks and our first instalment of funding from HS2 Community and Business Funds towards our 'Enhancing biodiversity and people's well-being through conservation volunteering' project. In addition, we were successful in securing grants to plant hedgerows, restore chalk grasslands and to start work on the access track at Woodoaks.
- The increases above offset a £11,468 decrease in rental income from the Charity's farms and investment property to £48,940 (2023: £60,408).

Total expenditure amounted to £432,406 (2023: £393,822), an increase of £38,584 from the prior year.

- Expenditure on the Land Heritage Cluster of farms and investment property was £27,616 higher than the previous year at £77,356 due to increased repairs and maintenance spend on these properties and the write off of some project costs held as work in progress at the prior year end.
- Expenditure on Woodoaks Farm increased by £17,057 from the prior year due to £35,045 of intercompany debt write-off in the prior year which reduced expenditure. Excluding this, expenditure on Woodoaks has actually decreased by £17,988 due to high investment costs in the site in the prior year.
- Spend on development work, including investigating potential new properties, decreased by £6,089 from the prior year.

The amounts received, and resources expended generated a net deficit of £100,941 (2023: £252,411 deficit).

The total assets of the Charity at 31 March 2024 were £6,582,384, reduced by £100,941 from the prior year end. Cash at bank decreased by £104,728 mostly due to the deficit in the year. Debtors increased

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

by £97,115, mostly within trade debtors and intercompany amounts receivable, but creditors also increased by £81,214, with the highest increase in amounts owed to Soil Association intercompany.

Reserves at 31 March 2024

At 31 March 2024 the total funds held by the Charity were £6,582,384 reduced from £6,683,325 at 31 March 2023. Of the total funds at 31 March 2024, £6,545,845 were unrestricted funds and £36,539 were restricted.

Unrestricted reserves

The Board of 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 the trust business model. In this respect, free unrestricted reserves are considered to be readily available cash or cash equivalents that the Trustees can call upon to mitigate adverse events or to exploit unexpected opportunities.

In 2023/2024 the desired free reserves range was set at between £360,000 and £460,000. Having free reserves within this range was believed to provide an adequate level of financial resilience for the year that would allow the Trust to continue to deliver its core activities should risks to the Trust's finances materialise. While there is substantial ongoing investment required at Woodoaks Farm, the assumption was that much of this spend is likely to take place from 2025 onward and the Trust is aiming to raise funding for a substantial proportion of the development work anticipated.

The Trust ended the year with unrestricted free reserves of £573,350, which is slightly above the desired range, however acceptable due to continued investment required at Woodoaks Farm.

There is substantial ongoing investment required at Woodoaks Farm and the trustees are working with the National Lottery Heritage Fund with regards to a large project. Funding for this project is expected to be from fundraising and grants plus funding from the charity's own reserves.

Taking all these factors into account results in a desired reserves range for 2024/2025 of between £510,000 and £730,000.

Restricted reserves

Further restricted grants for Woodoaks Farm were received in the year. Restricted grant income of £104,484 less expenditure from restricted funds of £70,190 meant restricted funds increased by £34,294 over the year to £36,539 at 31 March 2024 (2023: £2,245).

Financial Controls

The trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. The systems of financial control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- The annual budget, approved by the trustees;
- Regular consideration by the trustees of financial results and variance from budget; and
- Identification and management of risks.

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

Going Concern

The level of reserves held at 31st March 2024 are within the desired level set by Trustees for 2024/25, so there are not considered to be any major financial risks which would impact the going concern of the Charity in the coming financial year. The funding from The National Lottery Heritage Fund to enable further development of the Woodoaks site supports the Charity's aim of developing income streams to fund the day-to-day running costs and development of the Land Trust estate.

A going concern assessment has been performed by the trustees which has involved the following:

- Preparation and review of cash flow forecasts up to September 2025 which show that the Charity is expected to maintain sufficient cash balances throughout this period to be able to meet their liabilities as they fall due.
- Assessment of the major financial risks facing the Charity as outlined above and their potential impact on the cash flow forecasts presented.

The result of the above assessment is that the trustees have noted no material uncertainties that would mean it is not appropriate for the Charity to adopt the going concern basis.

Auditor

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

The report was approved by the Board of Trustees on 20th September 2024 and signed on their behalf by:



Thomas Curtis
Chair of Trustees

The Soil Association Land Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST LIMITED

Opinion

We have audited the financial statements of The Soil Association Land Trust Limited (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 charitable company's affairs as at 31 March 2024 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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 Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' 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.

The Soil Association Land Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST (continued)

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 Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on pages 2 and 3, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

The Soil Association Land Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST (continued)

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 audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is 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 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

The Soil Association Land Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST (continued)

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 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 and performing detailed testing on a sample of income received in the year.

A further description of our responsibilities for the audit of the financial statements is located 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: 3 December 2024

The Soil Association Land Trust
STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
Year ended 31 March 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
INCOME FROM:					
Donations and legacies	2	99,196	-	99,196	23,373
Grants		-	104,484	104,484	21,478
Other trading activities	3	124,679	-	124,679	95,248
Investment income	4	3,106	-	3,106	1,312
Total income		<u>226,981</u>	<u>104,484</u>	<u>331,465</u>	<u>141,411</u>
EXPENDITURE ON:					
Charitable Activities	5	(362,216)	(70,190)	(432,406)	(393,822)
Total expenditure		<u>(362,216)</u>	<u>(70,190)</u>	<u>(432,406)</u>	<u>(393,822)</u>
Net (expenditure) / income and net movement in funds		<u>(135,235)</u>	<u>34,294</u>	<u>(100,941)</u>	<u>(252,411)</u>
Reconciliation of funds:					
Total funds brought forward	13/14	<u>6,681,080</u>	<u>2,245</u>	<u>6,683,325</u>	<u>6,935,736</u>
Total funds carried forward	13/14	<u>6,545,845</u>	<u>36,539</u>	<u>6,582,384</u>	<u>6,683,325</u>

The accompanying notes on pages 16 to 27 are an integral part of the financial statements.

A comparative Statement of Financial Activities for year ended 31 March 2023 is included in note 20.

The Soil Association Land Trust

BALANCE SHEET

As at 31 March 2024

	Note	2024 £000	2024 £000	2023 £000	2023 £000
FIXED ASSETS					
Tangible assets	10		5,972,495		5,984,609
CURRENT ASSETS					
Debtors	11	180,787		83,672	
Cash at bank and in hand		548,255		652,983	
		<u>729,042</u>		<u>736,655</u>	
CREDITORS: Amounts falling due within one year	12	(119,153)		(37,939)	
		<u></u>		<u></u>	
NET CURRENT ASSETS			609,889		698,716
NET ASSETS			<u>6,582,384</u>		<u>6,683,325</u>
FUNDS AND RESERVES					
Unrestricted funds:					
Designated funds	13	5,972,495		-	
General unrestricted funds		573,350		6,681,080	
		<u></u>		<u></u>	
Restricted funds	14		6,545,845 36,539		6,681,080 2,245
			<u></u>		<u></u>
TOTAL FUNDS	14		<u>6,582,384</u>		<u>6,683,325</u>

The accompanying notes on pages 16 to 27 are an integral part of the financial statements.

These financial statements were approved by the Board of Trustees on 20th September 2024 and signed on their behalf by:



Thomas Curtis
Chair of Trustees

The Soil Association Land Trust

STATEMENT OF CASHFLOWS

for the year ended 31 March 2024

	2024 £	2023 £
Net cash (outflow) / inflow from operating activities	(104,728)	(313,039)
Purchase of property, plant and equipment	-	(17,346)
(Decrease) / increase in cash in the year	<u>(104,728)</u>	<u>(330,385)</u>
Total cash at the beginning of the year	652,983	983,368
Total cash at the end of the year	<u>548,255</u>	<u>652,983</u>

Reconciliation of changes in resources to net cash outflow from operating activities

	2024 £	2023 £
Net decrease in funds	(100,941)	(252,411)
Add back depreciation	12,114	10,813
Increase in debtors	(97,115)	(20,565)
Increase / (decrease) in creditors	81,214	(50,876)
Net cash outflow from operating activities	<u>(104,728)</u>	<u>(313,039)</u>

Reconciliation of net cash flow to movement in net funds

	2024 £	2023 £
Decrease in cash in the year	(104,728)	(330,385)
Movement in net funds in the year	(104,728)	(330,385)
Net funds at beginning of year	652,983	983,368
Net funds at end of year	<u>548,255</u>	<u>652,983</u>

The Soil Association Land Trust
STATEMENT OF CASHFLOWS (continued)
for the year ended 31 March 2024

Analysis of net funds	At 1 April 2023 £	Cash flow £	At 31 March 2024 £
Cash at bank and in hand	652,983	(104,728)	548,255
Net funds	<u>652,983</u>	<u>(104,728)</u>	<u>548,255</u>

Cash at bank and in hand figures in the notes includes liquid cash assets only.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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 Land Trust 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 pound.

The registered office and principal place of business is Spear House, 51 Victoria Street, Bristol BS1 6AD.

PREPARATION OF THE ACCOUNTS ON A GOING CONCERN BASIS

A going concern assessment has been performed by the trustees which has involved the following:

- Preparation and review of cash flow forecasts up to September 2025 which show that the Charity is expected to maintain sufficient cash balances throughout this period to be able to meet their liabilities as they fall due.
- Assessment of the major financial risks facing the Charity and their potential impact on the cash flow forecasts presented. The trustees consider the most significant risk for the Charity to be shortfalls in income, in particular donation and legacy income which fund more discretionary charitable expenditure.

The result of the above assessment is that the trustees have noted no material uncertainties that would mean it is not appropriate for the Charity to adopt the going concern basis.

COMPANY STATUS

The Charity is a company limited by guarantee and has no share capital. The directors of the company are the trustees named on page 1. 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.

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

FINANCIAL INSTRUMENTS

The charity 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.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (continued)

1 ACCOUNTING POLICIES (continued)

INCOME

All incoming resources are included in the SOFA (Statement of Financial Activities) when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. These specific policies apply to the following categories of income:

- Donations and gifts are recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.
- Income from grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been or are expected to be met, it is probable that the income will be received and the amount can be measured reliably;
- Rents receivable represents rental income and is recognised at the fair value of the consideration received or receivable for services provided.
- Legacy income is recognised when the Charity is deemed to be entitled to the funds, it is probable that the income will be received and the amount can be measured reliably. 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.
- Income from generation of electricity and from recharging of electricity to tenants at Woodoaks Farm is recognised as due based on meter readings.

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 on charitable activities includes the costs of conserving and improving the Charity's properties to further the purposes of the Charity, and their associated support costs.

TANGIBLE FIXED ASSETS

Tangible fixed assets with a value of £500 or more are capitalised and included at deemed cost / fair value including any incidental expenses of acquisition.

No depreciation is charged on freehold land and buildings as the lives of the properties are considered to be indefinite and residual values to be high enough to ensure that there is no significant annual depreciation.

The Companies Act 2006 requires tangible fixed assets to be depreciated over a finite period. The trustees consider that the land and buildings have an infinite life, given the repairs and maintenance afforded to these assets. 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.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (continued)

1 ACCOUNTING POLICIES (continued)

The land and buildings are held for charitable purposes rather than for their investment returns and hence are not regarded as investment properties. An annual review is made to establish any permanent diminution in the value of the properties.

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

Farm machinery	twenty years straight-line method
Building improvements	ten years straight-line method

TAXATION

The Soil Association Land Trust 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.

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 area of judgement in these financial statements is the departure from the Companies Act 2006 requirement to depreciate tangible fixed assets in relation to the Charity's buildings as described in the Tangible Fixed Assets accounting policy above.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations	23,027	23,373
Legacies	76,169	-
	<u>99,196</u>	<u>23,373</u>

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (continued)

3 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from charitable lettings	48,940	60,408
Electricity recharges to tenants	28,416	-
Electricity generation income	8,023	10,657
Commercial income	39,300	24,183
	<u>124,679</u>	<u>95,248</u>

4 INVESTMENT INCOME

	Unrestricted funds 2024 Total £	Unrestricted funds 2023 Total £
Bank interest	3,106	1,312
	<u>3,106</u>	<u>1,312</u>

5 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestr. Funds £	Restr. funds £	2024 Total £	Unrestr. Funds £	Restr. funds £	2023 Total £000
Land Heritage Cluster	77,356	-	77,356	49,740	-	49,740
Woodoaks Farm	272,090	70,190	342,280	298,501	26,722	325,223
Development work	12,770	-	12,770	18,859	-	18,859
	<u>362,216</u>	<u>70,190</u>	<u>432,406</u>	<u>367,100</u>	<u>26,722</u>	<u>393,822</u>

The Land Heritage Cluster is made up of the farms donated at the forming of the Trust, a residential holding, Southwood Lodge, and an 8 acre field in Dunkeld, Scotland.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (continued)

6 ANALYSIS OF EXPENDITURE

	Support costs £	Direct costs £	2024 Total £	Support costs £	Direct costs £	2023 Total £000
Land Heritage Cluster	3,945	73,411	77,356	1,395	48,345	49,740
Woodoaks Farm	12,721	329,559	342,280	(24,938)	350,161	325,223
Development work	651	12,119	12,770	529	18,330	18,859
	<u>17,317</u>	<u>415,089</u>	<u>432,406</u>	<u>(23,014)</u>	<u>416,836</u>	<u>393,822</u>

7 SUPPORT AND GOVERNANCE COSTS

	Service charge from parent company £	Finance and legal £	Governance £	Total support costs £	Overhead recovery from restricted projects £	2024 Total costs allocated £	2023 Total costs allocated £
Land Heritage Cluster	2,211	530	1,204	3,945	-	3,945	1,395
Woodoaks Farm	9,924	2,377	5,403	17,704	(4,983)	12,721	(24,938)
Development work	365	87	199	651	-	651	529
Support costs	<u>12,500</u>	<u>2,994</u>	<u>6,806</u>	<u>22,300</u>	<u>(4,983)</u>	<u>17,317</u>	<u>(23,014)</u>

The basis for the allocation of support costs is direct expenditure on the areas of work and 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 trustees' expenses.

Overhead recovery from restricted projects is an contribution from restricted project funds towards the Charity's overhead costs.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (continued)

8 STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

The staff costs are borne by other group companies. The trustees neither received nor waived any emoluments during the year (2023: £Nil).

Two Trustees (2023: two) were reimbursed for expenses in the year as shown below. This includes out of pocket expenses reimbursed to trustees and expenses paid directly to third parties.

	2024	2023
	£	£
Travel	652	821

9 NET MOVEMENT IN FUNDS

	2024	2023
	£	£
Net movement in funds is stated after charging the following:		
Auditor's remuneration:		
Audit fees	4,670	3,150
Depreciation of owned assets	12,114	10,813

The Soil Association Land Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024 (continued)

10 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Building improvements £	Farm machinery £	Total £
Cost or valuation				
At 1 April 2023 and 31 March 2024	5,862,239	42,346	157,591	6,062,176
Depreciation				
At 1 April 2023	-	7,934	69,633	77,567
Charge for year	-	4,234	7,880	12,114
At 31 March 2024	-	12,168	77,513	89,681
Net book value				
At 31 March 2024	5,862,239	30,178	80,078	5,972,495
At 31 March 2023	5,862,239	34,412	87,958	5,984,609

11 DEBTORS

	2024 £	2023 £
Trade debtors	82,500	33,700
Prepayments and accrued income	67,803	49,972
Amounts owed by group companies	30,484	-
	<u>180,787</u>	<u>83,672</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade creditors	24,298	10,897
Amounts owed to group companies	75,719	10,196
Accruals and other creditors	15,936	16,846
Other taxes and social security	3,200	-
	<u>119,153</u>	<u>37,939</u>

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

13 DESIGNATED FUNDS

	Balance at 31 Mar 2023 £000	Transfers from income and expenditure account £000	Balance at 31 Mar 2024 £000
Fixed asset fund	-	5,972,495	5,972,495
Total designated funds	-	5,972,495	5,972,495

The Trustees have resolved to designate a fixed asset fund at 31 March 2024. This represents the amount of the Charity's unrestricted reserves which are held as tangible fixed assets, largely the farms owned by the Trust. These assets are required for operational activities and are therefore not considered part of the Charity's readily available free reserves.

14 TOTAL FUNDS

	Balance at 1 April 2023 £	Income £	Expend. £	Balance at 31 March 2024 £
Unrestricted funds	6,681,080	226,681	(362,216)	6,545,845
Restricted funds	2,245	104,484	(70,190)	36,539
Total funds	6,683,325	331,465	(432,406)	6,582,384

Restricted funds held at 31 March 2024 relate to restricted appeal income and restricted grant funding for work at Woodoaks Farm.

PRIOR YEAR TOTAL FUNDS

	Balance at 1 April 2022 £	Income £	Expend. £	Balance at 31 March 2023 £
Unrestricted funds	6,928,247	119,933	(367,100)	6,681,080
Restricted funds	7,489	21,478	(26,722)	2,245
Total funds	6,935,736	141,411	(393,822)	6,683,325

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (continued)

15 NET ASSETS BY FUND

	Fixed assets £	Net current assets £	Total 2024 £
Unrestricted funds	5,972,495	573,350	6,545,845
Restricted funds	-	36,359	36,539
Total funds	5,972,495	609,889	6,582,384

PRIOR YEAR NET ASSETS BY FUND

	Fixed assets £	Net current assets £	Total 2023 £
Unrestricted funds	5,984,609	696,472	6,981,080
Restricted funds	-	2,245	2,245
Total funds	5,984,609	698,716	6,683,325

16 CONTINGENT LIABILITY

The charitable company is registered under a group VAT scheme and jointly liable for the group VAT liability, which at the year-end amounted to £586,327 (2023: £393,202)

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (continued)

17 RELATED PARTY TRANSACTIONS

Members of the Board of Trustees do not receive remuneration for the provision of their services as trustees of the Charity.

Total donations received from trustees in the year, including Gift Aid, were £18,750 (2023: £18,750).

David Riddle resigned as a Trustee on 12th January 2024. Purchases from 3D Rural Surveyors Ltd, of which David Riddle is a director, totalled £29,905 inclusive of VAT up to the date of David's resignation (2023: £39,395). Amounts outstanding at 31 March 2024 on purchases made during the year were £nil (2023: £nil).

In the financial year a charge of £104,567 (2023: £84,153) was made from the ultimate parent undertaking to the Land Trust for staff costs and overheads.

Donation income of £8,100 (2023: £nil) was passed from the ultimate parent undertaking to the Land Trust in the year in relation to a fundraising appeal to plant hedgerow at Woodoaks Farm. This income was restricted in the Land Trust's accounts and the balance of these restricted funds at 31 March 2024 was £8,100 (2023: £1,125).

The intercompany amount due from the Land Trust to the ultimate parent undertaking at 31 March 2024 was £75,720 (2023: £21,422).

Another group company, Soil Association Certification Limited, pays the Group's net VAT liability to HMRC on behalf of all of the Group companies. The amount due to the Land Trust from Soil Association Certification in relation to this at 31 March 2024 was £30,484 (2023: £11,226).

18 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is The Soil Association Limited, a charitable company registered in England and Wales. Its charitable registration number is 206862 and its company registration number is 00409726.

The Soil Association is a membership Charity campaigning for planet-friendly food and farming. It is the sole member of the Soil Association Land Trust and controls the Charity by virtue of its power to appoint or remove the majority of trustees.

The smallest and largest group which includes the charitable company, and for which group financial statements are prepared, is The Soil Association Limited. Copies of consolidated financial statements can be obtained from the charitable company's registered office, Spear House, 51 Victoria Street, Bristol, BS1 6AD.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (continued)

19 LESSOR OPERATING LEASE COMMITMENTS

The Charity as lessor.

At the year end the Charity had contracted with tenants, under non-cancellable operating leases, for the following future minimum lease payments:

	2024	2023
	£	£
Amounts receivable:		
- within one year	38,651	30,637
- later than one year and not later than five years	52,023	43,823
- later than five years	5,756	9,593
	96,430	84,053

The Soil Association Land Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024 (continued)

20 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Funds 2023 £
INCOME FROM:				
Donations and legacies	2	23,373	-	23,373
Grants		-	21,478	21,478
Other trading activities	3	95,248	-	95,248
Investment income	4	1,312	-	1,312
Total income		<u>119,933</u>	<u>21,478</u>	<u>141,411</u>
EXPENDITURE ON:				
Charitable Activities	5	(367,100)	(26,722)	(393,822)
Total expenditure		<u>(367,100)</u>	<u>(26,722)</u>	<u>(393,822)</u>
Net (expenditure) / income and net movement in funds		<u>(247,167)</u>	<u>(5,244)</u>	<u>(252,411)</u>
Reconciliation of funds:				
Total funds brought forward	13/14	<u>6,928,247</u>	<u>7,489</u>	<u>6,935,736</u>
Total funds carried forward	13/14	<u>6,681,080</u>	<u>2,245</u>	<u>6,683,325</u>

THE SOIL ASSOCIATION LAND TRUST

England & Wales - Charity number 1121011

Accounts

Company Registration Number: 06259578
Registered Charity Number (in England and Wales): 1121011

The Soil Association Land Trust
Report and Financial Statements
for the year ended
31 March 2023

The Soil Association Land Trust

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The Soil Association Land Trust

TRUSTEES, OFFICERS AND PROFESSIONAL ADVISERS

KEY MANAGEMENT PERSONNEL: TRUSTEES

Thomas Curtis, Chair
Jane Barton
Mehr Fardoonji
Graham Harvey
Joanna Herbert-Stepney
Iain McVicar
Graeme Matravers
David Riddle

COMPANY SECRETARY

Iain McVicar

GOVERNING DOCUMENT

Articles of Association (as revised 28 June 2017)

CONSTITUTION

Company limited by guarantee and registered charity

REGISTERED OFFICE

Spear House
51 Victoria Street
Bristol
BS1 6AD

BANKERS

Triodos Bank
Deanery Road
Bristol
BS1 5AS

SOLICITORS

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

AUDITOR

RSM UK Audit LLP
Second Floor
One The Square
Temple Quay
Bristol
BS1 6DG

The Soil Association Land Trust

TRUSTEES' REPORT

The trustees present their annual report and the audited financial statements of the charitable company for the year ended 31 March 2023. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting of Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102), effective 1 January 2019.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Soil Association Land Trust (the Charity) is registered as a charity, number 1121011 (England and Wales) and is limited by guarantee, company registration number 06259578. Details of trustees, officers and professional advisors and other information are set out on page 1. The Charity is consolidated into the group accounts of The Soil Association Limited as it is deemed to be a subsidiary by virtue of control.

STRUCTURE GOVERNANCE AND MANAGEMENT

Governance

The Charity is a company limited by guarantee and governed by a Memorandum and Articles of Association (last revised on 28 June 2017).

The governing body of the Charity is the Board of Trustees and meets four times a year. The Board of Trustees consists of five to ten trustees comprising Founder Trustees, Appointed Trustees and Co-opted Trustees. Appointed trustees (no fewer than four) are appointed by the members. The Board elects a Chair from the Appointed Trustees and can appoint Co-opted Trustees. Trustee appointments, excepting the Founder Trustees, 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 if the Board, and where applicable the members, determine it to be in the best interests of the Charity.

A Memorandum of Understanding with the parent charitable company, Soil Association Ltd, sets out guidelines for areas of collaboration and shared use of services.

The parent charitable company, Soil Association Ltd, provides directors and officers indemnity insurance which covers the trustees of subsidiary companies and any other member of staff of the group.

Statement of Trustees' responsibilities

The trustees (who are also directors of The Soil Association Land Trust 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).

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

STRUCTURE GOVERNANCE AND MANAGEMENT (continued)

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 of the incoming resources and application of resources, including the income and expenditure, of the Charity 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. They are also responsible for safeguarding the assets of the Charity 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 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 Charity 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.

Objectives and activities

The Charity is committed to two charitable objects:

- to preserve, conserve and protect for the public benefit the environment of the countryside through the prudent management and holding of land and the use of natural resources, including the promotion and use of organic, traditional and sustainable land management techniques and related activities; and
- the education of the public in the same.

The Charity provides a safe haven for sustainably managed land, enabling retiring farmers and others to secure a future for their land, and to ensure that their life's work is preserved and provides a legacy for future farming generations.

The Charity provides access to farms to enable people to enjoy the beauty and stewardship of the countryside and to understand the importance of food and farming in our society today. We want people to feel truly connected with the land in a way that inspires and educates.

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE

We continue to develop our work to help direct and achieve our objectives under our three core themes:

- Securing land for the common good
- Enabling farms to be thriving businesses
- Encouraging new entrants and innovation

Our focus over the last year has been on the development of our plans at Woodoaks Farm together with commencing the review of our strategy and organisational structure. In March, Trustees agreed to proceed with a bid to the Heritage Lottery Fund in support of plans for Woodoaks. Trustees also gave consideration to a major proposal for off-grid EV car charging at Woodoaks, but decided against proceeding.

Securing land for common good

Building on the huge amount of work instigated by the dedicated Programme Manager at Woodoaks, we have drafted a Masterplan for the farm to integrate farming, food production and diversified enterprises with environmental enhancement and connecting people with the food they eat.

Conversion to organic farming has begun and a 70 acre agroforestry project has been started with the help of a Countryside Stewardship Scheme. A Nature Conservation Plan has been drafted which includes reinstating hedgerows, tree planting, creating new wildflower margins, improving floristic diversity of meadows and pastures, and establishing new farm ponds.

A major funding bid to the Heritage Lottery Fund has been submitted to support our vision for Woodoaks to be a place for all people to come and learn about how their food is grown and how to care for our natural environment. This includes plans for the conversion of redundant farm buildings for educational and community use.

We have developed a base of over 100 volunteers who have planted more hedgerows, coppiced woodland and established a weekly compost club. Several local schools have taken part in educational visits with high demand for more. Public open days and events such as bat walks and fungi foraging, have been strongly supported with growing public interest in the farm and our developing vision.

Development work at Woodoaks has been funded by approved allocations from the Paget Fund.

During the year, we continued to undertake land assessments for potential legacies and completed assessments and reports on one other potential land legacy.

Together with the Biodynamic Land Trust and the Ecological Land Co-operative, we formed a working group to develop a plan to bring land trusts and land-based organisations together to further explore how we might collaborate to protect land for the common good.

We have been following progress with the Government's introduction of Conservation Covenants as a new legal mechanism to protect land without the need for ownership. We are working with the Soil Association to explore how both organisations could make best use of them.

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Enabling farms to be thriving businesses

At Woodoaks Farm, we completed a Masterplan for a pre-planning consultation with the Local Authority this includes proposals to re-use buildings to support existing and new business. This was informed by feedback from local residents following a consultation to explore food consumption and buying habits and what people would like to see at the farm.

The new grower, Rickey's Alkaline Market Garden, was established in a year where extreme hot weather made growing a challenge. Further infrastructure for the market garden and future horticultural enterprises was completed.

A new farm business tenancy was agreed with the tenant farmers using a model to support our farming approach – to protect and enhance the natural environment, produce good food and engage with people.

We continue to work with our existing farms and monitor the worrying impacts of dwindling support from Government funding.

Encouraging new entrants and innovation

At Woodoaks, the Soil Association Farming and Land Use team continued their support to develop the organic conversion plan and new agroforestry project. The farm is now actively involved in the Soil Association led Innovative Farmers Scheme and the Soil Association Exchange.

In February we welcomed a new grower specialising in local seasonal flowers. We hope to appoint a second grower in the forthcoming year.

Outside of Woodoaks, we worked extensively with an existing land pledger to develop a plan to facilitate a new entrant tenant to enable the process of succession transition.

OBJECTIVES FOR THE FUTURE

In the coming year we will focus on completing our strategic review, in particular:

- Put in place organisational and structural changes to the Charity following our Strategic Review and draw up an Action Plan for implementation
- Hopefully enter a formal Development Phase for a Heritage Lottery Funded project at Woodoaks to create our community, education and events facility
- Develop a fully resourced model for working more closely with potential donors of land
- Continue to work with our existing tenants and help them navigate through the changes to farming support
- Work with the Soil Association to develop our use of Conservation Covenants approach to protect more land for common good
- Work with other land trusts and land-based organisations to develop the Land Trusts UK Network to strengthen our collective work protecting land for the common good

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

FINANCIAL REVIEW

Total income in the year amounted to £141,411 (2022: £130,956), an increase of £10,455 from the previous year. Rental income from the Charity's farms and investment property amounted to £60,408 (2022: £51,232), an increase from the previous year due to new rental income from land and buildings at Woodoaks Farm.

Total expenditure amounted to £393,822 (2022: £243,142), an increase of £150,680 from the prior year. Spend on Woodoaks Farm increased by £159,371 from the prior year due to the continuation of investment in the site. Spend on the Land Heritage Cluster was down £16,297 on the previous year due to reduced repairs and maintenance spend on these properties. Spend on development work, including investigating potential new properties, increased by £7,606 from the prior year.

The amounts received, and resources expended, including further investment in the Woodoaks site during the year, generated a net deficit of £252,411 (2022: £112,186 deficit).

The total assets of the Charity at 31 March 2023 were £6,683,325, reduced by £252,411 from the prior year end. Cash at bank decreased by £330,385, mostly due to the £252,411 deficit in the year but also due to a £50,876 decrease in creditors, as the intercompany debt was reduced by £32,519 and trade creditors also reduced by £10,682. In addition, debtors increased by £20,565 from the prior year end, with both trade debtors and accrued income increasing year on year.

Reserves at 31 March 2023

At 31 March 2023 the total funds held by the Charity were £6,683,325, reduced from £6,935,736 at 31 March 2022. Of the total funds at 31 March 2023, £6,681,080 were unrestricted funds and £2,245 were restricted.

Unrestricted reserves

The Board of 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 the trust business model. In this respect, free unrestricted reserves are considered to be readily available cash or cash equivalents that the Trustees can call upon to mitigate adverse events or to exploit unexpected opportunities.

In 2022/2023 the desired reserves range was set at between £780,000 and £1,030,000. Having reserves within this range was believed to provide an adequate level of financial resilience for the year that would allow the Trust to continue to deliver its core activities should risks to the Trust's finances materialise. This was on the assumption that there would be expenditure of between £500,000 and £700,000 on a large project at Woodoaks Farm. The actual expenditure at Woodoaks Farm in the year totalled £301,000. The Trust ended the year with a reserves level of £697,000, which was below the desired range, however acceptable due to spending less than forecast on Woodoaks Farm.

Whilst there is substantial ongoing investment required at Woodoaks Farm, much of this spend is likely to take place from 2025 onward. The trust is aiming to raise funding for a substantial proportion of the development work anticipated.

Taking all these factors into account results in a desired reserves range for 2023/2024 of between £360,000 and £460,000.

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

FINANCIAL REVIEW (continued)

Restricted reserves

Further restricted grants for Woodoaks Farm were received in the year. Expenditure against these grants and restricted funds received in the prior year meant that the Land Trust held £2,245 of restricted funds at 31 March 2023 (2022: £7,489). These funds are all held in cash and are expected to be spent by 31 March 2024.

Financial Controls

The trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. The systems of financial control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- The annual budget, approved by the trustees;
- Regular consideration by the trustees of financial results and variance from budget; and
- Identification and management of risks.

Going Concern

Given the high level of reserves held at 31st March 2023, there are not considered to be any major financial risks which would impact the going concern of the Charity in the coming financial year. The Charity is looking to develop income streams to support the day-to-day running costs and development of the Land Trust estate so that the large donation received in March 2021, which makes up the majority of the free reserves held by the organisation, can be used for long-term investment purposes.

A going concern assessment has been performed by the trustees which has involved the following:

- Preparation and review of cash flow forecasts up to September 2024 which show that the Charity is expected to maintain sufficient cash balances throughout this period to be able to meet their liabilities as they fall due.
- Assessment of the major financial risks facing the Charity as outlined above and their potential impact on the cash flow forecasts presented.

The result of the above assessment is that the trustees have noted no material uncertainties that would mean it is not appropriate for the Charity to adopt the going concern basis.

Auditor

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

The report was approved by the Board of Trustees on 13th July 2023 and signed on their behalf by:



Thomas Curtis
Chair of Trustees

The Soil Association Land Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST LIMITED

Opinion

We have audited the financial statements of The Soil Association Land Trust Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 charitable company's affairs as at 31 March 2023 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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 Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' 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.

The Soil Association Land Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST (continued)

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 Trustees' 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 Trustees' 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 charitable company and its 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 Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on pages 2 and 3, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

The Soil Association Land Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST (continued)

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 audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is 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 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

The Soil Association Land Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST (continued)

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 audit engagement team identified the risk of management override of controls and income recognition in respect of donations 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 and performing detailed testing on a sample of donations received in the year.

A further description of our responsibilities for the audit of the financial statements is located 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: 4 August 2023

The Soil Association Land Trust
STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
Year ended 31 March 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
INCOME FROM:					
Donations and legacies	2	23,373	-	23,373	43,568
Grants		-	21,478	21,478	27,742
Other trading activities	3	95,248	-	95,248	59,405
Investment income	4	1,312	-	1,312	241
Total income		<u>119,933</u>	<u>21,478</u>	<u>141,411</u>	<u>130,956</u>
EXPENDITURE ON:					
Charitable Activities	5	(367,100)	(26,722)	(393,822)	(243,142)
Total expenditure		<u>(367,100)</u>	<u>(26,722)</u>	<u>(393,822)</u>	<u>(243,142)</u>
Net (expenditure) / income and net movement in funds		<u>(247,167)</u>	<u>(5,244)</u>	<u>(252,411)</u>	<u>(112,186)</u>
Reconciliation of funds:					
Total funds brought forward	13/14	<u>6,928,247</u>	<u>7,489</u>	<u>6,935,736</u>	<u>7,047,922</u>
Total funds carried forward	13/14	<u>6,681,080</u>	<u>2,245</u>	<u>6,683,325</u>	<u>6,935,736</u>

The accompanying notes on pages 16 to 26 are an integral part of the financial statements.

A comparative Statement of Financial Activities for year ended 31 March 2022 is included in note 19.

The Soil Association Land Trust

BALANCE SHEET

As at 31 March 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	10	5,984,609	5,978,076
CURRENT ASSETS			
Debtors	11	83,672	63,107
Cash at bank and in hand		652,983	983,368
		<u>736,655</u>	<u>1,046,475</u>
CREDITORS: Amounts falling due within one year	12	<u>(37,939)</u>	<u>(88,815)</u>
NET CURRENT ASSETS		<u>698,716</u>	<u>957,660</u>
NET ASSETS		<u><u>6,683,325</u></u>	<u><u>6,935,736</u></u>
FUNDS AND RESERVES			
Unrestricted funds	13/14	6,681,080	6,928,247
Restricted funds	13/14	2,245	7,489
TOTAL FUNDS		<u><u>6,683,325</u></u>	<u><u>6,935,736</u></u>

The accompanying notes on pages 16 to 26 are an integral part of the financial statements.

These financial statements were approved by the Board of Trustees on 13th July 2023 and signed on their behalf by:



Thomas Curtis
Chair of Trustees

The Soil Association Land Trust

STATEMENT OF CASHFLOWS

for the year ended 31 March 2023 (continued)

	2023 £	2022 £
Net cash (outflow) / inflow from operating activities	(313,039)	335,167
Purchase of property, plant and equipment	(17,346)	-
(Decrease) / increase in cash in the year	<u>(330,385)</u>	<u>335,167</u>
Total cash at the beginning of the year	983,368	648,201
Total cash at the end of the year	<u>652,983</u>	<u>983,368</u>

Reconciliation of changes in resources to net cash (outflow) / inflow from operating activities

	2023 £	2022 £
Net movement in funds	(252,411)	(112,186)
Depreciation	10,813	10,380
(Increase) / decrease in debtors	(20,565)	461,844
Decrease in creditors	(50,876)	(24,871)
Net cash (outflow) / inflow from operating activities	<u>(313,039)</u>	<u>335,167</u>

Reconciliation of net cash flow to movement in net funds

	2023 £	2022 £
(Decrease) / increase in cash in the year	<u>(330,385)</u>	<u>335,167</u>
Movement in net funds in the year	(330,385)	335,167
Net funds at beginning of year	983,368	648,201
Net funds at end of year	<u>652,983</u>	<u>983,368</u>

The Soil Association Land Trust

STATEMENT OF CASHFLOWS

for the year ended 31 March 2023 (continued)

Analysis of net funds	At 1 April	Cash flow	At 31 March
	2022		2023
	£	£	£
Cash at bank and in hand	983,368	(330,385)	652,983
Net funds	<u>983,368</u>	<u>(330,385)</u>	<u>652,983</u>

Cash at bank and in hand figures in the notes includes liquid cash assets only.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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 Land Trust 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 pound.

The registered office and principal place of business is Spear House, 51 Victoria Street, Bristol BS1 6AD.

PREPARATION OF THE ACCOUNTS ON A GOING CONCERN BASIS

A going concern assessment has been performed by the trustees which has involved the following:

- Preparation and review of cash flow forecasts up to September 2024 which show that the Charity is expected to maintain sufficient cash balances throughout this period to be able to meet their liabilities as they fall due.
- Assessment of the major financial risks facing the Charity and their potential impact on the cash flow forecasts presented. The trustees consider the most significant risk for the Charity to be shortfalls in income, in particular donation and legacy income which fund more discretionary charitable expenditure.

The result of the above assessment is that the trustees have noted no material uncertainties that would mean it is not appropriate for the Charity to adopt the going concern basis.

COMPANY STATUS

The Charity is a company limited by guarantee and has no share capital. The directors of the company are the trustees named on page 1. 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.

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

FINANCIAL INSTRUMENTS

The charity 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.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 (continued)

1 ACCOUNTING POLICIES (continued)

INCOME

All incoming resources are included in the SOFA (Statement of Financial Activities) when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. These specific policies apply to the following categories of income:

- Donations and gifts are recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.
- Income from grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been or are expected to be met, it is probable that the income will be received and the amount can be measured reliably;
- Rents receivable represents rental income and is recognised at the fair value of the consideration received or receivable for services provided.
- Legacy income is recognised when the Charity is deemed to be entitled to the funds, it is probable that the income will be received and the amount can be measured reliably. 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.

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 on charitable activities includes the costs of conserving and improving the Charity's properties to further the purposes of the Charity, and their associated support costs.

TANGIBLE FIXED ASSETS

Tangible fixed assets with a value of £500 or more are capitalised and included at deemed cost / fair value including any incidental expenses of acquisition.

No depreciation is charged on freehold land and buildings as the lives of the properties are considered to be indefinite and residual values to be high enough to ensure that there is no significant annual depreciation.

The Companies Act 2006 requires tangible fixed assets to be depreciated over a finite period. The trustees consider that the land and buildings have an infinite life, given the repairs and maintenance afforded to these assets. 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.

The land and buildings are held for charitable purposes rather than for their investment returns and hence are not regarded as investment properties.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 (continued)

1 ACCOUNTING POLICIES (continued)

An annual review is made to establish any permanent diminution in the value of the properties.

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

Farm machinery	twenty years straight-line method
Building improvements	ten years straight-line method

TAXATION

The Soil Association Land Trust 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.

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 area of judgement in these financial statements is the departure from the Companies Act 2006 requirement to depreciate tangible fixed assets in relation to the Charity's buildings as described in the Tangible Fixed Assets accounting policy above.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	2023 Total £	Unrestricted Funds £	Restricted Funds £	2022 Total £000
Donations	23,373	23,373	23,568	20,000	43,568
	<u>23,373</u>	<u>23,373</u>	<u>23,568</u>	<u>20,000</u>	<u>43,568</u>

3. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2023 Total £	Unrestricted funds 2022 Total £
Income from charitable lettings	60,408	51,232
Electricity generation income	10,657	7,673
Commercial income	<u>24,183</u>	<u>500</u>
	<u>95,248</u>	<u>59,405</u>

The Soil Association Land Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023 (continued)

4. INVESTMENT INCOME

	Unrestricted funds 2023 Total £	Unrestricted funds 2022 Total £
Bank interest	1,312	241
	<u>1,312</u>	<u>241</u>

5 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestr. Funds £	Restr. funds £	2023 Total £	Unrestr. Funds £	Restr. funds £	2022 Total £000
Land Heritage Cluster	49,740	-	49,740	66,037	-	66,037
Woodoaks Farm	298,501	26,722	325,223	130,368	35,484	165,852
Development work	18,859	-	18,859	6,484	4,769	11,253
	<u>367,100</u>	<u>26,722</u>	<u>393,822</u>	<u>202,889</u>	<u>40,253</u>	<u>243,142</u>

- Land Heritage Cluster are the farms donated at the forming of the Trust and include a residential holding, Southwood Lodge, and an 8 acre field in Dunkeld, Scotland.

6 ANALYSIS OF EXPENDITURE

	Support costs £	Direct costs £	2023 Total £	Support costs £	Direct costs £	2022 Total £000
Land Heritage Cluster	1,395	48,345	49,740	1,931	64,106	66,037
Woodoaks Farm	(24,938)	350,161	325,223	(58,178)	224,030	165,852
Development work	529	18,330	18,859	329	10,924	11,253
	<u>(23,014)</u>	<u>416,836</u>	<u>393,822</u>	<u>(55,918)</u>	<u>299,060</u>	<u>243,142</u>

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 (continued)

7 SUPPORT AND GOVERNANCE COSTS

	Overhead charge from parent company £	Finance and legal £	Governance £	Total support costs £	Interco. debt write-off £	2023 Total costs allocated £	2022 Total costs allocated £
Land Heritage Cluster	870	5	520	1,395	-	1,395	1,931
Woodoaks Farm	6,300	37	3,770	10,107	(35,045)	(24,938)	(58,178)
Development work	330	2	197	529	-	529	329
Support costs	7,500	44	4,487	12,031	(35,045)	(23,014)	(55,918)

The basis for the allocation of support costs is direct expenditure on the areas of work and 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 trustees' expenses.

The intercompany debt write-off relates to write-down of the historical debt owed by Soil Association Land Trust to Soil Association Limited. A joint working agreement has been put in place between the two organisations whereby Soil Association Limited will reduce the long-term debt by the amount the Land Trust invests in developing Woodoaks Farm. This is because the project is expected to deliver outcomes which will be of mutual benefit to Soil Association. The long-term intercompany debt owed by the Land Trust to Soil Association Ltd was fully written off at 31st March 2023 (2022: balance of £35,045). The total intercompany balance owed by the Land Trust to Soil Association Limited at 31st March 2023 is £21,422 (2022: £42,702), as disclosed in note 16.

8 STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

The staff costs are borne by other group companies. The trustees neither received nor waived any emoluments during the year (2022: £Nil).

Two Trustees (2022: Two trustees) were reimbursed for expenses in the year as shown below. This includes out of pocket expenses reimbursed to trustees and expenses paid directly to third parties.

	2023 £	2022 £
Travel	821	459

The Soil Association Land Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023 (continued)

9 NET MOVEMENT IN FUNDS

	2023 £	2022 £
Net movement in funds is stated after charging the following:		
Auditor's remuneration:		
Audit fees	3,150	3,000
Depreciation of owned assets	10,813	10,380
	<u> </u>	<u> </u>

10 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Building improvements £	Farm machinery £	Total £
Cost or valuation				
At 1 April 2022	5,862,239	25,000	157,591	6,044,830
Additions	-	17,346	-	17,346
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2023	5,862,239	42,346	157,591	6,062,176
Depreciation				
At 1 April 2022	-	5,000	61,754	66,754
Charge for year	-	2,934	7,879	10,813
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2023	-	7,934	69,633	77,567
Net book value				
At 31 March 2023	5,862,239	34,412	87,958	5,984,609
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2022	5,862,239	20,000	95,837	5,978,076
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Soil Association Land Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023 (continued)

11 DEBTORS

	2023	2022
	£	£
Trade debtors	33,700	26,621
Prepayments and accrued income	49,972	36,486
	<u>83,672</u>	<u>63,107</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	10,897	21,579
Amounts owed to group companies	10,196	42,715
Deferred income	895	895
Accruals	15,951	23,626
	<u>37,939</u>	<u>88,815</u>

Deferred income relates to rental income paid in advance.

Deferred income reconciliation:

	2023	2022
	£	£
At beginning of year	895	-
Income deferred in year	-	895
	<u>895</u>	<u>895</u>
At end of year	<u>895</u>	<u>895</u>

13 TOTAL FUNDS

	Balance at 1 April 2022 £	Income £	Expend. £	Balance at 31 March 2023 £
Unrestricted funds	6,928,247	119,933	(367,100)	6,681,080
Restricted funds	7,489	21,478	(26,722)	2,245
	<u>6,935,736</u>	<u>141,411</u>	<u>(393,822)</u>	<u>6,683,325</u>

Restricted funds held at 31 March 2023 relate to restricted appeal income and restricted grant funding for work at Woodoaks Farm, including hedge planting.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 (continued)

PRIOR YEAR TOTAL FUNDS

	Balance at 1 April 2021 £	Income £	Expend. £	Balance at 31 March 2022 £
Unrestricted funds				
Unrestricted funds	7,047,922	83,214	(202,889)	6,928,247
Restricted funds	-	47,742	(40,253)	7,489
Total funds	<u>7,047,922</u>	<u>130,956</u>	<u>(243,142)</u>	<u>6,683,325</u>

14 NET ASSETS BY FUND

	Fixed assets £	Net current assets £	Total 2023 £
Unrestricted funds	5,984,609	696,472	6,681,080
Restricted funds	-	2,245	2,245
Total funds	<u>5,984,609</u>	<u>698,716</u>	<u>6,683,325</u>

PRIOR YEAR NET ASSETS BY FUND

	Fixed assets £	Net current assets £	Total 2022 £
Unrestricted funds	5,978,076	950,171	6,928,247
Restricted funds	-	7,489	7,489
Total funds	<u>5,978,076</u>	<u>957,660</u>	<u>6,935,736</u>

15 CONTINGENT LIABILITY

The charitable company is registered under a group VAT scheme and jointly liable for the group VAT liability, which at the year-end amounted to £393,202 (2022: £403,334)

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 (continued)

16 RELATED PARTY TRANSACTIONS

Members of the Board of Trustees do not receive remuneration for the provision of their services as trustees of the Charity.

Total donations received from trustees in the year, including Gift Aid, were £18,750 (2022: £18,750).

Purchases from 3D Rural Surveyors Ltd, of which David Riddle is a director, totalled £39,395 inclusive of VAT (2022: £19,869). Amounts outstanding at 31 March 2023 on purchases made during the year were £nil incl. VAT (2022: £nil).

In the financial year a charge of £84,153 (2022: £80,065) was made from the ultimate parent undertaking to the Land Trust for staff costs and overheads.

Grant funding of £nil (2022: £4,769) was passed from the ultimate parent undertaking to the Land Trust in the year. Donation income of £nil (2022: £20,000) was passed from the ultimate parent undertaking to the Land Trust in the year in relation to a fundraising appeal to plant hedgerow at Woodoaks Farm. This income was restricted in the Land Trust's accounts in the prior year and the balance of these restricted funds at 31 March 2023 was £1,125 (2022: £7,489).

In the prior year, the Land Trust and the ultimate parent undertaking came to an agreement whereby the long-term intercompany debt owed by Land Trust 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 £35,045 was written off the long-term debt during the year (2022: £64,926) and this long-term debt is now fully written off. The intercompany amount due from the Land Trust to the ultimate parent undertaking at 31 March 2023 was £21,422 (2022: £42,702).

Another group company, Soil Association Certification Limited, pays the Group's net VAT liability to HMRC on behalf of all of the Group companies. The amount due to the Land Trust from Soil Association Certification in relation to this at 31 March 2023 was £11,226 (2022: £13).

17 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is The Soil Association Limited, a charitable company registered in England and Wales. Its charitable registration number is 206862 and its company registration number is 00409726.

The Soil Association is a membership Charity campaigning for planet-friendly food and farming. It is the sole member of the Soil Association Land Trust and controls the Charity by virtue of its power to appoint or remove the majority of trustees.

The smallest and largest group which includes the charitable company, and for which group financial statements are prepared, is The Soil Association Limited. Copies of consolidated financial statements can be obtained from the charitable company's registered office, Spear House, 51 Victoria Street, Bristol, BS1 6AD.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 (continued)

18 LESSOR OPERATING LEASE COMMITMENTS

The Charity as lessor.

At the year end the Charity had contracted with tenants, under non-cancellable operating leases, for the following future minimum lease payments:

	2023	2022
	£	£
Amounts receivable:		
- within one year	30,637	33,832
- later than one year and not later than five years	43,823	51,418
- later than five years	9,593	21,025
	<u>84,053</u>	<u>106,274</u>

The Soil Association Land Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023 (continued)

19 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Funds 2022 £
INCOME FROM:				
Donations and legacies	2	23,568	20,000	43,568
Grants		-	27,742	27,742
Other trading activities	3	59,405	-	59,405
Investment income	4	241	-	241
Total income		<u>83,214</u>	<u>47,742</u>	<u>130,956</u>
EXPENDITURE ON:				
Charitable Activities	5	202,889	40,253	243,142
Total expenditure		<u>202,889</u>	<u>40,253</u>	<u>243,142</u>
Net (expenditure) / income and net movement in funds		<u>(119,675)</u>	<u>7,489</u>	<u>(112,186)</u>
Reconciliation of funds:				
Total funds brought forward	13/14	<u>7,047,922</u>	<u>-</u>	<u>7,047,922</u>
Total funds carried forward	13/14	<u>6,928,247</u>	<u>7,489</u>	<u>6,935,736</u>

THE SOIL ASSOCIATION LAND TRUST

England & Wales - Charity number 1121011

Accounts

Company Registration Number: 06259578
Registered Charity Number (in England and Wales): 1121011

The Soil Association Land Trust
Report and Financial Statements
for the year ended
31 March 2022

The Soil Association Land Trust

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The Soil Association Land Trust

TRUSTEES, OFFICERS AND PROFESSIONAL ADVISERS

KEY MANAGEMENT PERSONNEL: TRUSTEES

Thomas Curtis, Chair
Jane Barton
Mehr Fardoonji
Graham Harvey
Joanna Herbert-Stepney
Iain McVicar
Graeme Matravers
David Riddle

COMPANY SECRETARY

Iain McVicar

GOVERNING DOCUMENT

Articles of Association (as revised 28 June 2017)

CONSTITUTION

Company limited by guarantee and registered charity

REGISTERED OFFICE

Spear House
51 Victoria Street
Bristol
BS1 6AD

BANKERS

Triodos Bank
Deanery Road
Bristol
BS1 5AS

SOLICITORS

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 6DG

The Soil Association Land Trust

TRUSTEES' REPORT

The trustees present their annual report and the audited financial statements of the charitable company for the year ended 31 March 2022. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting of Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102), effective 1 January 2019.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Soil Association Land Trust (the Charity) is registered as a charity, number 1121011 (England and Wales) and is limited by guarantee, company registration number 06259578. Details of trustees, officers and professional advisors and other information are set out on page 1. The Charity is consolidated into the group accounts of The Soil Association Limited as it is deemed to be a subsidiary by virtue of control.

STRUCTURE GOVERNANCE AND MANAGEMENT

Governance

The Charity is a company limited by guarantee and governed by a Memorandum and Articles of Association (last revised on 28 June 2017).

The governing body of the Charity is the Board of Trustees and meets four times a year. The Board of Trustees consists of five to ten trustees comprising Founder Trustees, Appointed Trustees and Co-opted Trustees. Appointed trustees (no fewer than four) are appointed by the members. The Board elects a Chair from the Appointed Trustees and can appoint Co-opted Trustees. Trustee appointments, excepting the Founder Trustees, 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 if the Board, and where applicable the members, determine it to be in the best interests of the Charity.

A Memorandum of Understanding with the parent charitable company, Soil Association Ltd, sets out guidelines for areas of collaboration and shared use of services.

The parent charitable company, Soil Association Ltd, provides directors and officers indemnity insurance which covers the trustees of subsidiary companies and any other member of staff of the group.

Statement of Trustees' responsibilities

The trustees (who are also directors of The Soil Association Land Trust 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).

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

STRUCTURE GOVERNANCE AND MANAGEMENT (continued)

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 of the incoming resources and application of resources, including the income and expenditure, of the Charity 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. They are also responsible for safeguarding the assets of the Charity 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 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 Charity 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.

Objectives and activities

The Charity is committed to two charitable objects:

- to preserve, conserve and protect for the public benefit the environment of the countryside through the prudent management and holding of land and the use of natural resources, including the promotion and use of organic, traditional and sustainable land management techniques and related activities; and
- the education of the public in the same.

The Charity provides a safe haven for sustainably managed land, enabling retiring farmers and others to secure a future for their land, and to ensure that their life's work is preserved and provides a legacy for future farming generations.

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

STRUCTURE GOVERNANCE AND MANAGEMENT (continued)

The Charity provides access to farms to enable people to enjoy the beauty and stewardship of the countryside and to understand the importance of food and farming in our society today. We want people to feel truly connected with the land in a way that inspires and educates.

ACHIEVEMENTS AND PERFORMANCE

We continue to develop our work to help direct and achieve our objectives under our three core themes:

- Securing land for the common good
- Enabling farms to be thriving businesses
- Encouraging new entrants and innovation

Securing land for common good

Working jointly with the Soil Association, we appointed a Programme Manager to develop the vision and strategic plan for the recently gifted Woodoaks Farm. A huge amount of work and activity has taken place during the year to assess all aspects of the farm and its potential impact for regeneration including: collating baseline data on the condition and potential of the land; undertaking wildlife surveys and making a conservation management plan; tree and hedge planting; reviewing the condition of all buildings and undertaking essential repairs; making improvements to public access; drawing up an organic conversion plan; developing a plan for new farming and food enterprises and building a local support base.

Investment from the newly established Paget Fund has supported development at Woodoaks during the year.

An exciting and rewarding aspect of this initial phase has been the opportunity to engage the local community from the outset. With the help of 3 local schools, 2 local businesses and over 100 volunteers, 850 metres of new hedgerow have been planted. We have also developed a volunteer network holding weekly sessions undertaking conservation tasks, creating a compost club and helping our new grower set up his growing beds. In addition, we also improved and created a new public access route to join up other routes on the farm, creating a new circular walk.

We continued to undertake land assessments for potential legacies. We accepted a pledge to bequeath a 67 acre holding in the South of England and a legacy of a residential property in Wales intended for retiring farmers. We completed assessments and reports on three other potential land legacies including one rejection.

Enabling farms to be thriving businesses

At Woodoaks Farm, we are developing a master plan which integrates farming, food production and diversified enterprises to create a robust, regenerative system which supports climate friendly farming and protects biodiversity while connecting people with the food they eat, the businesses producing it and the land it grows on. Aspects of the plan include developing the farm buildings into food and community spaces; agroforestry; integrating new farming and growing enterprises; renewable energy and, in advance of organic conversion in 2023, working with existing tenant farmers to improve soil fertility by reducing inputs, planting herb rich leys and new hedgerows.

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

To support the vision at Woodoaks, we are exploring a financial model / models to work alongside the developing enterprises and the overall master plan including accessing new agri-environment funding, heritage funding for listed buildings and crowdfunding support.

In addition, we continue to work with our existing farms to support new plans and business opportunities.

Encouraging new entrants and innovation

At Woodoaks Farm, we have had the opportunity to work with the Soil Association Farming and Land Use team and the existing tenant to innovate an agroecological vision for the farm which includes a plan for agroforestry, new tree and hedge planting; new crops and herbal leys; and new entrants for both farming and diversified enterprises.

We invited potential partners to apply for tenancy and be part of our vision. Over 90 applicants were attracted by the offer and the first grower was appointed in March 2022. He has already involved the local community to help set up his permaculture site which will specialise in alkaline growing. Our future plans include adding new food producers and processors in poultry and egg production, a bakery, a food forest and flower growing.

OBJECTIVES FOR THE FUTURE

In the coming year we will focus on developing our strategic themes in particular:

- Continue to develop the plan for Woodoaks Farm including new enterprises and projects and community outreach
- Develop a model from the learnings at Woodoaks that we can apply to other Trust farms and new potential land donations
- Appoint a fundraiser to develop the funding plan for the Trust and apply for funds
- Review our organisational structure in light of the experience of Woodoaks over the last year and other bequests of land that may transfer into our legal ownership in the next 5 years
- Develop a model for how we might use Conservation Covenants to protect more land for common good as and when they emerge from the Environment Act
- Continue to work with our existing tenants to help them take advantage of opportunities presented by new government support for environment and agriculture

FINANCIAL REVIEW

Total income in the year amounted to £130,956 (2021: £4,258,474), a decrease of £4,127,518 from the previous year due to the gift of Woodoaks Farm to the Charity in prior year along with a significant individual donation. Rental income from the Charity's farms and investment property amounted to £51,232 (2021: £33,917), an increase of £17,315 from the previous year due to new tenants at Southwood Lodge and a full year of rental income from Woodoaks Farm.

Total expenditure amounted to £243,142 (2021: £73,078), an increase of £170,064 from the prior year. Spend on Woodoaks Farm increased by £148,385 from the prior year due to the start of investment in the site. Spend on the Land Heritage Cluster was also up £26,958 on the previous year due to increased repairs and maintenance spend on these properties.

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

FINANCIAL REVIEW (continued)

The amounts received, and resources expended during the year generated a net deficit of £112,186, compared to a surplus of £4,185,396 in the prior year.

Reserves at 31 March 2022

At 31 March 2022 the total funds held by the Charity were £6,935,736, reduced from £7,047,922 at 31 March 2021. Of the total funds at 31 March 2022, £6,928,247 were unrestricted funds and £7,489 were restricted.

Unrestricted reserves

The Board of 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 the trust business model. In this respect free unrestricted reserves are considered to be readily available cash or cash equivalents that the Trustees can call upon to mitigate adverse events or to exploit unexpected opportunities.

In 2021/22 the desired free reserves range was set at between £275,000 and £418,000. Having reserves within this range was believed to provide an adequate level of financial resilience for the year that would allow the Land Trust to continue to deliver its core activities should risks to the Charity's finances materialise. The Charity ended the year with free unrestricted reserves of £950,000, which is substantially above the desired reserves range. The level of reserves is mainly due to a large donation in March 2021.

The trust owns a large farm called Woodoaks Farm, which requires substantial investment. During the year ended 31 March 2022 there was direct expenditure, before support costs, of £244,000 on Woodoaks Farm, which was at the lower level of the range which was expected for last year.

Woodoaks Farm will require substantial investment over the next five years, which we estimate could be around £1.7 million. We have assessed how we might fund this and aim to fund raise a proportion of this money, plus access grants and other funds to pay for a proportion of the work required. We will also use some of our reserves to complete projects at Woodoaks.

Assuming we can undertake the desired work at Woodoaks in a timely manner, the level of investment during the year ended 31 March 2023 might total £500,000 to £700,000.

Taking all these factors into account results in trustees setting a desired reserves range for 2022/23 of between £780,000 and £1,030,000.

Restricted reserves

Restricted donations and grants for Woodoaks Farm received in the year meant that the Land Trust held restricted funds of £7,489 at 31 March 2022, an increase from £nil at 31 March 2021. These funds are all held in cash and are expected to be spent by 31 March 2023.

The Soil Association Land Trust

TRUSTEES' REPORT (continued)

FINANCIAL REVIEW (continued)

Financial Controls

The trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. The systems of financial control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- The annual budget, approved by the trustees;
- Regular consideration by the trustees of financial results and variance from budget; and
- Identification and management of risks.

Going Concern

Given the high level of reserves held at 31st March 2022, there are not considered to be any major financial risks which would impact the going concern of the Charity in the coming financial year. The Charity is looking to develop income streams to support the day-to-day running costs and development of the Land Trust estate so that the large donation received in March 2021, which makes up the majority of the free reserves held by the organisation, can be used for long-term investment purposes.

A going concern assessment has been performed by the trustees which has involved the following:

- Preparation and review of cash flow forecasts up to September 2023 which show that the Charity is expected to maintain sufficient cash balances throughout this period to be able to meet their liabilities as they fall due.
- Assessment of the major financial risks facing the Charity as outlined above and their potential impact on the cash flow forecasts presented.

The result of the above assessment is that the trustees have noted no material uncertainties that would mean it is not appropriate for the Charity to adopt the going concern basis.

Auditor

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

The report was approved by the Board of Trustees on 18 July 2022 and signed on their behalf by:



Thomas Curtis
Chair of Trustees

The Soil Association Land Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST

Opinion

We have audited the financial statements of The Soil Association Land Trust (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 charitable company's affairs as at 31 March 2022 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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 Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' 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.

The Soil Association Land Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST (continued)

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 Trustees' 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 Trustees' 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 charitable company and its 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 Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 3, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

The Soil Association Land Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST (continued)

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 audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is 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 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

The Soil Association Land Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST (continued)

correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The audit engagement team identified the risk of management override of controls and income recognition in respect of donations 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 and performing detailed testing on a sample of donations received in the year.

A further description of our responsibilities for the audit of the financial statements is located 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

The Soil Association Land Trust
STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
Year ended 31 March 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Funds 2022 £	Unrestricted and Total Funds 2021 £
INCOME FROM:					
Donations and legacies	2	23,568	20,000	43,568	4,212,580
Grants		-	27,742	27,742	4,913
Other trading activities	3	59,405	-	59,405	40,898
Investment income	4	241	-	241	83
Total income		<u>83,214</u>	<u>47,742</u>	<u>130,956</u>	<u>4,258,474</u>
EXPENDITURE ON:					
Charitable Activities	5	202,889	40,253	243,142	73,078
Total expenditure		<u>202,889</u>	<u>40,253</u>	<u>243,142</u>	<u>73,078</u>
Net (expenditure) / income and net movement in funds		<u>(119,675)</u>	<u>7,489</u>	<u>(112,186)</u>	<u>4,185,396</u>
Reconciliation of funds:					
Total funds brought forward	13/14	<u>7,047,922</u>	<u>-</u>	<u>7,047,922</u>	<u>2,862,526</u>
Total funds carried forward	13/14	<u>6,928,247</u>	<u>7,489</u>	<u>6,935,736</u>	<u>7,047,922</u>

The accompanying notes on pages 15 to 24 are an integral part of the financial statements.

The Soil Association Land Trust

BALANCE SHEET

As at 31 March 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	10	5,978,076	5,988,456
CURRENT ASSETS			
Debtors	11	63,107	524,951
Cash at bank and in hand		983,368	648,201
		<u>1,046,475</u>	<u>1,173,152</u>
CREDITORS: Amounts falling due within one year	12	(88,815)	(113,686)
		<u>957,660</u>	<u>1,059,466</u>
NET CURRENT ASSETS			
NET ASSETS		<u>6,935,736</u>	<u>7,047,922</u>
FUNDS AND RESERVES			
Unrestricted funds	13/14	6,928,247	7,047,922
Restricted funds	13/14	7,489	-
		<u>6,935,736</u>	<u>7,047,922</u>
TOTAL FUNDS		<u>6,935,736</u>	<u>7,047,922</u>

The accompanying notes on pages 15 to 24 are an integral part of the financial statements.

These financial statements were approved by the Board of Trustees on 18 July 2022 and signed on their behalf by:



Thomas Curtis
Chair of Trustees

The Soil Association Land Trust

STATEMENT OF CASHFLOWS

for the year ended 31 March 2022

	2022 £	2021 £
Net cash inflow from operating activities and increase in cash in the year	335,167	474,746
Total cash at the beginning of the year	648,201	173,455
Total cash at the end of the year	<u>983,368</u>	<u>648,201</u>

Reconciliation of changes in resources to net cash inflow from operating activities

	2022 £	2021 £
Net movement in funds	(112,186)	4,185,396
Depreciation	10,380	11,213
Decrease / (increase) in debtors	461,844	(471,985)
Decrease in creditors	(24,871)	(7,068)
Deduct value of donated asset	-	(3,242,810)
Net cash inflow from operating activities	<u>335,167</u>	<u>474,746</u>

Reconciliation of net cash flow to movement in net funds

	2022 £	2021 £
Increase in cash in the year	335,167	474,746
Movement in net funds in the year	335,167	474,746
Net funds at beginning of year	648,201	173,455
Net funds at end of year	<u>983,368</u>	<u>648,201</u>

Analysis of net funds

	At 1 April 2021 £	Cash flow £	At 31 March 2022 £
Cash at bank and in hand	648,201	335,167	983,368
Net funds	<u>648,201</u>	<u>335,167</u>	<u>983,368</u>

Cash at bank and in hand figures in the notes includes liquid cash assets only.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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 Land Trust 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 pound.

The registered office and principal place of business is Spear House, 51 Victoria Street, Bristol BS1 6AD.

PREPARATION OF THE ACCOUNTS ON A GOING CONCERN BASIS

A going concern assessment has been performed by the trustees which has involved the following:

- Preparation and review of cash flow forecasts up to September 2023 which show that the Charity is expected to maintain sufficient cash balances throughout this period to be able to meet their liabilities as they fall due.
- Assessment of the major financial risks facing the Charity and their potential impact on the cash flow forecasts presented. The trustees consider the most significant risk for the Charity to be shortfalls in income, in particular donation and legacy income which fund more discretionary charitable expenditure.

The result of the above assessment is that the trustees have noted no material uncertainties that would mean it is not appropriate for the Charity to adopt the going concern basis.

COMPANY STATUS

The Charity is a company limited by guarantee and has no share capital. The directors of the company are the trustees named on page 1. 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.

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

FINANCIAL INSTRUMENTS

The charity 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.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022 (continued)

1 ACCOUNTING POLICIES (continued)

INCOME

All incoming resources are included in the SOFA (Statement of Financial Activities) when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. These specific policies apply to the following categories of income:

- Donations and gifts are recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.
- Income from grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been or are expected to be met, it is probable that the income will be received and the amount can be measured reliably;
- Rents receivable represents rental income and is recognised at the fair value of the consideration received or receivable for services provided.
- Legacy income is recognised when the Charity is deemed to be entitled to the funds, it is probable that the income will be received and the amount can be measured reliably. 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.

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 on charitable activities includes the costs of conserving and improving the Charity's properties to further the purposes of the Charity, and their associated support costs.

TANGIBLE FIXED ASSETS

Tangible fixed assets with a value of £500 or more are capitalised and included at deemed cost / fair value including any incidental expenses of acquisition.

No depreciation is charged on freehold land and buildings as the lives of the properties are considered to be indefinite and residual values to be high enough to ensure that there is no significant annual depreciation.

The Companies Act 2006 requires tangible fixed assets to be depreciated over a finite period. The trustees consider that the land and buildings have an infinite life, given the repairs and maintenance afforded to these assets. 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.

The land and buildings are held for charitable purposes rather than for their investment returns and hence are not regarded as investment properties.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022 (continued)

1 ACCOUNTING POLICIES (continued)

An annual review is made to establish any permanent diminution in the value of the properties.

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

Farm machinery	twenty years straight-line method
Building improvements	ten years straight-line method

TAXATION

The Soil Association Land Trust 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.

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 area of judgement in these financial statements is the departure from the Companies Act 2006 requirement to depreciate tangible fixed assets in relation to the Charity's buildings as described in the Tangible Fixed Assets accounting policy above.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted funds £	2022 Total £	Unrestricted Funds £	2021 Total £000
Donations	23,568	20,000	43,568	4,212,580	4,212,580
	<u>23,568</u>	<u>20,000</u>	<u>43,568</u>	<u>4,212,580</u>	<u>4,212,580</u>

3. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2022 Total £	Unrestricted funds 2021 Total £
Income from charitable lettings	51,232	33,917
Electricity generation income	7,673	6,981
Commercial income	500	-
	<u>59,405</u>	<u>40,898</u>

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022 (continued)

4. INVESTMENT INCOME

	Unrestricted funds 2022 Total £	Unrestricted funds 2021 Total £
Bank interest	241	83
	<u>241</u>	<u>83</u>

5 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted funds £	2022 Total £	Unrestricted Funds £	2021 Total £000
Land Heritage Cluster	66,037	-	66,037	39,079	39,079
Woodoaks Farm	130,368	35,484	165,852	17,467	17,467
Development work	6,484	4,769	11,253	16,532	16,532
	<u>202,889</u>	<u>40,253</u>	<u>243,142</u>	<u>73,078</u>	<u>73,078</u>

- Land Heritage Cluster are the farms donated at the forming of the Trust and include a residential holding, Southwood Lodge, and an 8 acre field in Dunkeld, Scotland.

6 ANALYSIS OF EXPENDITURE

	Support costs £	Direct costs £	2022 Total £	Support costs £	Direct costs £	2021 Total £000
Land Heritage Cluster	1,931	64,106	66,037	2,832	36,247	39,079
Woodoaks Farm	(58,178)	224,030	165,852	1,266	16,201	17,467
Development work	329	10,924	11,253	1,199	15,333	16,532
	<u>(55,918)</u>	<u>299,060</u>	<u>243,142</u>	<u>5,297</u>	<u>67,781</u>	<u>73,078</u>

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022 (continued)

7 SUPPORT AND GOVERNANCE COSTS

	Overhead charge from parent company £	Finance and legal £	Governance £	Total support costs £	Interco. debt write-off £	2022 Total costs allocated £	2021 Total costs allocated £
Land Heritage Cluster	534	583	814	1,931	-	1,931	2,832
Woodoaks Farm	1,866	2,036	2,846	6,748	(64,926)	(58,178)	1,266
Development work	91	99	139	329	-	329	1,199
Support costs	2,491	2,718	3,799	9,008	(64,926)	(55,918)	5,296

The basis for the allocation of support costs is direct expenditure on the areas of work and 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 trustees' expenses.

The intercompany debt write-off relates to write-down of the historical debt owed by Soil Association Land Trust to Soil Association Limited. A joint working agreement has been put in place between the two organisations whereby Soil Association Limited will reduce the long-term debt by the amount the Land Trust invests in developing Woodoaks Farm. This is because the project is expected to deliver outcomes which will be of mutual benefit to Soil Association. Included in the intercompany balance owed by the Land Trust to Soil Association Ltd at 31st March 2022 is long-term intercompany debt of £35,045 (2021: £99,971) and it is expected that this element of the intercompany debt will have been fully written off by 31st March 2023. The total intercompany balance owed by the Land Trust to Soil Association Limited at 31st March 2022 is £42,702 (2021: £101,882), as disclosed in note 16.

8 STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

The staff costs are borne by other group companies. The trustees neither received nor waived any emoluments during the year (2021: £Nil).

Two trustees (2021: no trustees) were reimbursed for expenses in the year as shown below. This includes out of pocket expenses reimbursed to trustees and expenses paid directly to third parties.

	2022 £	2021 £
Travel	459	-

The Soil Association Land Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022 (continued)

9 NET MOVEMENT IN FUNDS

	2022 £	2021 £
Net movement in funds is stated after charging the following:		
Auditor's remuneration:		
Audit fees	3,000	2,850
Depreciation of owned assets	10,380	11,213
	<u> </u>	<u> </u>

10 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Building improvements £	Farm machinery £	Total £
Cost or valuation				
At 1 April 2021 and 31 March 2022	5,862,239	25,000	157,591	6,044,830
Depreciation				
At 1 April 2021	-	2,500	53,874	56,374
Charge for year	-	2,500	7,880	10,380
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2022	-	5,000	61,754	66,754
Net book value				
At 31 March 2022	5,862,239	20,000	95,837	5,978,076
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2021	5,862,239	22,500	103,717	5,988,456
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Soil Association Land Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022 (continued)

11 DEBTORS

	2022	2021
	£	£
Trade debtors	26,621	13,192
Prepayments and accrued income	36,486	511,759
	<u>63,107</u>	<u>524,951</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	21,579	5,394
Amounts owed to group companies	42,715	103,354
Deferred income	895	-
Accruals	23,626	4,938
	<u>88,815</u>	<u>113,686</u>

Deferred income relates to rental income paid in advance.

Deferred income reconciliation:

	2022	2021
	£	£
At beginning of year	-	-
Income deferred in year	895	-
	<u>895</u>	<u>-</u>
At end of year	<u>895</u>	<u>-</u>

13 TOTAL FUNDS

	Balance at 1 April 2021 £	Income	Expenditure	Balance at 31 March 2022 £
		£	£	
Unrestricted funds	7,047,922	83,214	(202,889)	6,928,247
Restricted funds	-	47,742	(40,253)	7,489
	<u>7,047,922</u>	<u>130,956</u>	<u>(243,142)</u>	<u>6,935,736</u>

Restricted funds held at 31 March 2022 relate to restricted appeal income and restricted grant funding for work at Woodoaks Farm, including hedge planting.

The Soil Association Land Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022 (continued)

PRIOR YEAR TOTAL FUNDS

	Balance at 1 April 2020 £	Income	Expenditure	Balance at 31 March 2021 £
Unrestricted funds		£	£	£
Charitable funds	2,862,526	4,258,474	(73,078)	7,047,922
Unrestricted funds	<u>2,862,526</u>	<u>4,258,474</u>	<u>(73,078)</u>	<u>7,047,922</u>

14 NET ASSETS BY FUND

	Fixed assets £	Net current assets £	Total 2022 £
Unrestricted funds	5,978,076	950,171	6,928,247
Restricted funds	-	7,489	7,489
Total funds	<u>5,978,076</u>	<u>957,660</u>	<u>6,935,736</u>

PRIOR YEAR NET ASSETS BY FUND

	Fixed assets £	Net current assets £	Total 2021 £
Unrestricted funds	5,988,456	1,059,466	7,047,922
Restricted funds	-	-	-
Total funds	<u>5,988,456</u>	<u>1,059,466</u>	<u>7,047,922</u>

15 CONTINGENT LIABILITY

The charitable company is registered under a group VAT scheme and jointly liable for the group VAT liability, which at the year-end amounted to £403,334 (2021: £410,535)

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022 (continued)

16 RELATED PARTY TRANSACTIONS

Members of the Board of Trustees do not receive remuneration for the provision of their services as trustees of the Charity.

Total donations received from trustees in the year, including Gift Aid, were £18,750 (2021: £969,463).

Purchases from 3D Rural Surveyors Ltd, of which David Riddle is a director, totalled £19,869 inclusive of VAT (2021: £15,132). Amounts outstanding at 31 March 2022 on purchases made during the year were £nil incl. VAT (2021: £4,426).

In the financial year a charge of £80,065 (2021: £17,747) was made from the ultimate parent undertaking to the Land Trust for staff costs and overheads.

Grant funding of £4,769 (2021: £4,913) was passed from the ultimate parent undertaking to the Land Trust and donation income of £20,000 (2021: £nil) was also passed from the ultimate parent undertaking to the Land Trust in relation to a fundraising appeal to plant hedgerow at Woodoaks Farm. This income was restricted in the Land Trust's accounts and the balance of these restricted funds at 31 March 2022 was £7,489 (2021: £nil).

During the year the Land Trust and the ultimate parent undertaking came to an agreement whereby the long-term intercompany debt owed by Land Trust 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 the long-term debt during the year (2021: £nil). The amount due from the Land Trust to the ultimate parent undertaking at 31 March 2022 was £42,702 (2021: £101,882).

Another group company Soil Association Certification Limited pays the Group's net VAT liability to HMRC on behalf of all of the Group companies. The amount due from the Land Trust to Soil Association Certification in relation to this at 31 March 2022 was £13 (2021: £1,471 owed by Soil Association Certification to the Land Trust).

17 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is The Soil Association Limited, a charitable company registered in England and Wales. Its charitable registration number is 206862 and its company registration number is 00409726.

The Soil Association is a membership Charity campaigning for planet-friendly food and farming. It is the sole member of the Soil Association Land Trust and controls the Charity by virtue of its power to appoint or remove the majority of trustees.

The smallest and largest group which includes the charitable company, and for which group financial statements are prepared, is The Soil Association Limited. Copies of consolidated financial statements can be obtained from the charitable company's registered office, Spear House, 51 Victoria Street, Bristol, BS1 6AD.

The Soil Association Land Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022 (continued)

18 LESSOR OPERATING LEASE COMMITMENTS

The Charity as lessor.

At the year end the Charity had contracted with tenants, under non-cancellable operating leases, for the following future minimum lease payments:

	2022	2021
	£	£
Amounts receivable:		
- within one year	33,832	32,857
- later than one year and not later than five years	51,418	51,418
- later than five years	21,025	32,457
	<u>106,274</u>	<u>116,731</u>

THE SOIL ASSOCIATION LAND TRUST

England & Wales - Charity number 1121011

Accounts

Company Registration Number: 06259578
Registered Charity Number (in England and Wales): 1121011

The Soil Association Land Trust Limited

Report and Financial Statements

for the year ended

31 March 2021

The Soil Association Land Trust Limited

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The Soil Association Land Trust Limited

TRUSTEES, OFFICERS AND PROFESSIONAL ADVISERS

KEY MANAGEMENT PERSONNEL: TRUSTEES

Thomas Curtis, Chair
Jane Barton
Mehr Fardoonji
Graham Harvey
Joanna Herbert-Stepney
Iain McVicar
Graeme Matravers
David Riddle

COMPANY SECRETARY

Iain McVicar

GOVERNING DOCUMENT

Articles of Association (as revised 28 June 2017)

CONSTITUTION

Company limited by guarantee and registered charity

REGISTERED OFFICE

Spear House
51 Victoria Street
Bristol
BS1 6AD

BANKERS

Triodos Bank
Deanery Road
Bristol
BS1 5AS

SOLICITORS

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

AUDITOR

RSM UK Audit LLP
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

The Soil Association Land Trust Limited

TRUSTEES' REPORT

The trustees present their annual report and the audited financial statements of the charitable company for the year ended 31 March 2021. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting of Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102), effective 1 January 2019.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Soil Association Land Trust Limited (the Charity) is registered as a charity, number 1121011 (England and Wales) and is limited by guarantee, company registration number 06259578. Details of trustees, officers and professional advisors and other information are set out on page 1. The Charity is consolidated into the group accounts of The Soil Association Limited as it is deemed to be a subsidiary by virtue of control.

STRUCTURE GOVERNANCE AND MANAGEMENT

Governance

The Charity is a company limited by guarantee and governed by a Memorandum and Articles of Association (last revised on 28 June 2017).

The governing body of the Charity is the Board of Trustees and meets four times a year. The Board of Trustees consists of five to ten trustees comprising Founder Trustees, Appointed Trustees and Co-opted Trustees. Appointed trustees (no fewer than four) are appointed by the members. The Board elects a Chair from the Appointed Trustees and can appoint Co-opted Trustees. Trustee appointments, excepting the Founder Trustees, 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 if the Board, and where applicable the members, determine it to be in the best interests of the Charity.

A Memorandum of Understanding with the parent charitable company, Soil Association Ltd, sets out guidelines for areas of collaboration and shared use of services.

The parent charitable company, Soil Association Ltd, provides directors and officers indemnity insurance which covers the trustees of subsidiary companies and any other member of staff of the group.

Statement of Trustees' responsibilities

The trustees (who are also directors of The Soil Association Land Trust 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).

The Soil Association Land Trust Limited

TRUSTEES' REPORT (continued)

STRUCTURE GOVERNANCE AND MANAGEMENT (continued)

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 of the incoming resources and application of resources, including the income and expenditure, of the Charity 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. They are also responsible for safeguarding the assets of the Charity 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 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 Charity 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.

Objectives and activities

The Charity is committed to two charitable objects:

- to preserve, conserve and protect for the public benefit the environment of the countryside through the prudent management and holding of land and the use of natural resources, including the promotion and use of organic, traditional and sustainable land management techniques and related activities; and
- the education of the public in the same.

The Charity provides a safe haven for sustainably managed land, enabling retiring farmers and others to secure a future for their land, and to ensure that their life's work is preserved and provides a legacy for future farming generations.

The Soil Association Land Trust Limited

TRUSTEES' REPORT (continued)

STRUCTURE GOVERNANCE AND MANAGEMENT (continued)

The Charity provides access to farms to enable people to enjoy the beauty and stewardship of the countryside and to understand the importance of food and farming in our society today. We want people to feel truly connected with the land in a way that inspires and educates.

ACHIEVEMENTS AND PERFORMANCE

We continue to develop our work to help direct and achieve our objectives under our three core themes:

- Securing land for the common good
- Enabling farms to be thriving businesses
- Encouraging new entrants and innovation

Securing land for common good

We completed the transfer of the gift of Woodoaks Farm in November 2020 comprising 300 acres of arable, pasture and woodland near Maple Cross in Buckinghamshire and agreed interim letting arrangements. Together with the Soil Association, we have appointed a jointly funded Programme Manager to lead on drawing up a vision and strategic plan for the farm - with the aim of showcasing an enlightened and localised approach to farming and food, to include organic conversion, fundraising and community engagement. This will enable the trust to secure environmental enhancements to the land, develop a cluster of small local enterprises and secure a range of public benefits engaging with extensive urban populations within the locality and provide an important opportunity for the Trust to further its purposes.

We accepted a pledge to bequeath a 112 acre farm in the North of England and have begun working with the owners to explore the options for future management.

We have had further input into Government consultation on Conservation Covenants, proposed in the Environment Bill as a new legal mechanism to allow the protection of land without the need for outright ownership.

We have had discussions with a number of new potential land donors about legacies of land to the Land Trust and will develop these conversations over the coming months.

Enabling farms to be thriving businesses

As well as producing nutritious food, farming that invests in its soils, wildlife, and people provides a wide range of tangible benefits to society and business. And yet, in common with other types of farms in the UK, organic and sustainably managed farms can often be insecure as businesses – with low returns and uncertainty over future markets and subsidies.

The Land Trust has experience in and commitment to good, systematic farm business planning and management. We are also committed to working with others to explore the potential, through emerging private and public markets, to help farms turn the range of benefits and services they deliver from their land into new business opportunities.

The Soil Association Land Trust Limited

TRUSTEES' REPORT (continued)

Taking on the care of Woodoaks will provide an opportunity to assemble a vibrant hub of small businesses around the food and timber produced from the land that can take advantage of local markets. We have begun to assess the buildings and land to establish their potential to contribute to the emerging vision for the farm.

Encouraging new entrants and innovation

As a landowner, we understand the significance of the partnerships we make with new, and existing, farmers. This is the means through which we can nurture the sort of resourceful and resilient farm businesses that will sustain our land holdings into the future, while at the same time delivering the benefits we think land should bring to society.

We know these interests are shared across the land and farming sector. We are committed to playing our part in developing, demonstrating, and promoting the sorts of mechanisms and ways of working that will help continue to draw new entrants, new ideas and new energy into the development of farm businesses that thrive by investing long-term in their soils, wildlife and communities.

At the newly pledged farm in the North of England, we have started working with the land donors to make a plan to allow them to retire from the day-to-day farming and provide opportunities for a new farming entrant and an apprentice cheese maker. At Woodoaks we also plan to create opportunities for new, innovative entrepreneurs to add value to the produce of the land.

Paget Estate donation

We acknowledge the transformative donation from the Paget Estate, in the form of the gift of a share of the value of an area of development land sold by the estate. The money will be referred to as the 'Paget Fund' by the Land Trust and will be applied across the Trust's work. Trustees will explore how best to use the funds to provide a revolving investment fund for new income generating ventures and other ways to further the Trust's purposes.

Access to Land Learning Project

We have continued to contribute to this Erasmus+ funded project which aims to provide practical resources, knowledge sharing and peer-to-peer learning at a European level for organisations working to support agri-ecological farming. As well as developing a guide for landowners who are considering donating or protecting land in the long term, we are contributing to webinars on land donation, farm building acquisition and coordinating interviews on UK land matching services for a land platform podcast.

OBJECTIVES FOR THE FUTURE

In the coming year we will focus on developing our strategic themes and in particular:

- Developing the plan for Woodoaks Farm – as a priority: continue to assemble baseline data on the condition and potential of the land, buildings, and nature; improvements to public access; tree and hedge planting; drawing up an organic conversion plan and building our local support base.
- Developing a model for how we might use Conservation Covenants to protect more land for common good as and when they emerge from the Environment Act.

The Soil Association Land Trust Limited

TRUSTEES' REPORT (continued)

OBJECTIVES FOR THE FUTURE (continued)

- Develop a plan for the Paget Fund to ensure the best and most effective use of the donation to further our charitable objects
- Continue to work with our existing tenants to help them take advantage of opportunities presented by new government support for environment and agriculture

FINANCIAL REVIEW

Total income in the year amounted to £ 4,258,474 (2020: £73,318), an increase of £4,185,156 from the previous year due to two significant donations in the year. Land and buildings at Woodoaks Farm near Maple Cross were gifted to the Land Trust in November 2020 and the gift has been valued at £3,242,810 being the market value of the asset at the point of donation. In addition, a donation of £950,713 was recognised in March 2021, of which half was received pre year end and the other half accrued as it is due to be received in March 2022.

Rental income from the Charity's farms and investment property amounted to £33,917 (2020: £21,930), an increase of £11,987 from the previous year due to the addition of rental income from Woodoaks Farm during the year.

Total expenditure amounted to £73,078 (2020: £147,007) of which £70,228 was incurred in work in conservation, maintenance and repairs and £2,850 on governance costs. Expenditure reduced by £73,929 from the previous year, due to a reduction in repairs and maintenance work at the Land Trust's properties during the year.

The Charity made a surplus of £4,185,396 (2020: deficit of £73,689) in the year in its Statement of Financial Activities.

The balance sheet on page 12 shows that the Charity's net assets amounted to £7,047,922 (2020: £2,862,526).

Reserves

The Board of 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 the Trust business model. In this respect free unrestricted reserves are considered to be readily available cash or cash equivalents that the Trustees can call upon to mitigate adverse events or to exploit unexpected opportunities.

In 2020/21 the desired free reserves range was set at between £112,000 and £135,000. Having reserves within this range was believed to provide an adequate level of financial resilience for the year that would allow the Trust to continue to deliver its core activities should risks to the Trust's finances materialise.

The Trust ended the year with a free reserves level of £1,059,466, which is substantially above the desired free reserves range. The increase in free reserves was mainly due to a large donation in March 2021 totalling £950,713. Without this donation, trust reserves at 31 March 2021 would have totalled £108,753.

The Soil Association Land Trust Limited

TRUSTEES' REPORT (continued)

FINANCIAL REVIEW (continued)

During the year the Trust has been donated a farm called Woodoaks. Additional expenses at Woodoaks Farm, including employing a project manager, has increased the Trust's expected running costs by around £68,000 for the year ending 31 March 2022. Woodoaks Farm will require substantial investment over the next few years. The level of investment is yet to be determined, however spending during the year ending 31 March 2022 could be in the range of £150,000 to £300,000.

The additional costs and the inherent uncertainties with regard to Woodoaks Farm results in a desired reserves range for 2021/2022 of between £275,000 and £418,000.

The £950,713 donation means that the Charity starts the year with reserves above the desired reserves range.

Financial Controls

The trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. The systems of financial control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- The annual budget, approved by the trustees;
- Regular consideration by the trustees of financial results and variance from budget; and
- Identification and management of risks.

Going Concern

The major financial risk to the Charity in the following year is considered to be shortfalls in income. Of the income receivable by the charity, rental income and income from renewable energy resources are regarded as stable and the discretionary resources expended on charitable expenditure is conditional on the amount of donation and legacy income received.

A going concern assessment has been performed by the trustees which has involved the following:

- Preparation and review of cash flow forecasts up to September 2022 which show that the Charity is expected to maintain sufficient cash balances throughout this period to be able to meet their liabilities as they fall due.
- Assessment of the major financial risks facing the Charity as outlined above and their potential impact on the cash flow forecasts presented.

The result of the above assessment is that the trustees have noted no material uncertainties that would mean it is not appropriate for the Charity to adopt the going concern basis.

The Soil Association Land Trust Limited

TRUSTEES' REPORT (continued)

Auditor

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

The report was approved by the Board of Trustees on 19 July 2021 and signed on their behalf by:



Thomas Curtis
Chair of Trustees

The Soil Association Land Trust Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST LIMITED

Opinion

We have audited the financial statements of The Soil Association Land Trust Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 charitable company's affairs as at 31 March 2021 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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.

The Soil Association Land Trust Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST LIMITED (continued)

Other information

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

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

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

The Soil Association Land Trust Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST LIMITED (continued)

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 3, 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 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 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.

The Soil Association Land Trust Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST LIMITED (continued)

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

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is 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 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 audit engagement team identified the risk of management override of controls and income recognition in respect of donations 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 and performing detailed testing on a sample of donations received in the year.

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

The Soil Association Land Trust Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOIL ASSOCIATION LAND TRUST LIMITED (continued)

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.

RSM UK Audit LLP

KERRY GALLAGHER (Senior Statutory Auditor)

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

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol

BS1 6AD

Date 11 August 2021

The Soil Association Land Trust Limited

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

Year ended 31 March 2021

	Note	Unrestricted funds 2021 £	Unrestricted funds 2020 £
INCOME FROM:			
Donations and legacies	2	4,212,580	29,790
Grants		4,913	11,792
Income from other trading activities	3	40,898	31,587
Investment income	4	83	149
Total income		<u>4,258,474</u>	<u>73,318</u>
EXPENDITURE ON:			
Charitable activities	5	73,078	147,007
Total expenditure		<u>73,078</u>	<u>147,007</u>
Net income / (expenditure) and net movement in funds		4,185,396	(73,689)
Reconciliation of funds:			
Total funds brought forward	12/13	<u>2,862,526</u>	<u>2,936,215</u>
Total funds carried forward	12/13	<u><u>7,047,922</u></u>	<u><u>2,862,526</u></u>

The accompanying notes on pages 17 to 25 are an integral part of the financial statements.

The Soil Association Land Trust Limited

BALANCE SHEET

As at 31 March 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	9	5,988,456	2,756,859
CURRENT ASSETS			
Debtors	10	524,951	52,966
Cash at bank and in hand		648,201	173,455
		<u>1,173,152</u>	<u>226,421</u>
CREDITORS: Amounts falling due within one year	11	<u>(113,686)</u>	<u>(120,754)</u>
NET CURRENT ASSETS		<u>1,059,466</u>	<u>105,667</u>
NET ASSETS		<u>7,047,922</u>	<u>2,862,526</u>
FUNDS AND RESERVES			
Unrestricted funds	12/13	<u>7,047,922</u>	<u>2,862,526</u>
TOTAL FUNDS		<u>7,047,922</u>	<u>2,862,526</u>

The accompanying notes on pages 17 to 25 are an integral part of the financial statements.

These financial statements were approved by the Board of Trustees on 19 July 2021 and signed on their behalf by:



Thomas Curtis
Chair of Trustees

The Soil Association Land Trust Limited

STATEMENT OF CASHFLOWS

for the year ended 31 March 2021

	2021 £	2020 £
Net cash inflow / (outflow) from operating activities	474,746	(75,014)
Cash flow from investing activities:		
Payments to acquire tangible fixed assets	-	(25,000)
Increase / (decrease) in cash in the year	474,746	(100,014)
Total cash at the beginning of the year	173,455	273,469
Total cash at the end of the year	648,201	173,455

Reconciliation of changes in resources to net cash (outflow) / inflow from operating activities

	2021 £	2020 £
Net movement in funds	4,185,396	(73,689)
Depreciation	11,213	7,880
Increase in debtors	(471,985)	(10,088)
(Decrease) / increase in creditors	(7,068)	883
Deduct value of donated asset	(3,242,810)	-
Net cash outflow from operating activities	474,746	(75,014)

Reconciliation of net cash flow to movement in net funds

	2021 £	2020 £
Increase in cash in the year	474,746	(100,014)
Movement in net funds in the year	474,746	(100,014)
Net funds at beginning of year	173,455	273,469
Net funds at end of year	648,201	173,455

Analysis of net funds	At 1 April 2020 £	Cash flow £	Other non-cash charge £	At 31 March 2021 £
Cash at bank and in hand	173,455	474,746	-	648,201
Net funds	173,455	474,746	-	648,201

Cash at bank and in hand figures in the notes includes liquid cash assets only.

The Soil Association Land Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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 Land Trust 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 pound.

The registered office and principal place of business is Spear House, 51 Victoria Street, Bristol BS1 6AD.

PREPARATION OF THE ACCOUNTS ON A GOING CONCERN BASIS

A going concern assessment has been performed by the trustees which has involved the following:

- Preparation and review of cash flow forecasts up to September 2022 which show that the Charity is expected to maintain sufficient cash balances throughout this period to be able to meet their liabilities as they fall due.
- Assessment of the major financial risks facing the Charity and their potential impact on the cash flow forecasts presented. The trustees consider the most significant risk for the Charity to be shortfalls in income, in particular donation and legacy income which fund more discretionary charitable expenditure.

The result of the above assessment is that the trustees have noted no material uncertainties that would mean it is not appropriate for the Charity to adopt the going concern basis.

COMPANY STATUS

The Charity is a company limited by guarantee and has no share capital. The directors of the company are the trustees named on page 1. 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.

FINANCIAL INSTRUMENTS

The charity 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.

The Soil Association Land Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021 (continued)

1 ACCOUNTING POLICIES (continued)

INCOME

All incoming resources are included in the SOFA (Statement of Financial Activities) when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. These specific policies apply to the following categories of income:

- Donations and gifts are recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.
- Income from grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been or are expected to be met, it is probable that the income will be received and the amount can be measured reliably;
- Rents receivable represents rental income and is recognised at the fair value of the consideration received or receivable for services provided.
- Legacy income is recognised when the Charity is deemed to be entitled to the funds, it is probable that the income will be received and the amount can be measured reliably. : 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.

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 on charitable activities includes the costs of conserving and improving the Charity's properties to further the purposes of the Charity, and their associated support costs.

TANGIBLE FIXED ASSETS

Tangible fixed assets with a value of £500 or more are capitalised and included at deemed cost / fair value including any incidental expenses of acquisition.

No depreciation is charged on freehold land and buildings as the lives of the properties are considered to be indefinite and residual values to be high enough to ensure that there is no significant annual depreciation.

The Companies Act 2006 requires tangible fixed assets to be depreciated over a finite period. The trustees consider that the land and buildings have an infinite life, given the repairs and maintenance afforded to these assets. 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.

The land and buildings are held for charitable purposes rather than for their investment returns and hence are not regarded as investment properties.

The Soil Association Land Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021 (continued)

1 ACCOUNTING POLICIES (continued)

An annual review is made to establish any permanent diminution in the value of the properties.

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

Farm machinery	twenty years straight-line method
Building improvements	ten years straight-line method

TAXATION

The Soil Association Land Trust Limited 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.

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 area of judgement in these financial statements is the departure from the Companies Act 2006 requirement to depreciate tangible fixed assets in relation to the Charity's buildings as described in the Tangible Fixed Assets accounting policy above.

2. INCOME FROM DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations (incl. gift aid)	4,212,580	19,030
Legacies	-	10,760
	<u>4,212,580</u>	<u>29,790</u>

3. INCOME FROM OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Income from charitable lettings	33,917	21,930
Electricity generation income	6,981	9,657
	<u>40,898</u>	<u>31,587</u>

The Soil Association Land Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021 (continued)

4. INVESTMENT INCOME

	2021	2020
	£	£
Bank interest	83	149

5 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Holding farmland in trust 2021 £	Holding farmland in trust 2020 £
Unrestricted expenditure		
Repairs and maintenance of farms	13,159	93,256
Depreciation	11,213	7,880
Insurance	5,640	4,804
Publicity costs	1,368	1,976
Legal & Professional costs of property transfer	8,132	-
Governance costs (note 6)	2,850	4,579
Support costs (note 6)	30,716	34,512
Total	73,078	147,007

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

Included in the expenditure on charitable activities are the following support and governance costs:

	General support 2021 £	Governance function 2021 £	General support 2020 £	Governance function 2020 £
Recharge of salary and related costs from parent company	18,010	-	20,627	-
Land agency fees	12,678	-	12,308	-
General office cost	28	-	1,577	-
Auditor's remuneration – audit & tax	-	2,850	-	3,400
Trustees' expenses & meeting costs	-	-	-	1,179
Total	30,716	2,850	34,512	4,579

The Soil Association Land Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021 (continued)

7 STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

The staff costs are borne by other group companies.

The trustees neither received nor waived any emoluments during the year (2020: £Nil). No expenses were reimbursed to trustees in the year. This includes out of pocket expenses reimbursed to trustees and expenses paid directly to third parties. In 2020 two trustees were reimbursed as follows:

	2021	2020
	£	£
Travel	-	731

8 NET MOVEMENT IN FUNDS

	2021	2020
	£	£
Net movement in funds is stated after charging the following:		
Auditor's remuneration:		
Audit fees	2,850	2,100
Tax advisory services	-	1,300
Depreciation of owned assets	11,213	7,880

The Soil Association Land Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021 (continued)

9 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Building improvements £	Farm machinery £	Total £
Cost or valuation				
At 1 April 2020	2,619,429	25,000	157,591	2,802,020
Additions	3,242,810	-	-	3,242,810
	<u>5,862,239</u>	<u>25,000</u>	<u>157,591</u>	<u>6,044,830</u>
At 31 March 2021	5,862,239	25,000	157,591	6,044,830
Depreciation				
At 1 April 2020	-	-	45,161	45,161
Charge for year	-	2,500	8,713	11,213
	<u>-</u>	<u>2,500</u>	<u>53,874</u>	<u>56,374</u>
At 31 March 2021	-	2,500	53,874	56,374
Net book value				
At 31 March 2021	<u>5,862,239</u>	<u>22,500</u>	<u>103,717</u>	<u>5,988,456</u>
At 31 March 2020	<u>2,619,429</u>	<u>25,000</u>	<u>112,430</u>	<u>2,756,859</u>

The addition to Freehold land and buildings in the year relates to land and farm buildings at the Woodoaks Farm near Maple Cross, which were gifted to the Land Trust in November 2020. The market value of this asset was estimated at the point of acquisition by a registered valuer and Fellow of the Royal Institute of Chartered Surveyors.

10. DEBTORS

	2021 £	2020 £
Trade debtors	13,192	23,175
Prepayments and accrued income	511,759	28,692
VAT	-	1,099
	<u>524,951</u>	<u>52,966</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	5,394	12,904
Amounts owed to group companies	103,354	103,662
Accruals	4,938	4,188
	<u>113,686</u>	<u>120,754</u>

The Soil Association Land Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021 (continued)

12 TOTAL FUNDS

	Balance at 1 April 2020 £	Income	Expenditure	Balance at 31 March 2021 £
Unrestricted funds		£	£	£
Charitable funds	2,862,526	4,258,474	(73,078)	7,047,922
Unrestricted funds	<u>2,862,526</u>	<u>4,258,474</u>	<u>(73,078)</u>	<u>7,047,922</u>

PRIOR YEAR TOTAL FUNDS

	Balance at 1 April 2019 £	Income	Expenditure	Balance at 31 March 2020 £
Unrestricted funds		£	£	£
Charitable funds	2,936,215	73,318	(147,007)	2,862,526
Unrestricted funds	<u>2,936,215</u>	<u>73,318</u>	<u>(147,007)</u>	<u>2,862,526</u>

13 NET ASSETS BY FUND

	Fixed assets £	Net current assets £	Total 2021 £
Unrestricted funds	5,988,456	1,059,466	7,047,922
Total funds	<u>5,988,456</u>	<u>1,059,466</u>	<u>7,047,922</u>

PRIOR YEAR NET ASSETS BY FUND

	Fixed assets £	Net current assets £	Total 2020 £
Unrestricted funds	2,756,859	105,667	2,862,526
Total funds	<u>2,756,859</u>	<u>105,667</u>	<u>2,862,526</u>

The Soil Association Land Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021 (continued)

14 CONTINGENT LIABILITY

The charitable company is registered under a group VAT scheme and jointly liable for the group VAT liability, which at the year-end amounted to £410,535 (2020: £382,498)

15 RELATED PARTY TRANSACTIONS

Members of the Board of Trustees do not receive remuneration for the provision of their services as trustees of the Charity.

Total donations received from trustees in the year, including Gift Aid, were £969,463 (2020: £18,750). Although fully recognised during the year, £475,354 of the total is due March 2022.

Purchases from 3D Rural Surveyors Ltd, of which David Riddle is a director, totalled £15,132 inclusive of VAT (2020: £19,898). Amounts outstanding at 31 March 2021 on purchases made during the year were £4,426 incl. VAT (2020: £7,290).

In the financial year a charge of £17,747 (2020: £20,627) was made from the ultimate parent undertaking to the Land Trust for staff costs and overheads and grant income of £4,913 (2020: £11,792) was passed from the ultimate parent undertaking to the Land Trust. The amount due from the Land Trust to the ultimate parent undertaking at 31 March 2021 was £101,882 (2020: £103,811).

Another group company Soil Association Certification Limited pays the Group's net VAT liability to HMRC on behalf of all of the Group companies. The amount due from the Land Trust to Soil Association Certification in relation to this at 31 March 2021 was £1,471 (2020: £149 owed by Soil Association Certification to the Land Trust).

The Soil Association Land Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021 (continued)

16 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is The Soil Association Limited, a charitable company registered in England and Wales. Its charitable registration number is 206862 and its company registration number is 00409726.

The Soil Association is a membership Charity campaigning for planet-friendly food and farming. It is the sole member of the Soil Association Land Trust and controls the Charity by virtue of its power to appoint or remove the majority of trustees.

The smallest and largest group which includes the charitable company, and for which group financial statements are prepared, is The Soil Association Limited. Copies of consolidated financial statements can be obtained from the charitable company's registered office, Spear House, 51 Victoria Street, Bristol, BS1 6AD.

17 LESSOR OPERATING LEASE COMMITMENTS

The Charity as lessor.

At the year end the Charity had contracted with tenants, under non-cancellable operating leases, for the following future minimum lease payments:

	2021	2020
	£	£
Amounts receivable:		
- within one year	32,857	21,060
- later than one year and not later than five years	51,418	43,170
- later than five years	32,457	37,703
	<u>116,731</u>	<u>101,933</u>