

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	(113,686)	(120,754)
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	7,047,922	2,862,526
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>