

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

CONTENTS

Trustees, officers and professional advisers	1
Trustees' report	2
Independent auditor's report	8
Statement of Financial Activities	12
Balance Sheet	13
Cash flow statement	14
Notes to the financial statements	15

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	<u>(88,815)</u>	<u>(113,686)</u>
NET CURRENT ASSETS		<u>957,660</u>	<u>1,059,466</u>
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	-
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	<u>500</u>	<u>-</u>
	<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>13,380</u>	<u>14,063</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
At 31 March 2022	-	5,000	61,754	66,754
Net book value				
At 31 March 2022	<u>5,862,239</u>	<u>20,000</u>	<u>95,837</u>	<u>5,978,076</u>
At 31 March 2021	<u>5,862,239</u>	<u>22,500</u>	<u>103,717</u>	<u>5,988,456</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>