

SUSTAINABLE FIBRE ALLIANCE

England & Wales · Charity number 1165742

Details

Other names SFA

Status Registered

Legal form Charitable company

Company number [09389265](#)

Registered 2016-02-24

Register [View on the Charity Commission register](#)

Contact

Address 41 Bryn Awelon
Mold
CH7 1LT

Phone 01352750617

Email finance@sustainablefibre.org

Website www.sustainablefibre.org

Activities

Objects: TO PROMOTE SUSTAINABLE DEVELOPMENT FOR THE BENEFIT OF THE PUBLIC BY:(A) THE PRESERVATION, CONSERVATION AND THE PROTECTION OF THE ENVIRONMENT AND THE PRUDENT USE OF RESOURCES;(B) THE RELIEF OF POVERTY AND THE IMPROVEMENT OF THE CONDITIONS OF LIFE IN SOCIALLY AND ECONOMICALLY DISADVANTAGED COMMUNITIES;(C) THE PROMOTION OF SUSTAINABLE MEANS OF ACHIEVING ECONOMIC GROWTH AND REGENERATION.TO ADVANCE THE EDUCATION OF THE PUBLIC IN SUBJECTS RELATING TO SUSTAINABLE DEVELOPMENT AND THE PROTECTION, ENHANCEMENT AND REHABILITATION OF THE ENVIRONMENT AND TO PROMOTE STUDY AND RESEARCH IN SUCH SUBJECTS PROVIDED THAT THE USEFUL RESULTS OF SUCH STUDY ARE DISSEMINATED TO THE PUBLIC AT LARGE.SUSTAINABLE DEVELOPMENT MEANS “DEVELOPMENT WHICH MEETS THE NEEDS OF THE PRESENT WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATIONS TO MEET THEIR OWN NEEDS.”

Activities: The Sustainable Fibre Alliance (SFA) is a non-profit international organisation working with the extended cashmere supply chain, from herders to retailers. Our goal is to promote a global sustainability standard for cashmere production in order to preserve and restore grasslands, ensure animal welfare and secure livelihoods.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Prevention Or Relief Of Poverty, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Other Defined Groups, The General Public/mankind

Geography

- China
- Mongolia
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-01-31	£1,676,661	£1,438,816	£343,280	14
2024-01-31	£988,771	£978,985	£105,435	9
2023-01-31	£775,088	£767,805	£95,649	6
2022-01-31	£769,202	£557,020	£328,530	15
2021-01-31	£407,734	£396,866	-	-

Trustees

Name	Role	Appointed
Chimaeze Onyeiwu		2023-12-21
Karen Perry		2022-05-08
Paul Littlefair		2021-03-02
Tana Dai		2022-04-20
UNA JONES MA, BSC		2015-01-14
William Ian Whiteford		2024-01-31

SUSTAINABLE FIBRE ALLIANCE

England & Wales - Charity number 1165742

Accounts

Registered number: 09389265
Charity number: 1165742

SUSTAINABLE FIBRE ALLIANCE

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**



SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

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SUSTAINABLE FIBRE ALLIANCE
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JANUARY 2025**

Trustees	Una Jones, Chief Executive Paul Littlefair Tana Dai Karen Perry Ayongxi Ayongxi (appointed 1 February 2024, resigned 6 July 2025) Chimaeze Onyeiwu William Whiteford
Company registered number	09389265
Charity registered number	1165742
Registered office	41 Bryn Awelon Mold Flintshire CH7 1LT
Chief executive officer	Una Jones
Independent auditors	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

SUSTAINABLE FIBRE ALLIANCE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JANUARY 2025

The Trustees present their annual report together with the audited financial statements of the Charity for the period from 1 February 2024 to 31 January 2025. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the 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 (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Sustainable Fibre Alliance is a global multi-stakeholder initiative with a mission to ensure the long-term viability of the cashmere sector. We promote the SFA Cashmere Standard to encourage the adoption of responsible production practices that minimise environmental impact, safeguard herder livelihoods and meet high animal welfare standards.

The objectives of the charity are:

To promote sustainable development for the benefit of the public by:

- the preservation, conservation and the protection of the environment and the prudent use of resources
- the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities
- the promotion of sustainable means of achieving economic growth and regeneration
- to advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large.

The vision of the SFA is that all cashmere is produced in an environmentally friendly way that safeguards the livelihoods of herding communities and protects the important, fragile environment in which they live.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The Key Strategic aims that that shape our work are:

- Environmental resilience in cashmere producing regions.
- Improving animal welfare within cashmere production.
- Improved long-term prospects for herding communities and farmers that rely on cashmere.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2025

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

The SFA works with the end to end cashmere supply chain, connecting herders to brands and retailers in the global fashion industry. We offer a globally-focused, locally-adapted solution for sustainable cashmere. We promote the SFA Cashmere Standard to encourage the adoption of responsible practices that benefit people, livestock and the environment. Our standard allows companies to demonstrate their commitment to transforming the cashmere sector and make credible claims about the sustainability of their cashmere products.

d. Main activities undertaken to further the Charity's purposes for the public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

e. Board of Trustees

The Board of Trustees remained stable throughout the period, providing continuity to the organisation. In 2024, Ian Whiteford was appointed as Chair, bringing strong leadership to work alongside the CEO in achieving the organisation's ambitions strategy. His appointment has strengthened the connection between the Board and staff, fostering greater collaboration.

A 2024 review of board effectiveness focused on enhancing Board-staff collaboration, streamlining decision-making, and ensuring trustees remain well-informed on key operational matters. To support these goals, the Board established subcommittees—Strategy, Finance and Risk, Operations, and Standards and Audit—to improve oversight and decision-making efficiency. The subcommittees are designed to:

- Strengthen Board engagement in management support, strategy, finance, and governance, aligning with its core responsibilities.
- Ensure appropriate Board involvement in operational matters, focusing on scrutiny of major decisions and monitoring progress on key projects relevant to external stakeholders.
- Enable faster, more efficient decision-making by delegating specific decisions to subcommittees, reducing the need for full Board involvement.
- Allow trustees to contribute their expertise in areas most relevant to their skills and experience.

The Chair, in collaboration with Board members and staff, plans the Board's work programme and meetings. This ensures trustees have the necessary information, time, and space to thoroughly explore key issues and make well-informed decisions, optimising the use of Board time. Full Board meetings occur quarterly, providing increased opportunities for trustees to engage in strategic discussions and decision-making to deliver on the organisation's Strategy to 2030.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2025

Achievements and performance

a. Main achievements of the Charity

The 12 months to 31.01.2025 represented another year of progress and resilience despite the challenges posed by natural disasters affecting herding communities and accelerating climate change. SFA's commitment to promoting resilient, sustainable practices remained unwavering.

- Key achievements include:
- The SFA launched the SFA Chain of Custody Standard v1.1, SFA Assurance & Certification Manual v2.0, and CAB Oversight Manual v1.1, strengthening our assurance frameworks.
- In December 2024, the SFA published the SFA Animal Fibre Standard v1.0 (effective 1 April 2025). This replaced the former SFA Cashmere Standard, enabling the future inclusion of other natural animal fibres while retaining a strong emphasis on responsible cashmere production.
- In comparison to the previous 12 months, SFA Membership income increased by 22%, and registrations for the SFA Chain of Custody programme rose 45%.
- In the 12 months to 31.01.2025, 34% of our income came from non-member sources funding projects.
- In response to the Dzud disaster in Mongolia, the SFA mobilised a relief effort, raising over £130,000 for the Dzud emergency fund. The SFA went on to launch a Community Development Fund to support longer-term recovery for affected herders.

These accomplishments reflect the dedication of our global community of members, partners, and staff. They position the SFA as an organisation dedicated to further increasing its impact, strengthening herder support systems, and navigating climate-related risks.

b. Review of activities

Over the year, SFA expanded its reach, scaled certification, worked with members across the value chain, and deepened our research and programmatic work. Following is a summary of our main activity areas:

Outreach, Certification & Membership

- The SFA now works with over 200 registered herder organisations in Mongolia, covering ~19,560 herder households, and 8,304 registered farms in China.
- In the 12 months to 31.01.2025, the SFA welcomed 19 new members. As of 31.01.2025, the SFA had 79 members. In total, SFA had 174 Chain of Custody participants.
- The rising demand for SFA-certified fibre has strengthened the market for responsible cashmere, benefitting participating herder communities.
- These gains are supported by our UK and Mongolian teams and the strategic partnership with the International Cooperation Committee for Animal Welfare (ICCAW) in China.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2025

Achievements and performance (continued)

Strengthening the Global Standards & Certification Programme

- The SFA developed the world's first cashmere sustainability standard (2017), grounded in codes of practice for animal husbandry and rangeland stewardship. In January 2023, we launched the integrated SFA Cashmere Standard, built around five global principles (Effective Management; Decent Work; Biodiversity & Land Use; Animal Welfare; Fibre Quality Improvement) as an outcome-based, holistic standard. Throughout 2022–2024, we carried out extensive revisions and stakeholder consultation. In December 2024, this process culminated in the new SFA Animal Fibre Standard v1.0, expanding the scope beyond just cashmere while retaining core responsibilities.
- The SFA Chain of Custody system, designed to maintain traceability from certified herders through the supply chain, was first applied in Mongolia (2020) and then later in China (2021). In October 2024, we published the SFA Chain of Custody Standard v1.1, which came into effect in March 2025.
- The SFA also conducted consultations for a camelid scope expansion (e.g. camels, vicuna, alpacas), aligning with the International Year of the Camelids (2024) and collaborating on a Camelid Standard within the Rangeland Stewardship Council (RSC) framework.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2025

Achievements and performance (continued)

Projects & Programmes in Herder Communities

The SFA implements comprehensive projects designed to improve the welfare of animals and the resilience of ecosystems and communities. We work with communities as active participants, partners, and leaders in rangeland management and sustainable resource management, ensuring they have the agency and support needed to thrive.

- **Afghanistan Cashmere Project:** Having received a 5-month extension in 2024, the SFA Afghan Project has successfully trained over 5,000 Afghan farmers on the SFA standards system, 30% of whom have been female herders. This project was completed at year's end.
- **BIA for Mountains & Island Regions Programme:** The SFA Mongolia team partnered with the United Nations Food & Agriculture Organisation (FAO), as part of the collaborative programme. Through this partnership, we have provided and co-funded training on the SFA's Animal Husbandry and Rangeland Stewardship Codes of Practice to herding communities in Mongolia's mountainous regions throughout 2023-2024.
- **Green Loan Program:** A collaboration between the SFA and Khan Bank, this access to finance for herder communities in Mongolia programme continues to strengthen sustainable fibre supply chains in Mongolia. Now in its third year, 15 SFA-certified cooperatives have received loans totalling 7 billion MNT to support responsible cashmere procurement. This long-term partnership provides both financial and educational support, empowering herders to adopt sustainable practices. As the programme becomes a permanent fixture, the SFA aims to expand participation through a new Learning Management System (LMS) under the project, "Herder Connect".
- **SFA Young Herder Programme:** Introduced as an elective course for grades VII–XI, this programme teaches traditional herding, weather forecasting, and biodiversity to foster environmental awareness and cultural heritage. Supported by SFA member Johnstons of Elgin and implemented by local training providers, the programme has expanded to 25 soums across 10 provinces of Mongolia, reaching 1,437 students since 2018, with growing participation each year.
- **Livestock Sector Economic Growth (LSEEG) Project:** Within the framework of the "Productive Partnerships" initiative, financed by the World Bank and implemented by the Ministry of Food, Agriculture, and Light Industry (MOFALI) of Mongolia, the SFA has partnered with its member company, Khanbogd Cashmere LLC, and other organisations to develop a responsible value chain for wool and cashmere.
- **Sustainable Landscape & Biodiversity Conservation in the Eastern Mongolian Steppe Project:** Supported by the SFA, this project is funded under the 7th phase of the Global Environment Facility (GEF), which was led by the United Nations Food and Agriculture Organisation (FAO). The project focuses on improving the sustainable management of dry steppe ecosystems, livestock production, and biodiversity conservation in Mongolia's eastern region.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2025

Achievements and performance (continued)

Research, Monitoring, Evaluation & Learning (MEL)

- The SFA Theory of Change, published in March 2024, outlines how the organisation advances its vision of a responsible and inclusive global natural fibres sector that safeguards the health and well-being of people, animals, and the environment. Grounded in the "One Health" approach, it focuses on three strategic pillars (Policy, Standards & Compliance; Training & Capacity Building; and Collaboration & Convening) that guide SFA's activities, partnerships, and progress toward long-term sustainability goals, with a target of 2030 and a 2040 vision.
- We concluded the ISEAL-funded project that SFA worked on throughout 2023-2024 to develop a biodiversity and nature-focused Monitoring, Evaluation & Learning (MEL) framework for the Mongolian rangelands. Published in a series of papers on "*Measurement and monitoring for landscape jurisdictional approaches (2024)*", the project continued our engagement in a Life Cycle Assessment (LCA) study of cashmere in Mongolia in collaboration with AG Integrity and Textile Exchange to quantify environmental impact.
- The SFA convened social scientists to research herder resilience following the Dzud events of 2023-2024, building on prior studies of Dzud preparedness and integrating environmental, biodiversity, and social factors in our planning.
- We also commenced the Herder Connect project, a two-year digital tool initiative (funded by ISEAL) offering real-time cashmere pricing, financial training, and sustainable practice support for herders.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2025

Achievements and performance (continued)

Collaboration & Events

At the heart of our work is our commitment to partnership, uniting global and local expertise to address emerging challenges and build resilience. Alongside our ambition to increase on-the-ground impact, we aim to see our local partners thrive, grow, and amplify their own impact.

- The SFA continues to partner with international institutions (e.g. UNCCD, ILRI, CIFOR-ICRAF) to co-develop a Global Rangeland Stewardship Standard, leveraging shared expertise with the Rangeland Stewardship Council (RSC) to promote sustainable land management and reduce environmental impacts.
- The Sustainable Natural Fibres (SNF) Global Conference, held in Beijing, China, on 11–12 April 2024, was organised by ICCAW with support from the SFA and CCMI. It advanced sustainability and responsible practices in the natural fibres sector, highlighting ICCAW and the SFA's collaboration to promote ethical, sustainable cashmere production and strengthen cross-sector partnerships in China and beyond.
- In Mongolia, the SFA's Cashmere Connect event was held on 15 March 2024 and saw the participation of 13 factories and 43 cooperatives.
- The SFA Mongolia Conference in 2024, themed "Overcoming Challenges and Meeting Expectations in Natural Fibers", was held in September in Ulaanbaatar. The SFA organised the event in collaboration with the Ministry of Food, Agriculture, and Light Industry (MOFALI) and the Ministry of Environment and Climate Change of Mongolia. Over 130 representatives and participants attended the forum.
- In September 2024, the SFA co-hosted the annual Natural Fibre Connect (NFC) Conference in Biella, Italy. The event explored themes of regenerative agriculture, policy impacts, and women's empowerment within the natural fibre sector.
- In December 2024, the SFA engaged at UNCCD's COP16 in Riyadh, Saudi Arabia, bringing the RSC initiative to a global stage and participating in sessions such as Fashion4Land, highlighting the nexus between textiles, land, and sustainability.
- Additional global engagement included New York Climate Week and an MEL framework workshop in Nairobi (October 2024) to develop monitoring for the RSC Global Rangelands Standard.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2025

Financial review

a. Going concern

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

b. Reserves policy

The Trustees have adopted a policy of having minimum total reserves of £50,000, in order to guarantee continuity of charitable activities. The Trustees will further review this policy as the activities of the Charity continue to grow. The Charity's reserves at 31st January 2025 amounted to £343,280 (2024: £105,435).

Free reserves at 31 January 2025 were £228,003 (2024: £94,132)

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee incorporated in England and Wales. It was set up by Articles of Association, dated 14th January 2015 and then amended on 4th February 2016.

The company was granted charitable status on 24th February 2016 and is a registered charity number 1165742.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees, who are elected by ordinary resolution by the existing Trustees in accordance with the company's articles of association.

c. Organisational structure and decision-making policies

The charity is managed by its Board, which consists of its Chair (also a Trustee), its CEO (also a Trustee), and five other Trustees. Management of day to day operations is delegated to the CEO, supported by teams in the UK and in Mongolia. The Charity Commission have granted permission for the CEO to draw remuneration for her services as CEO as well as being a Trustee.

d. Risk management

SFA have a Risk Register procedure in place for evaluating the strategic, operational, finance and compliance risks that the charity is exposed to. The Risk Register is used to support the identification and evaluation of risk, as well as the design and implement effective measures, not only to reduce risk and limit the impact if such risks materialise. The Trustees regularly assess the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, both in the UK and in Mongolia. The Trustees have assessed both the impact and likelihood of each source of risk and are satisfied that systems and procedures are in place to mitigate our exposure where ever possible.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2025

Structure, governance and management (continued)

Plans for future periods

The current year has been exciting and dynamic yet challenging. Nature faces intensifying global pressures, while geopolitical shifts and economic uncertainties (e.g. the USAID funding freeze) across NGO funding landscapes. The SFA has sustained its membership support and continues to grow its position and project income.

As we look to the year ahead, we remain energised by our mission and commitment to building a locally rooted, globally connected multistakeholder network with a shared ambition to strengthen our vital work. We continue to focus on creating a solid organisational foundation and strengthening our finances. This involves considering and advancing practical and strategic adjustments to ensure operational efficiencies, thereby increasing the scale and impact of our work while staying true to the values and approach that define us.

Through our membership base, partnerships, and collaboration across sectors, geographies, and disciplines, we aim to transform local success into systemic change. Through our work, we continue to amplify indigenous and local community voices and expertise to ensure that the rangeland communities are included at all levels of rangeland stewardship decision-making.

At the SFA, we are committed to innovative solutions that direct financial resources to on-the-ground actions, empowering herders, promoting good animal welfare, and preserving vital rangeland ecosystems. The SFA is establishing a new subsidiary, SFA International CIC, designed to efficiently manage volume-based fees and strengthen our ability to scale impact while maintaining the integrity of our certification programme. This initiative is supported by our electronic traceability system, SFA Threads, which ensures transparency and accountability throughout the supply chain.

We have reviewed our forecasts and are confident that our current trajectory of growth will be maintained, enabling us to support each stage of the cashmere supply chain and its journey to producing and procuring cashmere and natural fibre products.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2025

Plans for future periods (continued)

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, WR Partners, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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



.....
Una Jones
Chief Executive

Date: 26/11/2025

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 JANUARY 2025

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the Charity's transactions and 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.

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

Una Jones

.....
Una Jones
Chief Executive

Date: 26/11/2025

SUSTAINABLE FIBRE ALLIANCE
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUSTAINABLE FIBRE ALLIANCE

Opinion

We have audited the financial statements of Sustainable Fibre Alliance (the 'charity') for the year ended 31 January 2025 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 January 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Matters

The financial statements of the charitable company for the year ended 31 January 2024 were not subject to an audit. The comparative figures included within the financial statements of the charitable company for the year ended 31 January 2025 are therefore unaudited.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUSTAINABLE FIBRE ALLIANCE
(CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUSTAINABLE FIBRE ALLIANCE
(CONTINUED)

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUSTAINABLE FIBRE ALLIANCE
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

The audit team obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are those which relate to the reporting framework (The Charity SORP 2019), the relevant tax compliance regulations and the General Data Protection Regulation (GDPR).

We understood how the charitable company complies with these frameworks by making enquiries of management and those responsible for legal and compliance procedures. We also reviewed board minutes to identify any recorded instances of irregularity or non-compliance that might have a material impact on the financial statements.

We assessed the susceptibility of the charitable company's financial statements to material misstatement including how fraud may occur by meeting with key management to understand where the considered there was a susceptibility to fraud. Based on our understanding our procedures involved enquiries of management and those charged with governance, manual journal entry testing, cashbook reviews for large and unusual items and the challenge of significant estimates using in preparing the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUSTAINABLE FIBRE ALLIANCE
(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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

WR Partners

Andrew Malpass BSc FCA (Senior statutory auditor)

for and on behalf of

WR Partners

Chartered Accountants

Statutory Auditors

Belmont House

Shrewsbury Business Park

Shrewsbury

Shropshire

SY2 6LG

Date:

28/11/2025

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2025**

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Income from:					
Donations and legacies	3	1,321,236	355,391	1,676,627	988,771
Investments	4	34	-	34	-
Total income		<u>1,321,270</u>	<u>355,391</u>	<u>1,676,661</u>	<u>988,771</u>
Expenditure on:					
Charitable activities	5	1,184,909	253,907	1,438,816	978,985
Total expenditure		<u>1,184,909</u>	<u>253,907</u>	<u>1,438,816</u>	<u>978,985</u>
Net income		136,361	101,484	237,845	9,786
Transfers between funds	14	(1,273)	1,273	-	-
Net movement in funds		<u>135,088</u>	<u>102,757</u>	<u>237,845</u>	<u>9,786</u>
Reconciliation of funds:					
Total funds brought forward		105,430	5	105,435	95,649
Net movement in funds		135,088	102,757	237,845	9,786
Total funds carried forward		<u>240,518</u>	<u>102,762</u>	<u>343,280</u>	<u>105,435</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 36 form part of these financial statements.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)
REGISTERED NUMBER: 09389265

BALANCE SHEET
AS AT 31 JANUARY 2025

	Note	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	10		12,515		11,298
			<u>12,515</u>		<u>11,298</u>
Current assets					
Stocks	11	-		827	
Debtors	12	587,879		306,662	
Cash at bank and in hand		476,601		291,552	
			<u>1,064,480</u>	<u>599,041</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(733,715)		(504,904)	
Net current assets			330,765		94,137
Total assets less current liabilities			<u>343,280</u>		<u>105,435</u>
Net assets			<u>343,280</u>		<u>105,435</u>
Total net assets			<u><u>343,280</u></u>		<u><u>105,435</u></u>

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)
REGISTERED NUMBER: 09389265

BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2025

	Note	2025 £	2025 £	<i>2024</i> £	<i>2024</i> £
Charity funds					
Restricted funds	14		102,762		5
Unrestricted funds	14		240,518		<i>105,430</i>
Total funds			343,280		<i>105,435</i>

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

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

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

.....
Una Jones
Chief Executive

Date:

The notes on pages 22 to 36 form part of these financial statements.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2025

	2025	2024
	£	£
Cash flows from operating activities		
Net cash used in operating activities	193,638	<i>190,565</i>
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	(35)	-
Purchase of tangible fixed assets	(8,554)	<i>(10,541)</i>
	<hr/>	<hr/>
Net cash used in investing activities	(8,589)	(10,541)
	<hr/>	<hr/>
Cash flows from financing activities		
	<hr/>	<hr/>
Net cash provided by financing activities	-	-
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	185,049	180,024
Cash and cash equivalents at the beginning of the year	291,552	<i>111,528</i>
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	476,601	<i>291,552</i>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 22 to 36 form part of these financial statements

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

1. General information

Sustainable Fibre Alliance is a charitable company, limited by guarantee and incorporated in England and Wales. The members of the charity are the trustees named on page 1 of these accounts. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Sustainable Fibre Alliance 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.

2.2 Going concern

After making enquires, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Subscription income is recognised when members undertake to join or renew but is treated as deferred to the extent that it relates to the unexpired membership term:

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

2. Accounting policies (continued)

2.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Foreign currencies

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

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

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

2.7 Tangible fixed assets and depreciation

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	33% straight-line
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2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

2. Accounting policies (continued)

2.9 Debtors

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

2.10 Cash at bank and in hand

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

2.11 Liabilities and provisions

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

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.12 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

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

2.14 Fund accounting

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

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

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

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

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

3. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Donations & Subscriptions	1,321,236	-	1,321,236	988,771
Grants	-	355,391	355,391	-
Total 2025	<u>1,321,236</u>	<u>355,391</u>	<u>1,676,627</u>	<u>988,771</u>

4. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Investment income - local cash	34	34	-
	<u>34</u>	<u>34</u>	<u>-</u>

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	<i>Total 2024 £</i>
Charitable Activities	1,184,909	253,907	1,438,816	978,985
Total 2025	<u>1,184,909</u>	<u>253,907</u>	<u>1,438,816</u>	<u>978,985</u>
<i>Total 2022</i>	<u>886,762</u>	<u>92,223</u>	<u>978,985</u>	

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

6. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Charitable Activities	1,167,726	271,090	1,438,816	978,985
Total 2025	<u>1,167,726</u>	<u>271,090</u>	<u>1,438,816</u>	<u>978,985</u>
<i>Total 2024</i>	<u>690,726</u>	<u>288,259</u>	<u>978,985</u>	

Analysis of direct costs

	Activities 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Staff costs	295,982	295,982	216,252
Charitable project costs	508,616	508,616	186,753
Conference costs	58,730	58,730	52,162
Training and accreditation costs	239,939	239,939	140,126
Research costs	7,543	7,543	20,812
Mongolia staff costs	47,032	47,032	65,794
Monitoring & evaluation	9,884	9,884	8,827
Total 2025	<u>1,167,726</u>	<u>1,167,726</u>	<u>690,726</u>
<i>Total 2024</i>	<u>690,726</u>	<u>690,726</u>	

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Staff costs	121,450	121,450	143,420
Depreciation	7,336	7,336	5,514
Travel costs	19,203	19,203	23,370
Office expenditure	42,081	42,081	45,180
Finance costs	5,706	5,706	7,172
Communications	13,893	13,893	18,196
Rent and room hire	2,483	2,483	858
Insurance	2,462	2,462	1,140
Other expenditure	27,893	27,893	20,843
Other staff costs	10,092	10,092	5,211
Mongolian labour charges	18,491	18,491	17,355
Total 2025	<u>271,090</u>	<u>271,090</u>	<u>288,259</u>

7. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £10,500 (2024: independent examination fee £3,825).

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

8. Staff costs

	2025	<i>2024</i>
	£	£
Wages and salaries	303,697	<i>295,372</i>
Social security costs	33,108	<i>26,724</i>
Contribution to defined contribution pension schemes	80,627	<i>37,576</i>
	417,432	<i>359,672</i>

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

	2025	<i>2024</i>
	No.	No.
Employees	9	<i>9</i>

No employee received remuneration amounting to more than £60,000 in either year.

The information provided throughout this note discloses details for the charitable company's workforce in the United Kingdom.

The average number of persons employed in the UK is nine there are also three members of contract staff employed by the SFA in the UK, the cost of these is presented in the accounts within both direct and support costs in Note 5. The information provided throughout this note discloses details for the charitable company's workforce in the United Kingdom.

The charitable company also has a team of 6 employees in Mongolia and 28 short-term service contractors for whom it completes regulatory filing in Mongolia; the cost of this team is presented in the accounts within both direct and support costs in Note 6.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

9. Trustees' remuneration and expenses

During the year, the charity has paid a salary to the Chief Executive, who is also a Trustee. The charity has obtained permission from the Charities Commission for the Trustee to be paid remuneration for their role as Chief Executive. The value of their remuneration and other benefits was £87,682 (2023: £76,729)

	2025	2024
	£	£
Remuneration	53,550	49,714
Pension contributions paid	32,713	26,104
Other benefits	1,419	911

Remuneration and benefits, including employers national insurance received by key management personnel totalled £93,816 (2024: £82,233)

During the year ended 31 January 2025, expenses totalling £15,636 were reimbursed or paid directly to 1 Trustee (2024 - £7,966, one Trustee). These costs were paid for travel and sustenance exclusively in performing the role of CEO, rather than that of trustee.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

10. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 February 2024	23,756
Additions	8,554
At 31 January 2025	32,310
Depreciation	
At 1 February 2024	12,459
Charge for the year	7,336
At 31 January 2025	19,795
Net book value	
At 31 January 2025	12,515
<i>At 31 January 2024</i>	11,297

11. Stocks

	2025 £	2024 £
Finished goods and goods for resale	-	827
	-	827

12. Debtors

	2025 £	2024 £
Due within one year		
Trade debtors	557,898	294,500
Other debtors	-	205
Prepayments and accrued income	29,981	11,957
	587,879	306,662

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

13. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Trade creditors	47,379	15,896
Other taxation and social security	28,211	22,123
Other creditors	132,548	6,099
Accruals and deferred income	525,577	460,786
	733,715	504,904

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

14. Statement of funds

Statement of funds - current year

	Balance at 1 February 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2025 £
Unrestricted funds					
Designated funds					
Young Herder Training & Apprentiships	-	10,000	(10,795)	795	-
General funds					
General Funds - all funds	105,430	1,311,270	(1,174,114)	(2,068)	240,518
Total Unrestricted funds	105,430	1,321,270	(1,184,909)	(1,273)	240,518
Restricted funds					
Disaster Project	-	130,310	(89,402)	-	40,908
EDRB Project	406	-	(540)	134	-
Mountain Partnership	-	3,357	(4,102)	745	-
World Bank	-	-	(117)	117	-
Livestock Commercialisation Project	-	5,902	(2,099)	-	3,803
One Health Project	-	74,633	(39,997)	-	34,636
ISEAL Herder	-	52,500	(8,708)	-	43,792
UNDP Project	-	12,496	(10,602)	-	1,894
Iseal Innovations	-	-	(5,976)	-	(5,976)
Khan Altai Project	-	1,524	(1,704)	180	-
ISEAL Alliance Project	(4,547)	11,882	(7,432)	97	-
Rangeland Stewardship	5,243	62,787	(83,228)	-	(15,198)
Life Cycle Analysis	(1,097)	-	-	-	(1,097)
	5	355,391	(253,907)	1,273	102,762
Total of funds	105,435	1,676,661	(1,438,816)	-	343,280

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

14. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 February 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 January 2024 £</i>
Unrestricted funds					
General Funds - all funds	84,036	885,063	(859,972)	(3,697)	105,430
Restricted funds					
Disaster Project	-	3,124	(3,805)	681	-
EDRB Project	406	-	-	-	406
One Health Project	1,935	20,000	(26,790)	4,855	-
Khan Altai Project	6,226	-	(7,433)	1,207	-
Apprenticeship	3,046	-	-	(3,046)	-
ISEAL Alliance Project	-	12,181	(16,728)	-	(4,547)
Rangeland Stewardship	-	25,000	(19,757)	-	5,243
Life Cycle Analysis	-	43,403	(44,500)	-	(1,097)
	<u>11,613</u>	<u>103,708</u>	<u>(119,013)</u>	<u>3,697</u>	<u>5</u>
Total of funds	<u><u>95,649</u></u>	<u><u>988,771</u></u>	<u><u>(978,985)</u></u>	<u><u>-</u></u>	<u><u>105,435</u></u>

Restricted funds are for specific projects. This year the negative balances are caused by the timing of income and expenditure.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

15. Summary of funds

Summary of funds - current year

	Balance at 1 February 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2025 £
Designated funds	-	10,000	(10,795)	795	-
General funds	105,430	1,311,270	(1,174,114)	(2,068)	240,518
Restricted funds	5	355,391	(253,907)	1,273	102,762
	<u>105,435</u>	<u>1,676,661</u>	<u>(1,438,816)</u>	<u>-</u>	<u>343,280</u>

Summary of funds - prior year

	<i>Balance at 1 February 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 January 2024 £</i>
General funds	84,036	885,063	(859,972)	(3,697)	105,430
Restricted funds	11,613	103,708	(119,013)	3,697	5
	<u>95,649</u>	<u>988,771</u>	<u>(978,985)</u>	<u>-</u>	<u>105,435</u>

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

16. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	12,515	-	12,515
Current assets	961,718	102,762	1,064,480
Creditors due within one year	(733,715)	-	(733,715)
Total	240,518	102,762	343,280

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Endowment funds 2024 £</i>	<i>Total funds 2024 £</i>
Tangible fixed assets	-	-	11,298	11,298
Current assets	(334)	5	599,370	599,041
Creditors due within one year	334	-	(505,238)	(504,904)
Total	-	5	105,430	105,435

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net income for the period (as per Statement of Financial Activities)	237,845	9,786
Adjustments for:		
Depreciation charges	7,337	5,514
Dividends, interests and rents from investments	35	-
Decrease in stocks	827	-
Increase in debtors	(281,217)	(33,262)
Increase in creditors	228,811	208,527
Net cash provided by operating activities	193,638	190,565

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

18. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	476,601	291,552
Total cash and cash equivalents	476,601	291,552

19. Analysis of changes in net debt

	At 1 February 2024 £	Cash flows £	At 31 January 2025 £
Cash at bank and in hand	291,552	185,049	476,601
	291,552	185,049	476,601

20. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions paid by the charity to the fund and amounted to £80,627 (2024: £37,576). Contributions of £33,243 (2024: £5,774) were payable to the fund at the balance sheet date and are included in creditors.

21. Related party transactions

The husband of the Chief Executive Officer (Trustee) was employed by the Charity and received remuneration and benefits of £45,647 (2024: £45,036).

The sister of Karen Perry (Trustee) was employed by the Charity in the prior year and received remuneration of £NIL (2024: £1,096)

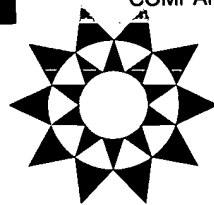
SUSTAINABLE FIBRE ALLIANCE

England & Wales - Charity number 1165742

Accounts

Registered number: 09389265
Charity number: 1165742

SUSTAINABLE FIBRE ALLIANCE
UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024



WR
Partners
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SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

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SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JANUARY 2024

Trustees	Una Jones, Chief Executive Andreas Wilkes (resigned 30 November 2023) Paul Littlefair Tana Dai Karen Perry Ayongxi Ayongxi (appointed 1 February 2024) Chimaeze Onyeiwu (appointed 21 November 2023) William Whiteford (appointed 31 January 2024)
Company registered number	09389265
Charity registered number	1165742
Registered office	41 Bryn Awelon Mold Flintshire CH7 1LT
Chief executive officer	Una Jones
Accountants	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JANUARY 2024

The Trustees present their annual report together with the financial statements of the Charity for the period from 1 February 2023 to 31 January 2024. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the 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 (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Sustainable Fibre Alliance is a global multi-stakeholder initiative with a mission to ensure the long-term viability of the cashmere sector. We promote the SFA Cashmere Standard to encourage the adoption of responsible production practices that minimise environmental impact, safeguard herder livelihoods and meet high animal welfare standards.

The objectives of the charity are:

To promote sustainable development for the benefit of the public by:

- the preservation, conservation and the protection of the environment and the prudent use of resources
- the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities
- the promotion of sustainable means of achieving economic growth and regeneration
- to advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large.

The vision of the SFA is that all cashmere is produced in an environmentally friendly way that safeguards the livelihoods of herding communities and protects the important, fragile environment in which they live.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The Key Strategic aims that that shape our work are:

- Environmental resilience in cashmere producing regions.
- Improving animal welfare within cashmere production.
- Improved long-term prospects for herding communities and farmers that rely on cashmere.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2024

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

The SFA works with the end to end cashmere supply chain, connecting herders to brands and retailers in the global fashion industry. We offer a globally-focused, locally-adapted solution for sustainable cashmere. We promote the SFA Cashmere Standard to encourage the adoption of responsible practices that benefit people, livestock and the environment. Our standard allows companies to demonstrate their commitment to transforming the cashmere sector and make credible claims about the sustainability of their cashmere products.

d. Main activities undertaken to further the Charity's purposes for the public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Achievements and performance

a. Main achievements of the Charity

In the twelve months to 31.01.24, the Sustainable Fibre Alliance (SFA) expanded its activities whilst continuing to strengthen the standard-setting, communication and operational functions of the charity. The SFA's activities and scope of influence have continued to expand through interaction with local and international partners. Our work with partners has ranged from local community organisations, NGOs, small and medium-sized enterprises, larger businesses and government agencies to develop locally owned sustainable rangeland management and conservation programmes.

Over the last year, we have worked with our members and partners to advance in addressing critical sustainability issues, from gender and decent work to innovative ways to deepen our impact on the environment and promote land degradation neutrality. Our work continues to promote human well-being, respect indigenous communities' cultural values, and support governance systems that ensure long-term effectiveness.

Membership has increased by approximately 20% and registrations for SFA's Chain of Custody program have increased by 30%. In the twelve months to 31.01.2024, 30% of income has come from non-members to fund projects.

b. Review of activities

The SFA has continued to increase the focus on herder training and engagement, supporting market connections for responsibly produced cashmere. In these twelve months, the SFA's certification and work programs have continued to increase in participants, representing a global collaboration across 13 countries. This has led to the demand for SFA-certified fibre increasing, bringing benefits to the herders who produce the fibre in line with the SFA standards.

This would not have been possible without the core support of our members, the committed work of our team in the UK and Mongolia, and the continued dedication of our strategic partner in China (ICCAW), which has ensured the SFA is in an increasing position of strength to achieve the objectives outlined above.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2024

Achievements and performance (continued)

The SFA Global Standards & Certification Programme Strengthened & Developed

The SFA Cashmere Standard was first introduced in January 2023 following an extensive revision and multi-stakeholder consultation throughout 2022. The SFA Cashmere Standard defines best practices for responsible cashmere production. The standard covers the most pressing sustainability issues associated with fibre production and outlines the intended outcomes achieved through the standard's adoption. The standard's revision and consultations followed a rigorous multi-stakeholder, science-based review process that put people at its heart, actively engaging with herders, and maintaining the SFA's commitment to the International Social and Environmental Accreditation and Labelling Alliance's (ISEAL) Standard Setting Code and adherence to transparency.

As part of our continual improvement process, 2023 has seen many exciting announcements, from the adoption of a fully segregated Chain of Custody model, which ensures 100% of the cashmere used in the final product is SFA-certified, to publishing the Chain of Custody Global Guidelines v3.0 and subsequent updates of v3.1. Public consultation has also opened this year for our draft Chain of Custody Standard.

The SFA hosted a consultation meeting of the Rangeland Stewardship Council (RSC) in September 2023, which was attended by herders, brands, retailers and industry partners in the natural fibre and leather industries. Following these herder-level consultations, the SFA has begun development into other diversified fibres starting with the SFA Camel Standard.

During the latter half of the year, the SFA supported the work programmes for income diversification to help improve the livelihoods of herders and herding communities through the wider inclusion of rangeland-based commodities.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2024

Achievements and performance (continued)

SFA Projects & Work Programmes

Beyond setting and implementing standards, and fostering continuous improvement, the SFA remains dedicated to empowering women, youth, and communities in the regions we serve. Our initiatives include a variety of impactful projects that demonstrate our ongoing commitment to creating positive change and supporting sustainable development. These projects are as follows:

- Expanding our geographical outreach, the SFA launched a project to support the raising of the standard of cashmere production in Afghanistan. We started this work and development with 5,000 Afghan farmers, with a focus on supporting female farmers. As part of this 13-month USAID-funded project, we aim to develop a strong foundation to support Afghan herders through the One-Health approach and local ownership. The SFA developed Country Guidelines for Afghanistan centring around this One-Health focus of humans-animals-environment and training program to increase the quality of cashmere production in the country. A project of this scale will take some time, therefore, no cashmere from Afghanistan has been SFA-certified during this period.
- The SFA's Young Herders Education Programme, supported by Johnstons of Elgin, benefited a total of 1,251 children from 21 schools in Mongolia.
- Providing access to finance for herder communities is a specific loan product developed by Khan Bank to support sustainable livestock production based on herder's financial needs. Over the last two years, 22 herder cooperatives have received loans totalling 4.3 billion MNT.
- The SFA's Fibre Quality Programme is an annual recognition given by international SFA member brands and retailers to the cooperatives showcasing the best use of the SFA's Codes of Practice to enhance animal breeding quality and increase raw fibre quality.

SFA Research & Monitoring, Evaluation & Learning (MEL) Projects

Our research and MEL initiatives, aimed at understanding the environmental, economic, and social impacts of cashmere production, focus on the goal of developing more sustainable practices that benefit both the environment and the communities involved in the industry. To achieve this, the SFA has initiated a number of projects and partnerships in 2023, such as:

- A landscape-based approach initiative to measure the environmental impact of cashmere certification in the Bayan-Ovoo province of Mongolia, funded by ISEAL.
- A three-year partnership with the Mongolian Academy of Science (MAS) to bridge the research-practice gap and link scientists with the industry, local practitioners, and decision-makers to promote evidence-based conservation practices.
- A Life Cycle Assessment (LCA) research project in Mongolia that measures the environmental impact of cashmere in collaboration with AG Integrity and Textile Exchange.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2024

Achievements and performance (continued)

Working Collaboratively Together

In fostering unity across the cashmere and wider natural fibre supply chain, the SFA arranged impactful conferences throughout the year.

- In February, SFA co-organised the Cashmere sector event in Biella, Italy in partnership with Natural Fibre Connect (NFC) colleagues.
- In early September, we convened the SFA Mongolia conference in Ulaanbaatar, bringing together over 150 in-person attendees from across the country. This unique event was organised by the herders themselves, supported by the SFA and the Ministry of Agriculture and Light Industry of Mongolia (MoFALI).
- Towards the end of September, the second edition of the Natural Fibre Connect (NFC) conference brought together a global fibre community of cashmere, mohair, wool, and alpaca in Biella, Italy, with over 350 in-person participants and 1,000 virtual attendees.

Looking Forward

In 2024, we will continue our mission to drive positive change in natural fibre value chains by empowering herding communities, promoting responsible sourcing and the adoption of sustainable practices. By doing so, we continue working towards our vision of a responsible and inclusive global natural fibres sector that safeguards the health and well-being of the people, animals and the environment.

The SFA will work towards deepening impact in three main areas: the protection of natural resources, the positive welfare state of livestock, and resilient herding communities in collaboration with the market and stakeholders. The SFA will achieve this through strengthening its standard systems and Monitoring, Evaluation & Learning framework as well as working towards ISEAL Code Compliance. We will continue to support herding communities to be resilient against natural disasters through Dzud and climate risk resilience research as well as through establishing a Community Development Fund.

The SFA will collaborate with international development organisations, such as the United Nations Convention to Combat Desertification (UNCCD) and the International Livestock Research Institute (ILRI), in developing the next generation of standards to achieve shared missions of encouraging sustainable land management and minimising environmental impacts. Through these collaborations, we hope to utilise our respective strengths to bring effective development and change to the world's rangelands.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2024

Financial review

a. Going concern

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

b. Reserves policy

The Trustees have adopted a policy of having minimum total reserves of £50,000, in order to guarantee continuity of charitable activities. The Trustees will further review this policy as the activities of the Charity continue to grow. The Charity's reserves at 31st January 2024 amounted to £105,435 (2023: £95,649).

Free reserves at 31 January 2024 were £94,132 (2023:£77,765).

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee incorporated in England and Wales. It was set up by Articles of Association, dated 14th January 2015 and then amended on 4th February 2016.

The company was granted charitable status on 24th February 2016 and is a registered charity number 1165742.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees, who are elected by ordinary resolution by the existing Trustees in accordance with the company's articles of association.

c. Organisational structure and decision-making policies

The charity is managed by its Board, which consists of its Chair (also a Trustee), its CEO (also a Trustee), and four other Trustees. Management of day to day operations is delegated to the CEO, supported by teams in the UK and in Mongolia. The Charity Commission have granted permission for the CEO to draw remuneration for her services as CEO as well as being a Trustee.

d. Risk management

SFA have a Risk Register procedure in place for evaluating the strategic, operational, finance and compliance risks that the charity is exposed to. The Risk Register is used to support the identification and evaluation of risk, as well as the design and implement effective measures, not only to reduce risk and limit the impact if such risks materialise. The Trustees regularly assess the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, both in the UK and in Mongolia. The Trustees have assessed both the impact and likelihood of each source of risk and are satisfied that systems and procedures are in place to mitigate our exposure where ever possible.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2024

Structure, governance and management (continued)

Plans for future periods

The decision was taken to revise the SFA codes of practice structure into a global voluntary standard with consistent implementation between countries, ensuring that all certified producers and processors apply critical social, environmental and animal welfare criteria. As a membership alliance, it has been crucial to use this revision as an opportunity to gain consensus and a deeper understanding of the links between the latest scientific understanding and traditional knowledge, practices and performance and to garner buy-in and support from a balance of stakeholders (governmental, academic, NGO's, producers). In line with ISEAL best practices, the multistakeholder outreach continues to allow for targeted stakeholder input and public consultation, to ensure breadth and depth of expertise involvement for a robust standard and assurance system that generates credible, positive change to the SFA and the communities in which we support.

The development and implementation of the Global standard act as a catalyst for continuous, measurable improvements by producers and processors around environmental, social and animal welfare issues. Alongside this, the SFA will continue to engage in projects which champion sustainable development and address specific issues or blocks to sustainable development along the cashmere value chain. Strong partnerships with a variety of trusted and esteemed project partners have been cemented and are being further developed. These include membership engagement on projects addressing specific issues (such as John Lewis' support of Producer Cooperatives, J.Crew support of Women's Empowerment projects and Young herder training supported by Johnston's of Elgin), with various UN agencies (such as FAO, UNDP and UNIDO), NGOs (such as WWF), financial institutions such as EBRD, World Bank and Khan Bank, academic institutions and especially ICCAW our partner in China. This approach helps ensure a coherent effort that supports sustainability in the cashmere industry that enhances herders' and their families' livelihoods while reducing environmental impact and raising animal welfare.

With the current global lens on the effectiveness of sustainability initiatives, the introduction of welcomed regulation (especially around environmental claims and due diligence) and increased action by corporates, SFA is in a strong position with its clear mission, collaborative ethos and sharp focus to support and catalyse positive action along the end-to-end cashmere value chain.

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

Una Jones

.....
Una Jones
Chief Executive

Date: 16/10/2024

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 JANUARY 2024

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the Charity's transactions and 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.

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

Una Jones

.....
Una Jones

Date: 16/10/2024

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 JANUARY 2024

Independent Examiner's Report to the Trustees of Sustainable Fibre Alliance ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 January 2024.

Responsibilities and Basis of Report

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2024

Independent Examiner's Statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute for Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:

Jane Tweedie

Dated:

17 October 2024

S J Tweedie

BSc FCA DChA

WR Partners
Chartered Accountants
Belmont House
Shrewsbury Business Park
Shrewsbury
SY2 6LG

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2024**

	Note	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	3	103,708	885,063	988,771	775,088
Total income		103,708	885,063	988,771	775,088
Expenditure on:					
Charitable activities	4	119,013	859,972	978,985	767,805
Total expenditure		119,013	859,972	978,985	767,805
Net (expenditure)/income		(15,305)	25,091	9,786	7,283
Transfers between funds	13	3,697	(3,697)	-	-
Net movement in funds		(11,608)	21,394	9,786	7,283
Reconciliation of funds:					
Total funds brought forward		11,613	84,036	95,649	88,366
Net movement in funds		(11,608)	21,394	9,786	7,283
Total funds carried forward		5	105,430	105,435	95,649

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 16 to 30 form part of these financial statements.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)
REGISTERED NUMBER: 09389265

BALANCE SHEET
AS AT 31 JANUARY 2024

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	9		11,298		6,271
			<u>11,298</u>		<u>6,271</u>
Current assets					
Stocks	10	827		827	
Debtors	11	306,996		273,400	
Cash at bank and in hand		291,552		111,528	
		<u>599,375</u>		<u>385,755</u>	
Creditors: amounts falling due within one year	12	(505,238)		(296,377)	
Net current assets			<u>94,137</u>		<u>89,378</u>
Total assets less current liabilities			<u>105,435</u>		<u>95,649</u>
Net assets			<u>105,435</u>		<u>95,649</u>
Total net assets			<u><u>105,435</u></u>		<u><u>95,649</u></u>

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)
REGISTERED NUMBER: 09389265

BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2024

	Note	2024 £	2024 £	2023 £	2023 £
Charity funds					
Restricted funds	13		5		11,613
Unrestricted funds	13		105,430		84,036
Total funds			<u>105,435</u>		<u>95,649</u>

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

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

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

Una Jones

Una Jones
Chief Executive

Date: 16/10/2024

The notes on pages 16 to 30 form part of these financial statements.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash used in operating activities	190,565	17,913
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(10,541)	(3,483)
	<hr/>	<hr/>
Net cash used in investing activities	(10,541)	(3,483)
	<hr/>	<hr/>
Cash flows from financing activities		
	<hr/>	<hr/>
Net cash provided by financing activities	-	-
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	180,024	14,430
Cash and cash equivalents at the beginning of the year	111,528	97,098
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	291,552	111,528
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 16 to 30 form part of these financial statements

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

1. -General information

Sustainable Fibre Alliance is a charitable company, limited by guarantee and incorporated in England and Wales. The members of the charity are the trustees named on page 1 of these accounts. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Sustainable Fibre Alliance 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.

2.2 Going concern

After making enquires, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Subscription income is recognised when members undertake to join or renew but is treated as deferred to the extent that it relates to the unexpired membership term:

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

2. Accounting policies (continued)

2.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Foreign currencies

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

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

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

2.6 Tangible fixed assets and depreciation

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	33% straight-line
------------------	---	-------------------

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.8 Debtors

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

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

2. Accounting policies (continued)

2.9 Cash at bank and in hand

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

2.10 Liabilities and provisions

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

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

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

2.13 Fund accounting

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

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

SUSTAINABLE FIBRE ALLIANCE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

3. Income from donations and legacies

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations & Subscriptions	103,708	885,063	988,771	775,088

4. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total 2024 £	Total 2023 £
Charitable Activities	119,013	859,972	978,985	767,805
Total 2024	119,013	859,972	978,985	767,805
<i>Total 2022</i>	<i>210,782</i>	<i>557,023</i>	<i>767,805</i>	

SUSTAINABLE FIBRE ALLIANCE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

5. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Charitable Activities	690,726	288,259	978,985	767,805
Total 2024	<u>690,726</u>	<u>288,259</u>	<u>978,985</u>	<u>767,805</u>
<i>Total 2023</i>	<u>488,300</u>	<u>279,505</u>	<u>767,805</u>	

Analysis of direct costs

	Activities 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Staff costs	216,252	216,252	176,160
Charitable project costs	186,753	186,753	34,862
Conference costs	52,162	52,162	17,457
Training and accreditation costs	140,126	140,126	230,334
Research costs	20,812	20,812	2,898
Mongolia staff costs	65,794	65,794	26,589
Monitoring & evaluation	8,827	8,827	-
Total 2024	<u>690,726</u>	<u>690,726</u>	<u>488,300</u>
<i>Total 2023</i>	<u>488,300</u>	<u>488,300</u>	

SUSTAINABLE FIBRE ALLIANCE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

5. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Staff costs	143,420	143,420	102,951
Depreciation	5,514	5,514	3,036
Travel costs	23,370	23,370	32,849
Office expenditure	45,180	45,180	19,554
Finance costs	7,172	7,172	8,105
Communications	18,196	18,196	35,446
Rent and room hire	858	858	422
Insurance	1,140	1,140	3,414
Other expenditure	20,843	20,843	12,542
Other staff costs	5,211	5,211	4,154
Mongolian labour charges	17,355	17,355	57,032
Total 2024	288,259	288,259	279,505

6. Independent examiner's remuneration

	2024 £	2023 £
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	3,675	3,570

SUSTAINABLE FIBRE ALLIANCE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

7. Staff costs

	2024	2023
	£	£
Wages and salaries	295,372	250,958
Social security costs	26,724	18,038
Contribution to defined contribution pension schemes	37,576	10,115
	<u>359,672</u>	<u>279,111</u>

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

	2024	2023
	No.	No.
Employees	<u>9</u>	<u>6</u>

No employee received remuneration amounting to more than £60,000 in either year.

The information provided throughout this note discloses details for the charitable company's workforce in the United Kingdom.

The average number of persons employed in the UK is nine there are also three members of contract staff employed by the SFA in the UK, the cost of these is presented in the accounts within both direct and support costs in Note 5. The information provided throughout this note discloses details for the charitable company's workforce in the United Kingdom.

The charitable company also has a team of 9 employees in Mongolia and 42 short-term service contractors for whom it completes regulatory filing in Mongolia; the cost of this team is presented in the accounts within both direct and support costs in Note 5.

SUSTAINABLE FIBRE ALLIANCE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

8. Trustees' remuneration and expenses

During the year, the charity has paid a salary to the Chief Executive, who is also a Trustee. The charity has obtained permission from the Charities Commission for the Trustee to be paid remuneration for their role as Chief Executive. The value of their remuneration and other benefits was £76,729 (2023: £63,288)

		2024	2023
		£	£
Una Jones	Remuneration	49,714	52,984
	Pension contributions paid	26,104	10,305
	Other benefits	911	-

Remuneration and benefits, including employers national insurance received by key management personnel totalled £82,233 (2023: £69,505)

During the year ended 31 January 2024, expenses totalling £7,966 were reimbursed or paid directly to 1 Trustee (2023 - £6,210, one Trustee). These costs were paid for travel and sustenance exclusively in performing the role of CEO, rather than that of trustee.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024**

9. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 February 2023	13,215
Additions	10,541
At 31 January 2024	23,756
Depreciation	
At 1 February 2023	6,944
Charge for the year	5,514
At 31 January 2024	12,458
Net book value	
At 31 January 2024	11,298
At 31 January 2023	6,271

10. Stocks

	2024	2023
	£	£
Finished goods and goods for resale	827	827

11. Debtors

	2024	2023
	£	£
Due within one year		
Trade debtors	294,500	267,350
Other debtors	539	-
Prepayments and accrued income	11,957	6,050
	306,996	273,400

SUSTAINABLE FIBRE ALLIANCE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

12. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	15,896	14,805
Other taxation and social security	22,457	20,364
Other creditors	6,099	3,422
Accruals and deferred income	460,786	257,786
	505,238	296,377

SUSTAINABLE FIBRE ALLIANCE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024**

13. Statement of funds

Statement of funds - current year

	Balance at 1 February 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2024 £
Unrestricted funds					
General Funds - all funds	84,036	885,063	(859,972)	(3,697)	105,430
Restricted funds					
UNDP	-	3,124	(3,805)	681	-
EDRB Project	406	-	-	-	406
Young Herder Training Programme	1,935	20,000	(26,790)	4,855	-
ACEBA Afghanistan	6,226	-	(7,433)	1,207	-
Apprenticeship	3,046	-	-	(3,046)	-
ISEAL Alliance Project	-	12,181	(16,728)	-	(4,547)
Rangeland Stewardship	-	25,000	(19,757)	-	5,243
Life Cycle Analysis	-	43,403	(44,500)	-	(1,097)
	<u>11,613</u>	<u>103,708</u>	<u>(119,013)</u>	<u>3,697</u>	<u>5</u>
Total of funds	<u><u>95,649</u></u>	<u><u>988,771</u></u>	<u><u>(978,985)</u></u>	<u><u>-</u></u>	<u><u>105,435</u></u>

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

13. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 February 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 January 2023 £</i>
Unrestricted funds					
General Funds - all funds	29,844	620,918	(555,392)	(11,334)	84,036
Restricted funds					
EDRB Project	30,741	8,279	(38,614)	-	406
Young Herder Training Programme	11,451	10,000	(19,516)	-	1,935
Small Ruminants Project	10,000	-	(11,419)	1,419	-
UNDP Project	6,330	9,665	(16,663)	668	-
Volume Based Fee	-	110,000	(119,247)	9,247	-
ACEBA Afghanistan	-	6,226	-	-	6,226
Apprenticeship	-	10,000	(6,954)	-	3,046
	<u>58,522</u>	<u>154,170</u>	<u>(212,413)</u>	<u>11,334</u>	<u>11,613</u>
Total of funds	<u><u>88,366</u></u>	<u><u>775,088</u></u>	<u><u>(767,805)</u></u>	<u><u>-</u></u>	<u><u>95,649</u></u>

Restricted funds are for specific projects. This year the negative balances are caused by the timing of income and expenditure.

SUSTAINABLE FIBRE ALLIANCE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024**

14. Summary of funds

Summary of funds - current year

	Balance at 1 February 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2024 £
General funds	84,036	885,063	(859,972)	(3,697)	105,430
Restricted funds	11,613	103,708	(119,013)	3,697	5
	<u>95,649</u>	<u>988,771</u>	<u>(978,985)</u>	<u>-</u>	<u>105,435</u>

Summary of funds - prior year

	<i>Balance at 1 February 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 January 2023 £</i>
General funds	29,844	620,918	(555,392)	(11,334)	84,036
Restricted funds	58,522	154,170	(212,413)	11,334	11,613
	<u>88,366</u>	<u>775,088</u>	<u>(767,805)</u>	<u>-</u>	<u>95,649</u>

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	11,298	11,298
Current assets	5	599,370	599,375
Creditors due within one year	-	(505,238)	(505,238)
Total	5	105,430	105,435

Analysis of net assets between funds - prior year

	<i>Restricted funds 2023 £</i>	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	-	6,271	6,271
Current assets	11,613	374,142	385,755
Creditors due within one year	-	(296,377)	(296,377)
Total	11,613	84,036	95,649

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income for the year (as per Statement of Financial Activities)	9,786	7,283
Adjustments for:		
Depreciation charges	5,514	3,035
Decrease/(increase) in stocks	-	(827)
Increase in debtors	(33,596)	(26,680)
Increase in creditors	208,861	35,102
Net cash provided by operating activities	190,565	17,913

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024**

17. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	291,552	111,528
Total cash and cash equivalents	291,552	111,528

18. Analysis of changes in net debt

	At 1 February 2023 £	Cash flows £	At 31 January 2024 £
Cash at bank and in hand	111,528	180,024	291,552
	111,528	180,024	291,552

19. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions paid by the charity to the fund and amounted to £37,576 (2023: £10,115). Contributions of £5,774 (2023: £3,422) were payable to the fund at the balance sheet date and are included in creditors.

20. Related party transactions

The husband of the Chief Executive Officer (Trustee) was employed by the Charity and received remuneration and benefits of £45,036 (2023: NIL).

The sister of Karen Perry (Trustee) was employed by the Charity and received remuneration of £1,096 (2023: NIL)

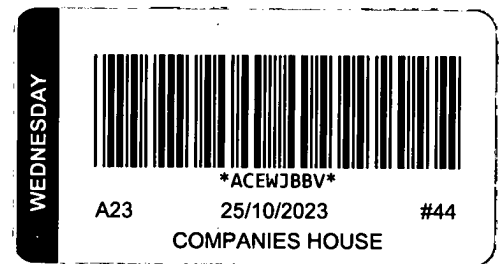
SUSTAINABLE FIBRE ALLIANCE

England & Wales - Charity number 1165742

Accounts

Registered number: 09389265
Charity number: 1165742

SUSTAINABLE FIBRE ALLIANCE
UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023



SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

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SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JANUARY 2023

Trustees	Una Jones, Chief Executive Andreas Wilkes Charles Hubbard (resigned 30 November 2022) Simon Cotton (resigned 20 July 2022) Eleni Thrasyvoulou (resigned 20 July 2022) Paul Littlefair Tana Dai (appointed 8 June 2022) Karen Perry (appointed 8 June 2022) Jocelyn Wilkinson (resigned 20 July 2022)
Company registered number	09389265
Charity registered number	1165742
Registered office	41 Bryn Awelon Mold Flintshire CH7 1LT
Chief executive officer	Una Jones
Accountants	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

SUSTAINABLE FIBRE ALLIANCE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JANUARY 2023

The Trustees present their annual report together with the financial statements of the Charity for the period from 1 February 2022 to 31 January 2023. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the 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 (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Sustainable Fibre Alliance is a global multi-stakeholder initiative with a mission to ensure the long-term viability of the cashmere sector. We promote the SFA Cashmere Standard to encourage the adoption of responsible production practices that minimise environmental impact, safeguard herder livelihoods and meet high animal welfare standards.

The objectives of the charity are:

To promote sustainable development for the benefit of the public by:

- the preservation, conservation and the protection of the environment and the prudent use of resources
- the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities
- the promotion of sustainable means of achieving economic growth and regeneration
- to advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large.

The vision of the SFA is that all cashmere is produced in an environmentally friendly way that safeguards the livelihoods of herding communities and protects the important, fragile environment in which they live.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The Key Strategic aims that shape our work are:

- Environmental resilience in cashmere producing regions.
- Improving animal welfare within cashmere production.
- Improved long-term prospects for herding communities and farmers that rely on cashmere.

SUSTAINABLE FIBRE ALLIANCE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

The SFA works with the end to end cashmere supply chain, connecting herders to brands and retailers in the global fashion industry. We offer a globally-focused, locally-adapted solution for sustainable cashmere. We promote the SFA Cashmere Standard to encourage the adoption of responsible practices that benefit people, livestock and the environment. Our standard allows companies to demonstrate their commitment to transforming the cashmere sector and make credible claims about the sustainability of their cashmere products.

d. Main activities undertaken to further the Charity's purposes for the public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Achievements and performance

a. Main achievements of the Charity

In the twelve month period to 31.01.23 the Sustainable Fibre Alliance (SFA) expanded its activities whilst strengthening the administration functions that support it. SFA's activities and scope of influence have expanded due to the charity's increased interaction with international partners. Membership has remained stable whilst we have had increased contributions from project work and registrations for SFA's Chain of Custody program.

b. Review of activities

In 2022, the SFA saw herder communities joining SFA have almost doubled in number from the previous year across China and Mongolia.

The SFA continued its increased focus on training and engagement with herders and supporting market connections for responsibly produced cashmere. In 12 Mths to 31.01.23, SFA's certification and work programme continued to increase its participants. This has led to demand for SFA fibre increasing, bringing benefits to the herders who produce it with in the SFA standard.

This would not have been possible without our members' core support, the tireless work of our team in the UK and Mongolia, and the commitment and dedication of our strategic partner in China (ICCAW), that has ensured SFA is in an increasing position of strength to achieve the objectives described above.

The SFA global standards and certification programme strengthened and developed

Following two years of revision and consultation, the SFA launched its new global standard system in December 2022. The SFA Cashmere Standard defines best practices for responsible cashmere production. The standard covers the most pressing sustainability issues associated with fibre production and outlines the intended outcomes achieved through the standard's adoption; the standard revision and consultations followed a rigorous multistakeholder, science-based review process, putting people at its heart and actively engaging herders, maintaining SFA's commitment to the International Social and Environmental Accreditation and Labelling Alliance's (ISEAL) Standard Setting Code and adherence to transparency.

SUSTAINABLE FIBRE ALLIANCE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

Achievements and performance (continued)

Supporting, women and youth beyond standard implementation

Beyond standard setting and implementation we continue to support women, youth and communities across the regions in which we work, examples of our work is as follows:

- Women's empowerment program involved over 1000 herding women in the cashmere supply chain, supported by J Crew.
- Young herders education program benefited a total of 760 school children from 7 schools, across 4 regions of Mongolia; supported by Johnstons of Elgin.
- Community governance development support and training- financial training provided to the herder community leaders to increase their financial resilience. This work was supported by Khan Bank.
- SFA herder cooperatives received "Green Loan" finance from Khann bank at preferential rates. 37 Herder co-operatives benefited from this program.

Looking forward

In 2023, the SFA will continue to deepen our impact across our herder communities and further scale our standard across new chosen countries.

It is becoming ever clearer that the urgency of our mission in supporting biodiversity, and increasing need to build resilience against the climate crisis needs systemic change at national and international level and that a significant scaling up of funding is required.

We will continue to facilitate sector wide collaborations and create an enabling environment for an integrated landscape approach for rangeland sustainability to drive change at scale in partnership with local, regional, national and international partners.

The standard and best practices that SFA has developed have the potential to help wider rangeland-based livestock sector value chains, enabling foundations for a systematic approach to reduce vulnerability to climate change and enhance the resilience of herder communities globally.

Financial review

a. Going concern

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

SUSTAINABLE FIBRE ALLIANCE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

b. Reserves policy

The Trustees have adopted a policy of having minimum total reserves of £50,000, in order to guarantee continuity of charitable activities. The Trustees will further review this policy as the activities of the Charity continue to grow. The Charity's reserves at 31st January 2023 amounted to £95,649 (2022: £53,366).

Free reserves at 31 January 2023 were £77,765 (2022:-£10,979).

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee incorporated in England and Wales. It was set up by Articles of Association, dated 14th January 2015 and then amended on 4th February 2016.

The company was granted charitable status on 24th February 2016 and is a registered charity number 1165742.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees, who are elected by ordinary resolution by the existing Trustees in accordance with the company's articles of association.

c. Organisational structure and decision-making policies

The charity is managed by its Board, which consists of its Chair (also a Trustee), its CEO (also a Trustee), and four other Trustees. Management of day to day operations is delegated to the CEO, supported by teams in the UK and in Mongolia. The Charity Commission have granted permission for the CEO to draw remuneration for her services as CEO as well as being a Trustee.

d. Risk management

SFA have a Risk Register procedure in place for evaluating the strategic, operational, finance and compliance risks that the charity is exposed to. The Risk Register is used to support the identification and evaluation of risk, as well as the design and implement effective measures, not only to reduce risk and limit the impact if such risks materialise. The Trustees regularly assess the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, both in the UK and in Mongolia. The Trustees have assessed both the impact and likelihood of each source of risk and are satisfied that systems and procedures are in place to mitigate our exposure where ever possible.

Plans for future periods

The decision was taken to revise the SFA codes of practice structure into a global voluntary standard with consistent implementation between countries, ensuring that all certified producers and processors apply critical social, environmental and animal welfare criteria. As a membership alliance, it has been crucial to use this revision as an opportunity to gain consensus and a deeper understanding of the links between the latest scientific understanding and traditional knowledge, practices and performance and to garner buy-in and support from a balance of stakeholders (governmental, academic, NGO's, producers). In line with ISEAL best practices, the multistakeholder outreach continues to allow for targeted stakeholder input and public consultation, to ensure breadth and depth of expertise involvement for a robust standard and assurance system that generates credible, positive change to the SFA and the communities in which we support.

The development and implementation of the Global standard act as a catalyst for continuous, measurable improvements by producers and processors around environmental, social and animal welfare issues. Alongside this, the SFA will continue to engage in projects which champion sustainable development and address specific issues or blocks to sustainable development along the cashmere value chain. Strong partnerships with a variety of trusted and esteemed project partners have been cemented and are being further developed. These include membership engagement on projects addressing specific issues (such as John Lewis' support of Producer Cooperatives, J.Crew support of Women's Empowerment projects and Young herder training supported by Johnston's of Elgin), with various UN agencies (such as FAO, UNDP and UNIDO), NGOs (such as WWF), financial institutions such as EBRD, World Bank and Khan Bank, academic institutions and especially ICCAW

SUSTAINABLE FIBRE ALLIANCE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

Plans for future periods (continued)

our partner in China. This approach helps ensure a coherent effort that supports sustainability in the cashmere industry that enhances herders' and their families' livelihoods while reducing environmental impact and raising animal welfare.

With the current global lens on the effectiveness of sustainability initiatives, the introduction of welcomed regulation (especially around environmental claims and due diligence) and increased action by corporates, SFA is in a strong position with its clear mission, collaborative ethos and sharp focus to support and catalyse positive action along the end-to-end cashmere value chain.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the Charity's transactions and 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.

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

Una Jones
.....
Una Jones
Chief Executive

Date: *20/10/2023*

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 JANUARY 2023

Independent Examiner's Report to the Trustees of Sustainable Fibre Alliance ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 January 2023.

Responsibilities and Basis of Report

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

Independent Examiner's Statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute for Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed: *Jane Tweedie*

Dated: *24 October 2023*

S J Tweedie

BSc FCA DChA

WR Partners
Chartered Accountants
Belmont House
Shrewsbury Business Park
Shrewsbury
SY2 6LG

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	<i>As restated</i> Total funds 2022 £
Income from:					
Donations and legacies	3	154,170	620,918	775,088	529,038
Total income		<u>154,170</u>	<u>620,918</u>	<u>775,088</u>	<u>529,038</u>
Expenditure on:					
Charitable activities	4	212,413	555,392	767,805	557,020
Total expenditure		<u>212,413</u>	<u>555,392</u>	<u>767,805</u>	<u>557,020</u>
Net (expenditure)/income		<u>(58,243)</u>	<u>65,526</u>	<u>7,283</u>	<u>(27,982)</u>
Transfers between funds	14	11,334	(11,334)	-	-
Net movement in funds		<u>(46,909)</u>	<u>54,192</u>	<u>7,283</u>	<u>(27,982)</u>
Reconciliation of funds:					
Total funds brought forward		58,522	29,844	88,366	116,348
Net movement in funds		(46,909)	54,192	7,283	(27,982)
Total funds carried forward		<u>11,613</u>	<u>84,036</u>	<u>95,649</u>	<u>88,366</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 14 to 28 form part of these financial statements.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)
REGISTERED NUMBER: 09389265

BALANCE SHEET
AS AT 31 JANUARY 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	9		6,271		5,823
			<u>6,271</u>		<u>5,823</u>
Current assets					
Stocks	10	827		-	
Debtors	11	273,400		246,720	
Cash at bank and in hand		111,528		97,098	
		<u>385,755</u>		<u>343,818</u>	
Creditors: amounts falling due within one year	12	(296,377)		(261,275)	
Net current assets			<u>89,378</u>		<u>82,543</u>
Total assets less current liabilities			<u>95,649</u>		<u>88,366</u>
Net assets			<u>95,649</u>		<u>88,366</u>
Total net assets			<u><u>95,649</u></u>		<u><u>88,366</u></u>

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)
REGISTERED NUMBER: 09389265

BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2023

	Note	2023 £	2023 £	2022 £	2022 £
Charity funds					
Restricted funds	14		11,613		58,522
Unrestricted funds	14		84,036		29,844
Total funds			95,649		88,366

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

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

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

Una Jones

Una Jones
Chief Executive

Date: *20/10/2023*

The notes on pages 14 to 28 form part of these financial statements.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	17,913	3,234
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,483)	(5,452)
	<hr/>	<hr/>
Net cash used in investing activities	(3,483)	(5,452)
	<hr/>	<hr/>
Cash flows from financing activities		
	<hr/>	<hr/>
Net cash provided by financing activities	-	-
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	14,430	(2,218)
Cash and cash equivalents at the beginning of the year	97,098	99,316
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	111,528	97,098
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 14 to 28 form part of these financial statements

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

1. General information

Sustainable Fibre Alliance is a charitable company, limited by guarantee and incorporated in England and Wales. The members of the charity are the trustees named on page 1 of these accounts. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Sustainable Fibre Alliance 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.

2.2 Going concern

After making enquires, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Subscription income is recognised when members undertake to join or renew but is treated as deferred to the extent that it relates to the unexpired membership term:

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

2. Accounting policies (continued)

2.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Foreign currencies

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

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

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

2.6 Tangible fixed assets and depreciation

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	33% straight-line
------------------	---	-------------------

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.8 Debtors

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

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

2. Accounting policies (continued)

2.9 Cash at bank and in hand

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

2.10 Liabilities and provisions

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

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

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

2.13 Fund accounting

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

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

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

3. Income from donations and legacies

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	<i>As restated Total funds 2022 £</i>
Donations	154,170	620,918	775,088	529,038
<i>Total 2022 as restated (see note 13)</i>	<i>106,496</i>	<i>422,542</i>	<i>529,038</i>	

4. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total 2023 £	<i>Total 2022 £</i>
Charitable Activities	212,413	555,392	767,805	557,020
Total 2023	212,413	555,392	767,805	557,020
<i>Total 2022</i>	<i>63,036</i>	<i>493,984</i>	<i>557,020</i>	

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

5. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Charitable Activities	488,300	279,505	767,805	557,020
Total 2023	488,300	279,505	767,805	557,020
<i>Total 2022</i>	<i>363,169</i>	<i>193,851</i>	<i>557,020</i>	

Analysis of direct costs

	Activities 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	176,160	176,160	198,976
Charitable project costs	34,862	34,862	45,078
Conference costs	17,457	17,457	2,041
Training and accreditation costs	230,334	230,334	69,311
Research costs	2,898	2,898	1,260
Mongolian labour charges	26,589	26,589	46,503
Total 2023	488,300	488,300	363,169
<i>Total 2022</i>	<i>363,169</i>	<i>363,169</i>	

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

5. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	102,951	102,951	41,840
Depreciation	3,036	3,036	2,206
Travel costs	32,849	32,849	7,395
Office expenditure	19,554	19,554	17,743
Finance costs	8,105	8,105	2,332
Communications and internet	35,446	35,446	14,230
Rent and room hire	422	422	-
Insurance	3,414	3,414	-
Other expenditure	12,542	12,542	10,302
Other staff costs	4,154	4,154	-
Mongolian labour charges	57,032	57,032	97,803
Total 2023	<u>279,505</u>	<u>279,505</u>	<u>193,851</u>
<i>Total 2022</i>	<u>193,851</u>	<u>193,851</u>	

The analysis of the 2022 comparative figures has been restated to reflect a more accurate allocation of costs in line with current year figures.

6. Independent examiner's remuneration

	2023 £	2022 £
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	<u>3,570</u>	<u>2,760</u>

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

7. Staff costs

	2023	2022
	£	£
Wages and salaries	250,958	222,045
Social security costs	18,038	14,624
Contribution to defined contribution pension schemes	10,115	4,147
	<u>279,111</u>	<u>240,816</u>

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

	2023	2022
	No.	No.
Employees	<u>6</u>	<u>6</u>

No employee received remuneration amounting to more than £60,000 in either year.

The information provided throughout this note discloses details for the charitable company's workforce in the United Kingdom.

The average number of persons employed in the UK is six there are also three members of contract staff employed by the SFA in the UK, the cost of these is presented in the accounts within both direct and support costs in Note 5. The information provided throughout this note discloses details for the charitable company's workforce in the United Kingdom.

The charitable company also has a team of 9 employees in Mongolia and 37 short-term service contractors for whom it completes regulatory filing in Mongolia; the cost of this team is presented in the accounts within both direct and support costs in Note 5.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

8. Trustees' remuneration and expenses

During the year, the charity has paid a salary to the Chief Executive, Una Jones, who is also a Trustee. The charity has obtained permission from the Charities Commission for Una Jones to be paid remuneration for her role as Chief Executive. The value of Trustees' remuneration and other benefits was as follows:

		2023	2022
		£	£
Una Jones	Remuneration (inc pension contributions)	52,984	48,020
	Pension contributions paid	6,659	1,516

During the year ended 31 January 2023, expenses totalling £6,210 were reimbursed or paid directly to 1 Trustee (2022 - £903). This included travel, accommodation, sustenance, meetings and training.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

9. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 February 2022	9,732
Additions	3,483
At 31 January 2023	13,215
Depreciation	
At 1 February 2022	3,909
Charge for the year	3,035
At 31 January 2023	6,944
Net book value	
At 31 January 2023	6,271
At 31 January 2022	5,823

10. Stocks

	2023 £	2022 £
Finished goods and goods for resale	827	-
	827	-

11. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	267,350	246,609
Other debtors	-	111
Prepayments and accrued income	6,050	-
	273,400	246,720

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

12. Creditors: Amounts falling due within one year

	2023	<i>As restated</i> 2022
	£	£
Trade creditors	14,805	10,506
Other taxation and social security	20,364	5,720
Other creditors	3,422	1,891
Accruals and deferred income	257,786	243,158
	<hr/> 296,377 <hr/>	<hr/> 261,275 <hr/>

13. Prior year adjustments

During the prior year income was received for membership on a rolling 12 month basis. A proportion of this income related to 2023. A prior year adjustment has been made to restate this income as deferred which has resulted in a fall in income and opening reserves of £240,164 and a corresponding increase in creditors of £240,164.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

14. Statement of funds

Statement of funds - current year

	Restated Balance at 1 February 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2023 £
Unrestricted funds					
General Funds - all funds	29,844	620,918	(555,392)	(11,334)	84,036
Restricted funds					
EDRB Project	30,741	8,279	(38,614)	-	406
Young Herder Training Programme	11,451	10,000	(19,516)	-	1,935
Small Ruminants Project	10,000	-	(11,419)	1,419	-
UNDP Project	6,330	9,665	(16,663)	668	-
Volume Based Fee	-	110,000	(119,247)	9,247	-
ACEBA Afganistan	-	6,226	-	-	6,226
Apprenticeship	-	10,000	(6,954)	-	3,046
	58,522	154,170	(212,413)	11,334	11,613
Total of funds	88,366	775,088	(767,805)	-	95,649

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

14. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 February 2021 £</i>	<i>As restated Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Restated Balance at 31 January 2022 £</i>
Unrestricted funds					
General Funds - all funds	112,244	416,059	(493,984)	(4,475)	29,844
Restricted funds					
EDRB Project	3,554	45,198	(18,011)	-	30,741
Export Development Project	550	-	(1,893)	1,343	-
Empowerment of Women Project	-	40,000	(43,132)	3,132	-
Young Herder Training Programme	-	11,451	-	-	11,451
Small Ruminants Project	-	10,000	-	-	10,000
UNDP Project	-	6,330	-	-	6,330
	<u>4,104</u>	<u>112,979</u>	<u>(63,036)</u>	<u>4,475</u>	<u>58,522</u>
Total of funds	<u><u>116,348</u></u>	<u><u>529,038</u></u>	<u><u>(557,020)</u></u>	<u><u>-</u></u>	<u><u>88,366</u></u>

15. Summary of funds

Summary of funds - current year

	Restated Balance at 1 February 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2023 £
General funds	29,844	620,918	(555,392)	(11,334)	84,036
Restricted funds	58,522	154,170	(212,413)	11,334	11,613
	<u><u>88,366</u></u>	<u><u>775,088</u></u>	<u><u>(767,805)</u></u>	<u><u>-</u></u>	<u><u>95,649</u></u>

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

15. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 February 2021 £</i>	<i>As restated Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 January 2022 £</i>
General funds	112,244	416,059	(493,984)	(4,475)	29,844
Restricted funds	4,104	112,979	(63,036)	4,475	58,522
	<u>116,348</u>	<u>529,038</u>	<u>(557,020)</u>	<u>-</u>	<u>88,366</u>

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	6,271	6,271
Current assets	11,613	374,142	385,755
Creditors due within one year	-	(296,377)	(296,377)
Total	<u>11,613</u>	<u>84,036</u>	<u>95,649</u>

Analysis of net assets between funds - prior year

	<i>Restricted funds 2022 £</i>	<i>Restated Unrestricted funds 2022 £</i>	Total funds 2022 £
Tangible fixed assets	-	5,823	5,823
Current assets	58,522	285,296	343,818
Creditors due within one year	-	(261,275)	(261,275)
Total	<u>58,522</u>	<u>29,844</u>	<u>88,366</u>

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	<i>Restated</i> 2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	7,283	(27,982)
Adjustments for:		
Depreciation charges	3,035	2,206
Decrease/(increase) in stocks	(827)	-
Increase in debtors	(26,680)	(209,309)
Increase in creditors	35,102	238,319
Net cash provided by operating activities	17,913	3,234

18. Analysis of cash and cash equivalents

	2023 £	<i>2022</i> £
Cash in hand	111,528	97,098
Total cash and cash equivalents	111,528	97,098

19. Analysis of changes in net debt

	At 1 February 2022 £	Cash flows £	At 31 January 2023 £
Cash at bank and in hand	97,098	14,430	111,528
	97,098	14,430	111,528

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

20. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions paid by the charity to the fund and amounted to £9,593 (2022: £4,147). Contributions of £3,422 (2022: £1,891) were payable to the fund at the balance sheet date and are included in creditors.

21. Related party transactions

There have been no payments made to Andreas Wilkes (Trustee) in the 12 mths to 31.01.2023 (2022: £20,000). The payment was to carry out a scoping research project as a consultant with expert skills in Land Management and the Chinese language. This work is outside of the remit of the board trustee.

This year, Charles Hubbard (Trustee resigned 30/11/2022) has been paid £30,484 (2022:nil) for setting up the accreditation system in Mongolia. He was able to do this due to his specific and extensive expertise in standard setting and assessment systems. This role went far beyond the role of a Charity Trustee.

The daughter of Charles Hubbard (Trustee resigned 30/11/2022) is employed by the charity and received a salary and benefits of £20,166 (2022: £20,079).

SUSTAINABLE FIBRE ALLIANCE

England & Wales - Charity number 1165742

Accounts

Registered number: 09389265
Charity number: 1165742

SUSTAINABLE FIBRE ALLIANCE
UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022



SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

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SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JANUARY 2022

Trustees	Una Jones, Chief Executive Andreas Wilkes Charles Hubbard Simon Cotton (resigned 20 July 2022) Eleni Thrasyvoulou (resigned 20 July 2022) Paul Littlefair (appointed 2 March 2021) Tana Dai (appointed 8 June 2022) Karen Perry (appointed 8 June 2022) Jocelyn Wilkinson (appointed 18 January 2022)
Company registered number	09389265
Charity registered number	1165742
Registered office	41 Bryn Awelon Mold Flintshire CH7 1LT
Chief executive officer	Una Jones
Accountants	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JANUARY 2022

The Trustees present their annual report together with the financial statements of the Charity for the period from 1 February 2021 to 31 January 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the 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 (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Sustainable Fibre Alliance is a global multi-stakeholder initiative with a mission to ensure the long-term viability of the cashmere sector. We promote the SFA Cashmere Standard to encourage the adoption of responsible production practices that minimise environmental impact, safeguard herder livelihoods and meet high animal welfare standards.

The objectives of the charity are:

To promote sustainable development for the benefit of the public by:

- the preservation, conservation and the protection of the environment and the prudent use of resources
- the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities
- the promotion of sustainable means of achieving economic growth and regeneration
- to advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large.

The vision of the SFA is that all cashmere is produced in an environmentally friendly way that safeguards the livelihoods of herding communities and protects the important, fragile environment in which they live.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The Key Strategic aims that that shape our work are:

- Environmental resilience in cashmere producing regions.
- Improving animal welfare within cashmere production.
- Improved long-term prospects for herding communities and farmers that rely on cashmere.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2022

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

The SFA works with the end to end cashmere supply chain, connecting herders to brands and retailers in the global fashion industry. We offer a globally-focused, locally-adapted solution for sustainable cashmere. We promote the SFA Cashmere Standard to encourage the adoption of responsible practices that benefit people, livestock and the environment. Our standard allows companies to demonstrate their commitment to transforming the cashmere sector and make credible claims about the sustainability of their cashmere products.

d. Main activities undertaken to further the Charity's purposes for the public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Achievements and performance

a. Main achievements of the Charity

This year was an important milestone in further expanding our work in Mongolia and China and supporting our global members' positive environmental and social activities.

Notable activities for the year included consolidating internal processes with external communications to enable secure reach and growth, refining the Codes of Practice and Chain of Custody programmes to increase the quality and impact of programmes and further developing project activities with key partners. We increased membership, reach and partnerships, particularly through expanding activities in China, despite ongoing operating challenges due to Covid. These activities were critical for managing growth, integrating best practices and current scientific thinking into our work and fulfilling our mission and objectives.

b. Review of activities

SFA has achieved a wide range of successes during 2021/22, progressing in our mission to ensure the long-term viability of the cashmere sector. We promote the SFA Cashmere Standards to encourage the adoption of responsible production practices that minimise environmental impact, safeguard herder livelihoods and meet high animal welfare standards. Some of our key achievements in 2021/22 include:

- **Membership growth:** SFA has seen a growing interest in securing certified fibre, which has meant a steady increase in SFA Membership over 2021, with 21 new members joining between February and December 2021.
- **Improved operational robustness:** The introduction of our Salesforce system for tracking transactions of certified fibre through the supply chain in China and Mongolia is an important mechanism to support transparency in the cashmere value chain. The SFA Chain of Custody Salesforce IT system provides comprehensive transparency of end-to-end supply chain companies involved in certified fibre. It supports 180 accounts in the CoC system linking Herder Cooperatives, Certification Bodies, Primary Processors and other companies, including manufacturers, traders, and brands.
- **Increased reach and capacity building:** SFA supports herder communities across 15 regions of Mongolia with training and outreach programmes. The SFA China partner organisation ICCAW has conducted training sessions for processors and farmers across eight provinces of China. Extensive training, communications and capacity building collectively benefits over 42,000 herders/farmers across both countries and manages over 2,000 tonnes of certified fibre through its chain of custody programme. A range of training and capacity-building documents are now available in English, Chinese and Mongolian to support capacity building.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2022

Achievements and performance (continued)

- Consumer education and claims: The success of the Chain of Custody programme in 2021 resulted in the first SFA Certified hangtags appearing in stores in the autumn in Europe, as well as in Mongolia.
 - o The first virtual Conference, 'Sustainability in the Cashmere Sector', was held in 2021 to expand reach and knowledge and support our capacity-building activities.
- Improved governance and independent assurance: Agreements were put into place with four Certification Bodies to combine Clean Fibre audits with the Content Claims Standard audits. SFA was granted Community members of the ISEAL Alliance, consolidating our position as a trusted Standards holding and certification entity.
- Expanding partnerships and impact: In 2021, the SFA partnered with the UK Embassy of Mongolia, fashion brands, the National Genetic Resources Fund of Mongolia, and other national and regional vocational learning organisations, to conduct a training programme: Selecting and Breeding of Small Ruminants. The programme aimed to help strengthen the skills and capacity of wool and cashmere producers and improve the quality of raw fibre arriving at processing plants. The programme also focused on introducing and demonstrating better sustainability practices and protecting the animals' health.

Financial review

a. Going concern

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

b. Reserves policy

The Trustees have adopted a policy of having minimum total reserves of £50,000, in order to guarantee continuity of charitable activities. The Trustees will further review this policy as the activities of the charity continue to grow. The charity's reserves at 31st January 2022 amounted to £328,530 (2021: £116,348).

Free reserves at 31 January 2022 were £322,707 (2021: £109,667).

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee incorporated in England and Wales. It was set up by Articles of Association, dated 14th January 2015 and then amended on 4th February 2016.

The company was granted charitable status on 24th February 2016 and is a registered charity number 1165742.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees, who are elected by ordinary resolution by the existing Trustees in accordance with the company's articles of association.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2022

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The charity is managed by its Board, which consists of its Chair (also a Trustee), its CEO (also a Trustee), and four other Trustees. Management of day to day operations is delegated to the CEO, supported by teams in the UK and in Mongolia. The Charity Commission have granted permission for the CEO to draw remuneration for her services as CEO as well as being a Trustee.

d. Risk management

SFA have a Risk Register procedure in place for evaluating the strategic, operational, finance and compliance risks that the charity is exposed to. The Risk Register is used to support the identification and evaluation of risk, as well as the design and implement effective measures, not only to reduce risk and limit the impact if such risks materialise. The Trustees regularly assess the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, both in the UK and in Mongolia. The Trustees have assessed both the impact and likelihood of each source of risk and are satisfied that systems and procedures are in place to mitigate our exposure where ever possible.

Plans for future periods

The decision was taken to revise the SFA codes of practice structure into a global voluntary standard with consistent implementation between countries, ensuring that all certified producers and processors apply critical social, environmental and animal welfare criteria. As a membership alliance, it has been crucial to use this revision as an opportunity to gain consensus and a deeper understanding of the links between the latest scientific understanding and traditional knowledge, practices and performance and to garner buy-in and support from a balance of stakeholders (governmental, academic, NGO's, producers). In line with ISEAL best practices, the multistakeholder outreach continues to allow for targeted stakeholder input and public consultation, to ensure breadth and depth of expertise involvement for a robust standard and assurance system that generates credible, positive change to the SFA and the communities in which we support.

The development and implementation of the Global standard act as a catalyst for continuous, measurable improvements by producers and processors around environmental, social and animal welfare issues. Alongside this, the SFA will continue to engage in projects which champion sustainable development and address specific issues or blocks to sustainable development along the cashmere value chain. Strong partnerships with a variety of trusted and esteemed project partners have been cemented and are being further developed. These include membership engagement on projects addressing specific issues (such as John Lewis' support of Producer Cooperatives, J.Crew support of Women's Empowerment projects and Young herder training supported by Johnston's of Elgin), with various UN agencies (such as FAO, UNDP and UNIDO), NGOs (such as WWF), financial institutions such as EBRD, World Bank and Khan Bank, academic institutions and especially ICCAW our partner in China. This approach helps ensure a coherent effort that supports sustainability in the cashmere industry that enhances herders' and their families' livelihoods while reducing environmental impact and raising animal welfare.

With the current global lens on the effectiveness of sustainability initiatives, the introduction of welcomed regulation (especially around environmental claims and due diligence) and increased action by corporates, SFA is in a strong position with its clear mission, collaborative ethos and sharp focus to support and catalyse positive action along the end-to-end cashmere value chain.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2022

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the Charity's transactions and 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.

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

.....

Una Jones
Chief Executive

Date:

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 JANUARY 2022

Independent Examiner's Report to the Trustees of Sustainable Fibre Alliance ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 January 2022.

Responsibilities and Basis of Report

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

SUSTAINABLE FIBRE ALLIANCE
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INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2022

Independent Examiner's Statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute for Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:

S J Tweedie

WR Partners
Chartered Accountants
Belmont House
Shrewsbury Business Park
Shrewsbury
SY2 6LG

Dated:

BSc FCA DChA

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	112,979	656,223	769,202	407,734
Total income		<u>112,979</u>	<u>656,223</u>	<u>769,202</u>	<u>407,734</u>
Expenditure on:					
Charitable activities	4	63,036	493,984	557,020	396,866
Total expenditure		<u>63,036</u>	<u>493,984</u>	<u>557,020</u>	<u>396,866</u>
Net income		49,943	162,239	212,182	10,868
Transfers between funds	12	4,475	(4,475)	-	-
Net movement in funds		<u>54,418</u>	<u>157,764</u>	<u>212,182</u>	<u>10,868</u>
Reconciliation of funds:					
Total funds brought forward		4,104	112,244	116,348	105,480
Net movement in funds		54,418	157,764	212,182	10,868
Total funds carried forward		<u>58,522</u>	<u>270,008</u>	<u>328,530</u>	<u>116,348</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 12 to 24 form part of these financial statements.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)
REGISTERED NUMBER: 09389265

BALANCE SHEET
AS AT 31 JANUARY 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	9		5,823		2,577
			<u>5,823</u>		<u>2,577</u>
Current assets					
Debtors	10	246,720		37,411	
Cash at bank and in hand		97,098		99,316	
		<u>343,818</u>		<u>136,727</u>	
Creditors: amounts falling due within one year	11	(21,111)		(22,956)	
Net current assets			322,707		113,771
Total assets less current liabilities			328,530		116,348
Net assets excluding pension asset			328,530		116,348
Total net assets			328,530		116,348

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)
REGISTERED NUMBER: 09389265

BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2022

	Note	2022 £	2022 £	2021 £	2021 £
Charity funds					
Restricted funds	12		58,522		4,104
Unrestricted funds	12		270,008		112,244
Total funds			328,530		116,348

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

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

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

Una Jones
Chief Executive

Date:

The notes on pages 12 to 24 form part of these financial statements.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

1. General information

Sustainable Fibre Alliance is a charitable company, limited by guarantee and incorporated in England and Wales. The members of the charity are the trustees named on page 1 of these accounts. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Sustainable Fibre Alliance 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.

2.2 Going concern

After making enquires, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

2. Accounting policies (continued)

2.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Foreign currencies

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

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

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

2.6 Tangible fixed assets and depreciation

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	33% straight-line
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2.7 Debtors

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

2.8 Cash at bank and in hand

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

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

2. Accounting policies (continued)

2.9 Liabilities and provisions

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

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.10 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Pensions

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

2.12 Fund accounting

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

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

SUSTAINABLE FIBRE ALLIANCE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

3. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	112,979	656,223	769,202	396,174
Covid-19 grants	-	-	-	11,560
Total 2022	<u>112,979</u>	<u>656,223</u>	<u>769,202</u>	<u>407,734</u>
<i>Total 2021</i>	<u>16,528</u>	<u>391,206</u>	<u>407,734</u>	

4. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Charitable Activities	63,036	493,984	557,020	396,866
Total 2022	<u>63,036</u>	<u>493,984</u>	<u>557,020</u>	<u>396,866</u>
<i>Total 2021</i>	<u>12,483</u>	<u>384,383</u>	<u>396,866</u>	

SUSTAINABLE FIBRE ALLIANCE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

5. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Charitable Activities	363,169	193,851	557,020	396,866
Total 2022	<u>363,169</u>	<u>193,851</u>	<u>557,020</u>	<u>396,866</u>
<i>Total 2021</i>	<u>218,600</u>	<u>178,266</u>	<u>396,866</u>	

Analysis of direct costs

	Activities 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	150,916	150,916	131,569
Charitable project costs	45,078	45,078	30,598
Conference costs	11,097	11,097	-
Training and accreditation costs	101,774	101,774	11,528
Research costs	7,801	7,801	5
Mongolian labour charges	46,503	46,503	44,900
Total 2022	<u>363,169</u>	<u>363,169</u>	<u>218,600</u>
<i>Total 2021</i>	<u>218,600</u>	<u>218,600</u>	

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

5. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	41,840	41,840	65,141
Depreciation	2,206	2,206	980
Travel costs	7,395	7,395	5,484
Office expenditure	17,743	17,743	23,466
Finance costs	2,332	2,332	12,781
Communications and internet	14,230	14,230	19,952
Insurance	-	-	1,790
Other expenditure	10,302	10,302	10,337
Mongolian labour charges	97,803	97,803	38,335
Total 2022	<u>193,851</u>	<u>193,851</u>	<u>178,266</u>
<i>Total 2021</i>	<u>178,266</u>	<u>178,266</u>	

The analysis of the 2021 comparative figures has been restated to reflect a more accurate allocation of costs in line with current year figures.

6. Independent examiner's remuneration

	2022 £	<i>2021 £</i>
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	<u>2,760</u>	<u>2,220</u>

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

7. Staff costs

	2022	<i>2021</i>
	£	£
Wages and salaries	173,985	<i>182,518</i>
Social security costs	14,624	<i>9,985</i>
Contribution to defined contribution pension schemes	4,147	<i>4,207</i>
	<u>192,756</u>	<i><u>196,710</u></i>

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

	2022	<i>2021</i>
	No.	<i>No.</i>
Employees	<u>6</u>	<i><u>4</u></i>

No employee received remuneration amounting to more than £60,000 in either year.

The information provided throughout this note discloses details for the charitable company's workforce in the United Kingdom.

The average number of persons employed in the UK is six there are also three members of contract staff employed by the SFA in the UK, the cost of these is presented in the accounts within both direct and support costs in Note 5. The information provided throughout this note discloses details for the charitable company's workforce in the United Kingdom.

The charitable company also has a team of 9 employees in Mongolia and 37 short-term service contractors for whom it completes regulatory filing in Mongolia; the cost of this team is presented in the accounts within both direct and support costs in Note 5.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

8. Trustees' remuneration and expenses

During the year, the charity has paid a salary to the Chief Executive, Una Jones, who is also a Trustee. The charity has obtained permission from the Charities Commission for Una Jones to be paid remuneration for her role as Chief Executive. The value of Trustees' remuneration and other benefits was as follows:

		2022	<i>2021</i>
		£	£
Una Jones	Remuneration (inc pension contributions)	49,536	<i>46,820</i>

During the year ended 31 January 2022, expenses totalling £903 were reimbursed or paid directly to 1 Trustee (2021 - £NIL). This included train travel and staff training.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

9. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 February 2021	4,280
Additions	5,452
At 31 January 2022	9,732
Depreciation	
At 1 February 2021	1,703
Charge for the year	2,206
At 31 January 2022	3,909
Net book value	
At 31 January 2022	5,823
<i>At 31 January 2021</i>	2,577

10. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	246,609	37,400
Other debtors	111	11
	246,720	37,411

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

11. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	10,506	11,158
Other taxation and social security	5,720	6,603
Other creditors	1,891	2,975
Accruals and deferred income	2,994	2,220
	21,111	22,956

12. Statement of funds

Statement of funds - current year

	Balance at 1 February 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2022 £
Unrestricted funds					
General Funds - all funds	112,244	656,223	(493,984)	(4,475)	270,008
Restricted funds					
EDRB Project	3,554	45,198	(18,011)	-	30,741
Export Development Project	550	-	(1,893)	1,343	-
Empowerment of Women Project	-	40,000	(43,132)	3,132	-
Young Herder Training Programme	-	11,451	-	-	11,451
Small Ruminants Project	-	10,000	-	-	10,000
UNDP Project	-	6,330	-	-	6,330
	4,104	112,979	(63,036)	4,475	58,522
Total of funds	116,348	769,202	(557,020)	-	328,530

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

12. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 February 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 January 2021 £</i>
Unrestricted funds					
General Funds - all funds	108,312	391,206	(384,383)	(2,891)	112,244
Restricted funds					
UNDP	(2,891)	-	-	2,891	-
EDRB Project	59	14,308	(10,813)	-	3,554
Export Development Project	-	2,220	(1,670)	-	550
	(2,832)	16,528	(12,483)	2,891	4,104
Total of funds	105,480	407,734	(396,866)	-	116,348

13. Summary of funds

Summary of funds - current year

	Balance at 1 February 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2022 £
General funds	112,244	656,223	(493,984)	(4,475)	270,008
Restricted funds	4,104	112,979	(63,036)	4,475	58,522
	116,348	769,202	(557,020)	-	328,530

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

13. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 February 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 January 2021 £</i>
General funds	108,312	391,206	(384,383)	(2,891)	112,244
Restricted funds	(2,832)	16,528	(12,483)	2,891	4,104
	<u>105,480</u>	<u>407,734</u>	<u>(396,866)</u>	<u>-</u>	<u>116,348</u>

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	5,823	5,823
Current assets	58,522	285,296	343,818
Creditors due within one year	-	(21,111)	(21,111)
Total	<u>58,522</u>	<u>270,008</u>	<u>328,530</u>

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	2,577	2,577
Current assets	4,104	132,623	136,727
Creditors due within one year	-	(22,956)	(22,956)
Total	<u>4,104</u>	<u>112,244</u>	<u>116,348</u>

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

15. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions paid by the charity to the fund and amounted to £4,147 (2021: £4,207). Contributions of £1,891 (2021: £2,975) were payable to the fund at the balance sheet date and are included in creditors.

16. Related party transactions

Included within expenditure are research costs totalling £20,000 (2021: NIL) that have been paid to Andreas Wilkes (trustee) to carry out a scoping research project as a consultant with expert skills in Land management and the Chinese language. This work is outside of the remit of the board trustee.

This year there has been no expenditure (2021: £2,450) that has been paid to Charles Hubbard (trustee) to enable him to perform his volunteer role as Head of Operations in Mongolia. Charles receives no additional remuneration to occupy this role.

Also included within expenditure are costs totalling £3,327 (2021: £6,901) to Alison Hubbard (daughter of Charles Hubbard, trustee) for services provided throughout the year. Alison Hubbard became an employee on 05/04/2021, salary for the period £16,752.

Johnstons of Elgin, a company of which Simon Cotton (trustee) is a director has donated £11,000 to the charity in the year (2021: £10,000).

SUSTAINABLE FIBRE ALLIANCE

England & Wales - Charity number 1165742

Accounts

Registered number: 09389265
Charity number: 1165742

SUSTAINABLE FIBRE ALLIANCE
UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021



SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

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SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JANUARY 2021**

Trustees	Una Jones, Chief Executive Andreas Wilkes Charles Hubbard Simon Cotton Eleni Thrasyvoulou (appointed 28 October 2020) Paul Littlefair (appointed 2 March 2021) Louisa Holbrook (resigned 28 May 2020) Ruchira Joshi (resigned 28 January 2021)
Company registered number	09389265
Charity registered number	1165742
Registered office	41 Bryn Awelon Mold Flintshire CH7 1LT
Chief executive officer	Una Jones
Accountants	WR Partners Chartered Accountants 1 Edison Court Ellice Way Wrexham Technology Park Wrexham LL13 7YT

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JANUARY 2021

The Trustees present their annual report together with the financial statements of the Charity for the year 1 February 2020 to 31 January 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the 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 (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Sustainable Fibre Alliance is a global multi-stakeholder initiative with a mission to ensure the long-term viability of the cashmere sector. We promote the SFA Cashmere Standard to encourage the adoption of responsible production practices that minimise environmental impact, safeguard herder livelihoods and meet high animal welfare standards.

The objectives of the charity are:

To promote sustainable development for the benefit of the public by:

- the preservation, conservation and the protection of the environment and the prudent use of resources
- the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities
- the promotion of sustainable means of achieving economic growth and regeneration
- to advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large.

The vision of the Sustainable Fibre Alliance is that all cashmere is produced in an environmentally friendly way that safeguards the livelihoods of herding communities and protects the important, fragile environment in which they live.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The Key Strategic aims that that shape our work are:

- Environmental resilience in cashmere producing regions.
- Improving animal welfare within cashmere production.
- Improved long-term prospects for herding communities and farmers that rely on cashmere.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

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

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

The SFA works with the end to end cashmere supply chain, connecting herders to brands and retailers in the global fashion industry. We offer a globally-focused, locally-adapted solution for sustainable cashmere. We promote the SFA Cashmere Standard to encourage the adoption of responsible practices that benefit people, livestock and the environment. Our standard allows companies to demonstrate their commitment to transforming the cashmere sector and make credible claims about the sustainability of their cashmere products.

d. Main activities undertaken to further the Charity's purposes for the public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Achievements and performance

a. Main achievements of the Charity

This year was an important milestone that kickstarts a decade of action to promote the role of the private sector and multi stakeholder collaboration to drive fairer and more equal societies through the cashmere sector.

With the impact of the Covid 19 pandemic being felt around the world, the SFA has reviewed its planned activities and we remain deeply committed to our core mission. We will now continue to expand the coverage of the SFA program throughout Mongolia and into China, working in partnership with other stakeholders to pool resources and increase our impact.

b. Review of activities

Key activities and achievements in 2020:

- SFA's governance and operational functionality has improved - We have a comprehensive Internal Management System and related process and policy documents inline with ISEAL codes of good practice.
- SFA membership has substantially increased (doubling in the past year) and now represents end to end supply chain actors from processing plants to brands and retailers.
- The Clean Fibre Processing Code of Practice was pilot successfully with strong demand from brands. Sitting within the SFA Cashmere Standard, this code of practice is targeted at first stage processors to ensure that cashmere fibre is processed without the use of harmful chemicals, specifically alkylphenol ethoxylates (APEOs). It also ensures efficient use of energy and water and a safe, fair working environment.
- SFA Chain of Custody, traceability system successfully introduced. The volume of certified fibre travelling through the supply chain is attracting the attention of cashmere companies, with 30 companies now signed up to our CoC pilot programme.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

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

Achievements and performance (continued)

- Supporting Young Herders - It has been another successful year for the Johnstons of Elgin Young Herders Training Programme (YHTP), which supports the next generation of responsible herders. The programme is being delivered from 2018 in Khentii province and it continues to be popular, providing training in sustainable land management and traditional herding practices. This programme was heavily impacted by covid and the closing of schools but has continued despite the disruption. The SFA team worked hard to adapt training materials so they could be delivered online <https://kharaatsai.mn/> to support both teachers and students. Young herders are essential in championing effective grassland management and animal health and welfare, and this project enables young people to access skills and knowledge that will help combat the sustainability challenges facing the industry.
- SFA has expanded its work into China and successfully implementing Cashmere Goat Welfare Code of Practice in partnership with International Cooperation Committee of Animal Welfare (ICCAW). Our accreditation programme supports the continuous improvement of farm management through improved animal welfare, productivity and profitability and is great benefit to herders.
- Herder Access to Affordable Finance - Through partnership with the SFA, Khan Bank (Mongolia's largest national bank, with branches in all provinces of Mongolia) has developed innovative, community based financial products for herding communities. Khan Bank have now agreed to a pioneering five year fund (2019 to 2023) that will provide economic incentives for herder involvement in the SFA programme and help support the resilience of herding communities.

The SFA's grassroots development efforts and inspiring education programmes would not be possible without the dedication of our team in the UK and in Mongolia and the vital funds raised from our members. We are also extremely grateful to our board of trustees/directors, who bring world class skill and dedication to our cause, and to the many members and businesses who have donated their time and resources to our work programme.

Our supporters know that ensuring animal welfare, good land management and responsible production practices takes time, and their ongoing support is vital to our success in tackling the sustainability challenges that face the cashmere sector today.

Financial review

a. Going concern

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

b. Reserves policy

The Trustees have adopted a policy of having minimum total reserves of £50,000, in order to guarantee continuity of charitable activities. The Trustees will further review this policy as the activities of the charity continue to grow. The charity's reserves at 31st January 2021 amounted to £116,348 (2020: £105,480).

Free reserves at 31 January 2021 were £109,667 (2019: 106,421).

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

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

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee incorporated in England and Wales. It was set up by Articles of Association, dated 14th January 2015 and then amended on 4th February 2016.

The company was granted charitable status on 24th February 2016 and is now registered charity number 1165742.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees, who are elected by ordinary resolution by the existing Trustees in accordance with the company's articles of association.

c. Organisational structure and decision-making policies

The charity is managed by its Board, which consists of its Chair (also a Trustee), its CEO (also a Trustee), and four other Trustees. Management of day to day operations is delegated to the CEO, supported by teams in the UK and in Mongolia. The Charity Commission have granted permission for the CEO to draw remuneration for her services as CEO as well as being a Trustee.

d. Risk management

SFA have a Risk Register procedure in place for evaluating the strategic, operational, finance and compliance risks that the charity is exposed to. The Risk Register is used to support the identification and evaluation of risk, as well as the design and implement effective measures, not only to reduce risk and limit the impact if such risks materialise. The Trustees regularly assess the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, both in the UK and in Mongolia. The Trustees have assessed both the impact and likelihood of each source of risk and are satisfied that systems and procedures are in place to mitigate our exposure where ever possible.

Plans for future periods

Our mission is to ensure the long term viability of the cashmere sector by promoting the SFA Cashmere Standard and encouraging the adoption of responsible production practices.

As we move into 2021, we will launch our new global standard along with biodiversity and livelihood projects championing sustainable development globally. Key focus our activity is to continue to engaging our members and partners to help us further scale our work into Inner and Outer Mongolia and The aim is to have Codes of Practice through each step and, eventually, the entire supply chain from goat herders to retailers. We are building up our alliances with the ambition of working with new partners from the conservation, academia, business and fashion industries. This will ensure a coherent effort that supports sustainability in the cashmere industry that improves herders and their families' livelihoods while reducing environmental impact and raising animal welfare.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

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

Plans for future periods (continued)

The SFA has a clear mission and our strategy focuses on our efforts for the years ahead to 2030. While our mission remains unchanged, we will adapt our strategy to changing circumstances and employ innovative, impactful and inspiring ways in achieving our objectives. The strategy will ensure the SFA is focused on working well collectively to achieve appropriate, measurable impact in all we do. Inspiring passion, advocacy, and support for human nature coupled systems are fundamental to our work. 2021/2022 will see the launch of our scheduled events to engage the public, government, businesses and end to end supply chain in our mission to transform the sustainability of the global cashmere sector.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the Charity's transactions and 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.

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



Una Jones
Chief Executive

Date: 27/10/2021

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 JANUARY 2021

Independent Examiner's Report to the Trustees of Sustainable Fibre Alliance ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 January 2021.

Responsibilities and Basis of Report

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021

Independent Examiner's Statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute for Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:

Dated:

Tim Lunt

BA FCCA MIRPM

WR Partners
Chartered Accountants
Belmont House
Shrewsbury Business Park
Shrewsbury
SY2 6LG

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

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

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	16,528	391,206	407,734	436,089
Total income		16,528	391,206	407,734	436,089
Expenditure on:					
Charitable activities	4	12,483	384,383	396,866	391,400
Total expenditure		12,483	384,383	396,866	391,400
Net income		4,045	6,823	10,868	44,689
Transfers between funds	12	2,891	(2,891)	-	-
Net movement in funds		6,936	3,932	10,868	44,689
Reconciliation of funds:					
Total funds brought forward		(2,832)	108,312	105,480	60,791
Net movement in funds		6,936	3,932	10,868	44,689
Total funds carried forward		4,104	112,244	116,348	105,480

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 12 to 23 form part of these financial statements.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)
REGISTERED NUMBER: 09389265

BALANCE SHEET
AS AT 31 JANUARY 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	9		2,577		1,891
			<u>2,577</u>		<u>1,891</u>
Current assets					
Debtors	10	37,411		99,900	
Cash at bank and in hand		99,316		15,440	
		<u>136,727</u>		<u>115,340</u>	
Creditors: amounts falling due within one year	11	(22,956)		(11,751)	
Net current assets			113,771		103,589
Total assets less current liabilities			116,348		105,480
Net assets excluding pension asset			116,348		105,480
Total net assets			116,348		105,480

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)
REGISTERED NUMBER: 09389265

BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2021

	Note	2021 £	2021 £	2020 £	2020 £
Charity funds					
Restricted funds	12		4,104		(2,832)
Unrestricted funds	12		112,244		108,312
Total funds			<u>116,348</u>		<u>105,480</u>

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

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

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

Una Jones

Una Jones
Chief Executive

Date: 27/10/2021

The notes on pages 12 to 23 form part of these financial statements.

SUSTAINABLE FIBRE ALLIANCE
(A company limited by guarantee)

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

1. General information

Sustainable Fibre Alliance is a charitable company, limited by guarantee and incorporated in England and Wales. The members of the charity are the trustees named on page 1 of these accounts. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Sustainable Fibre Alliance 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.

2.2 Going concern

After making enquires, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

The Trustees have also assessed the potential impact on the future operations of the Charity with regard to the Covid-19 outbreak. The Charity is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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

2. Accounting policies (continued)

2.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Foreign currencies

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

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

Exchange gains and losses are recognised in the Statement of financial activities.

2.6 Tangible fixed assets and depreciation

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	33% straight-line
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2.7 Debtors

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

2.8 Cash at bank and in hand

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

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NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.9 Liabilities and provisions

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

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.10 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Pensions

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

2.12 Fund accounting

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

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

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

3. Income from donations and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations	16,528	379,646	396,174	436,089
Covid-19 grants	-	11,560	11,560	-
Total 2021	<u>16,528</u>	<u>391,206</u>	<u>407,734</u>	<u>436,089</u>
<i>Total 2020</i>	<u>32,094</u>	<u>403,995</u>	<u>436,089</u>	

4. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Direct costs	12,483	384,383	396,866	391,400
Total 2021	<u>12,483</u>	<u>384,383</u>	<u>396,866</u>	<u>391,400</u>
<i>Total 2020</i>	<u>34,926</u>	<u>356,474</u>	<u>391,400</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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5. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Direct costs	219,148	177,718	396,866	391,400
Total 2021	<u>219,148</u>	<u>177,718</u>	<u>396,866</u>	<u>391,400</u>
<i>Total 2020</i>	<u>244,310</u>	<u>147,090</u>	<u>391,400</u>	

Analysis of direct costs

	Activities 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	78,117	78,117	53,724
Charitable project costs	37,896	37,896	29,393
Conference costs	548	548	21,657
Training and accreditation costs	47,782	47,782	93,779
Research costs	9,905	9,905	27,075
Mongolian labour charges	44,900	44,900	18,682
Total 2021	<u>219,148</u>	<u>219,148</u>	<u>244,310</u>
<i>Total 2020</i>	<u>244,310</u>	<u>244,310</u>	

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

5. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	65,141	65,141	50,079
Depreciation	980	980	723
Travel costs	5,484	5,484	20,602
Office expenditure	12,539	12,539	21,715
Finance costs	15,541	15,541	7,949
Communications and internet	19,952	19,952	10,355
Rent and room hire	7,925	7,925	8,008
Insurance	1,790	1,790	1,839
Other expenditure	10,031	10,031	2,070
Mongolian labour charges	38,335	38,335	23,750
Total 2021	<u>177,718</u>	<u>177,718</u>	<u>147,090</u>
<i>Total 2020</i>	<u>147,090</u>	<u>147,090</u>	

6. Independent examiner's remuneration

	2021 £	<i>2020 £</i>
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	<u>2,220</u>	<u>2,112</u>

SUSTAINABLE FIBRE ALLIANCE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

7. Staff costs

	2021	<i>2020</i>
	£	£
Wages and salaries	139,051	97,796
Contribution to defined contribution pension schemes	4,207	6,007
	143,258	103,803
	143,258	103,803

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

	2021	<i>2020</i>
	No.	No.
Employees	4	3
	4	3

No employee received remuneration amounting to more than £60,000 in either year.

The information provided throughout this note discloses details for the charitable company's workforce in the United Kingdom.

The charitable company also has a team of 12 employees in Mongolia for whom it completes regulatory filing in Mongolia, the cost of this team is presented in the accounts within both direct and support costs in Note 5.

There are also 3 members of contract staff used by the charitable company, the cost of these is presented in the accounts within both direct and support costs in Note 5.

8. Trustees' remuneration and expenses

During the year, the charity has paid a salary to the Chief Executive, Una Jones, who is also a Trustee. The charity has obtained permission from the Charities Commission for Una Jones to be paid remuneration for her role as Chief Executive. The value of Trustees' remuneration and other benefits was as follows:

	2021	<i>2020</i>
	£	£
Una Jones	46,820	49,900
	46,820	49,900

During the year ended 31 January 2021, no Trustee expenses have been incurred (*2020 - £4,282*).

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

9. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 February 2020	2,614
Additions	1,666
At 31 January 2021	4,280
Depreciation	
At 1 February 2020	723
Charge for the year	980
At 31 January 2021	1,703
Net book value	
At 31 January 2021	2,577
<i>At 31 January 2020</i>	1,891

10. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	37,400	99,900
Other debtors	11	-
	37,411	99,900

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	11,158	1,966
Other taxation and social security	6,603	4,241
Other creditors	2,975	3,432
Accruals and deferred income	2,220	2,112
	22,956	11,751

12. Statement of funds

Statement of funds - current year

	Balance at 1 February 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2021 £
Unrestricted funds					
General Funds - all funds	108,312	391,206	(384,383)	(2,891)	112,244
Restricted funds					
UNDP	(2,891)	-	-	2,891	-
EDRB Project	59	14,308	(10,813)	-	3,554
Export Development Project	-	2,220	(1,670)	-	550
	(2,832)	16,528	(12,483)	2,891	4,104
Total of funds	105,480	407,734	(396,866)	-	116,348

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

12. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 February 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 January 2020 £</i>
Unrestricted funds				
General Funds - all funds	60,791	403,995	(356,474)	108,312
Restricted funds				
UNDP	-	14,119	(17,010)	(2,891)
EDRB Project	-	17,975	(17,916)	59
	-	32,094	(34,926)	(2,832)
Total of funds	60,791	436,089	(391,400)	105,480

13. Summary of funds

Summary of funds - current year

	Balance at 1 February 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2021 £
General funds	108,312	391,206	(384,383)	(2,891)	112,244
Restricted funds	(2,832)	16,528	(12,483)	2,891	4,104
	105,480	407,734	(396,866)	-	116,348

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13. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 February 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 January 2020 £</i>
General funds	60,791	403,995	(356,474)	108,312
Restricted funds	-	32,094	(34,926)	(2,832)
	<u>60,791</u>	<u>436,089</u>	<u>(391,400)</u>	<u>105,480</u>

14. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	2,577	2,577
Current assets	4,104	132,623	136,727
Creditors due within one year	-	(22,956)	(22,956)
Total	<u>4,104</u>	<u>112,244</u>	<u>116,348</u>

Analysis of net assets between funds - prior period

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	1,891	1,891
Current assets	-	115,340	115,340
Creditors due within one year	(2,832)	(8,919)	(11,751)
Total	<u>(2,832)</u>	<u>108,312</u>	<u>105,480</u>

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NOTES TO THE FINANCIAL STATEMENTS
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15. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions paid by the charity to the fund and amounted to £4,207 (2020: £6,007). Contributions of £2,975 (2020: £3,432) were payable to the fund at the balance sheet date and are included in creditors.

16. Related party transactions

Included within expenditure are operational costs totalling £2,450 (2020: £10,530) that have been paid to Charles Hubbard (Trustee) to enable him to perform his volunteer role as Head of Operations in Mongolia. Charles receives no additional remuneration to occupy this role.

Also included within expenditure are costs totalling £6,901 (2020: £1,355) to Alison Hubbard (daughter of Charles Hubbard) for services provided throughout the year.

Johnstons of Elgin, a company of which Simon Cotton (trustee) is a director has donated £10,000 to the charity in the year (2020: £Nil).