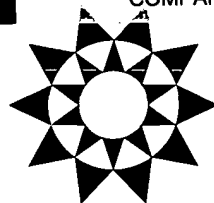


Registered number: 09389265
Charity number: 1165742

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



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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 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 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 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:

S J 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
Chief Executive

Date: 16/10/2024

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

SUSTAINABLE FIBRE ALLIANCE
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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	<u>291,552</u>	<u>111,528</u>

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
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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.

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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>	

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5. Analysis of expenditure by activities

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

Analysis of direct costs

	Activities 2024 £	Total funds 2024 £	Total funds 2023 £
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	690,726	690,726	488,300
<i>Total 2023</i>	<i>488,300</i>	<i>488,300</i>	

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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	<u>288,259</u>	<u>288,259</u>	<u>279,505</u>

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	<u>3,675</u>	<u>3,570</u>

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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
	359,672	279,111

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

	2024	2023
	No.	No.
Employees	9	6

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.

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NOTES TO THE FINANCIAL STATEMENTS
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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.

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9. Tangible fixed assets

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

10. Stocks

	2024 £	2023 £
Finished goods and goods for resale	<u>827</u>	<u>827</u>

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
	<u>306,996</u>	<u>273,400</u>

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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

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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)
	11,613	103,708	(119,013)	3,697	5
Total of funds	95,649	988,771	(978,985)	-	105,435

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**NOTES TO THE FINANCIAL STATEMENTS
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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
	58,522	154,170	(212,413)	11,334	11,613
Total of funds	88,366	775,088	(767,805)	-	95,649

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

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**NOTES TO THE FINANCIAL STATEMENTS
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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

	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>88,366</u>	<u>775,088</u>	<u>(767,805)</u>	<u>-</u>	<u>95,649</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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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

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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)