

Company no. 1513190
Charity no. 281276

Progressive Farming Trust Limited
Report and Audited Financial Statements
31 October 2020

Progressive Farming Trust Limited

Reference and administrative details

For the year ended 31 October 2020

Company number	1513190
Charity number	281276
Registered office and operational address	Trent Lodge Stroud Road Cirencester Gloucestershire GL7 6JN
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: A M F Astor T Bennett A Blackshaw R Kerr D Peck A Stewart (resigned 17 December 2019) M Turnbull - Chair (resigned 8 April 2020) C Watson N Westaway
Senior management team	S Rogers - Interim CEO (18 March 2019 - 31 January 2020) L MacLennan - CEO (appointed 3 February 2020) B D Pearce - Deputy Director - Research and Innovation (resigned 30 September 2020) R J S Holmes - Deputy Director - Finance & Resources (resigned 15 January 2020) S Lloyd - Interim Head of Finance (6 January 2020 - 31 July 2020) T Connett - Interim Head of Finance (6 July 2020 - 25 February 2021) P Jenkins - Head of Finance (appointed 8 Feb 2021) A Costanzo - Deputy Head of Research (appointed 1 October 2020)
Company secretary	R J S Holmes (resigned 31 January 2020) L MacLennan (appointed 3 February 2020)
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS
Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD

Progressive Farming Trust Limited

Report of the Trustees

For the year ended 31 October 2020

Chairman's report on behalf of the Trustees

The past year was always going to be one of significant change for the Organic Research Centre. The sale of its longstanding base at Elm Farm released a much-needed cash injection for the business resulting in the £1.6m net gain shown by these accounts. However, this figure masks a substantial unrestricted loss of £0.7m. A loss was planned by the Council of Management to allow for reorganisation and new investment in ORC after years of underinvestment in the organisation, but this was compounded by the impact of the global COVID-19 pandemic and the uncertainty caused by Britain's exit from the EU.

A major part of the land and buildings at Elm Farm near Newbury was sold at the beginning of the financial year. The funds available allowed the charity to settle all outstanding loans. It also generated surplus funds for developing the business and for investment with Rathbones Greenbank, our appointed investment advisors. All these transactions are detailed in the accounts enclosed with this report. The remaining part of Elm Farm was sold after the close of the financial year (in November 2020). The gross amount received (£625,000) will therefore be reflected in the accounts for 2020-2021.

We welcomed our new CEO Lucy MacLennan in March 2020. With over 25 years' experience in the fresh produce sector, including senior leadership and management positions for global retailers and food producers, we are delighted to have her at the helm of the organisation. At the AGM in April, Mike Turnbull stood down as Chair of the Trustees, and retired from the Board, after many years of dedication to ORC. We are particularly grateful to Mike for the huge amount of work he put into his final year with regard to the farm sale and the move to Cirencester. Due to the COVID-19 restrictions, sadly we could only thank Mike by video conference. With myself taking over as Chair, and with continued recourse to virtual meetings, the Council of Management and its finance sub-committee maintained the meeting schedule through the course of the year. Alice Astor originally planned to stand down as a Trustee at the AGM, but very fortunately she agreed to stay on due to the difficulties of recruiting a replacement during lockdown. Alice was therefore able to input into the development of the new business strategy, and this vital contribution was very much appreciated.

The organisation's move to a new location, Trent Lodge at the Royal Agricultural University in Cirencester, involved some inevitable reorganisation of ORC and impact on its team and work, as described in more detail in the CEO's report. As part of the move to Trent Lodge, the Trustees agreed a three-year business plan that allowed for significant investment in ORC in the first two years, with the intention of attaining profitable trading by year three. In the first and current year we have invested in communications and fundraising capacity. The investment in communications included a new website, whose development was made possible by a generous legacy donation of £73k from Mr and Mrs Leslie Pope. For enhancing our fundraising capacity we were fortunate to receive a grant of £120k (over 3 years) from the John Ellerman Foundation to develop the fundraising infrastructure at ORC. The Trustees have also reviewed the accounts system at ORC and agreed its upgrade which is imminent. The Client Relationship Management (CRM) database was also renewed. Putting in new systems whilst the team were working remotely was not ideal and the fact that we maintained progress on key elements of the business plan under these sub-optimal conditions is to be commended.

After 21 years of service, our Director of Research, Bruce Pearce, left ORC in September. As Trustees we very much want to thank Bruce personally for all his commitment to the Centre. Bruce worked tirelessly in recent years to help develop a sustainable future for ORC and we wish him well in his future career and his planned move north to Scotland.

The accounts for 2019-2020 are enclosed with this report. The loss of £0.7m unrestricted funds shown in these accounts was in part foreseen because of the result of reorganisation within ORC including the office move and underinvestment in the organization in prior years. However, it was also contributed to by two other factors.

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Report of the Trustees

For the year ended 31 October 2020

1) Impact of COVID-19

As I indicated earlier, the year we are reporting on was always going to be one of major change for ORC and so the impact of the COVID-19 pandemic certainly tested the organisation. Lucy started her role as CEO as the first lockdown was introduced, which was extremely challenging as the team at ORC had to start operating mainly from home and quickly develop new ways of working and methods of communication. Lucy and the team maintained momentum during the year despite the challenges for some of remote working. As you would expect, some research and other activities were postponed or cancelled while restrictions were in place, with delays to some project activity affecting associated project income. The Trustees want to acknowledge and thank all the team for the considerable effort involved in making progress on the business plan against such a difficult background.

2) Impact of Brexit

Another uncertainty through the year was our research relationship with the European Union post 2020. The ORC has worked over many years with partners in the EU and had been the beneficiary of substantial EU research grants. It was only after the year end, in January 2021 that it became clear that the potential for future collaboration in the EU remained possible and that a major risk to future research funding was reduced. Future cooperation with research partners in the EU will continue to be important to ORC. I am sure some obstacles will remain as ORC, and indeed the UK research and farming communities, develop a new relationship with our European neighbours.

Our accounts for the year we are reporting on reflects a change in accounting policy following recommendations from our auditors to allow us to be in line with current SORP accounting rules. The major impact is that from 2019-2020 on we recognise income from its grant funded projects when the charity physically receives payment or when the charity is entitled to recognise the income because performance conditions attached to the income have been met. The trustees had discussed this accounting policy change on a number of occasions and formally agreed to this change.

In summary, the year 2019-2020 has been a year of change, unforeseen challenge, and necessary reorganisation. With some major team changes, further outlined in the CEO report, a new business strategy with its different investment areas, and more robust accounting policies, ORC is much better placed to deliver to its potential in the future, making a real impact in the development of organic and broader sustainable farm practices at a time when these are needed more than ever. I look forward to working with my fellow Trustees, Lucy and her team to deliver an exciting programme of work over the next years.

Tim Bennett

Progressive Farming Trust Limited

Report of the Trustees

For the year ended 31 October 2020

Chief Executive's report

The past year has been one of significant change for the ORC, with the completion of a staff consultation period, the office move from Elm Farm to Trent Lodge, change of Senior Management Team and associated ways of working, all compounded by the COVID-19 pandemic and associated isolation restrictions. Despite all these changes, the team have demonstrated resilience and a quiet determination to rebuild the ORC into a stronger more sustainable organisation that meets the needs of both agricultural and research communities.

The change programme of 2019 was concluded with the completion of the staff consultation period which saw four people leave the organisation as part of a business-wide restructure. The other key element of the change programme was the sale of Elm Farm which had been the longstanding home of the Organic Research Centre. As a result in January 2020 the business moved to rented offices based at Trent Lodge, adjacent to the Royal Agricultural University in Cirencester. As part of the office move, investment had been made to improve the team's ability to work remotely, which played a significant role in averting business disruption caused by the COVID-19 pandemic. Seven of the eight lots of the sale of Elm Farm were completed by the end of the financial year, allowing all previous loans to be repaid with the remaining balance either invested for income with Rathbones Investment Bank, allocated for reinvestment into the business or held as cash reserves.

In Quarter 2, I was appointed as the new Chief Executive, succeeding Stuart Rogers who had been acting as interim CEO for the previous year with his main focus on the delivery of the change programme. In addition the Senior Management Team experienced further changes over the remaining year with the appointment of an experienced but practical interim Head of Finance to help reset the finance team and ensure delivery of timely, accurate financial reports. Furthermore the longstanding Director of Research, Dr Bruce Pearce, a highly valued and longstanding member of the team amicably left the business at the end of September following a six-month notice period to allow for ease of transition. Dr Pearce's successor, Dr Will Simonson was appointed following the year end.

Following my appointment, my first priority was to review the business strategy with the Trustee Board. This main strategy is supported by three further strategies specific to research, fundraising and communications. All strategies have been developed across a three-year time horizon:

Year 1 (July 2020-June 2021): simplify, stabilise and strengthen

The priority focus over the past year has been to ensure that all service functions operate to deliver the information and processes that the business needs in order to run efficiently and in the most cost-effective manner possible. In depth reviews of all processes and procedures have been undertaken including:

- Significant improvements to financial budgeting, reporting and generation of accurate and timely management accounts;
- Establishment of known costings to ensure accurate development of funding bids;
- Appointment of a Central Communications Officer responsible for reviewing and redeveloping the ORC brand and messaging, including complete redevelopment of the company website;
- Recruitment of external consultants to establish clear fundraising strategy and its implementation through supporting and upskilling internal fundraising resource;
- Implementation of new CRM system with initial focus on donor management; and
- Implementation of annual staff survey and associated action plan to improve support and engagement of all employees, including remote teamworking and pastoral care.

Year 2 (July 21-June 22): network, communicate, collaborate

Building upon the strong base achieved in year 1, the ORC will prioritise increasing awareness of its work both to the agricultural and research communities as well as to potential donors and funders. In parallel with this activity comes the strengthening of networks and identification of further opportunities to collaborate.

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For the year ended 31 October 2020

Year 3 (July 22-June 23): generate profitable income

By year 3 the strategy will be to build upon the achievements of the previous two years through the identification and evaluation of additional income streams, in particular focussing on the legal business structure to explore possible commercial revenue, the profits from which would be reinvested into the charity.

The past year has seen action taken by the Trustee Board to address areas of underinvestment over recent years, most notably in improving communications and fundraising capability. The development of the new website and improving digital content has already benefited the business through improved understanding of ORC's activity by the agricultural and research communities and has been welcomed by donors and friends of the organisation alike. Similarly the investment has helped to improve staff morale, particularly for those who worked for the organisation pre-2019.

As we look ahead to 2020-21 we have developed a strong foundation to build upon, with the organisation working together in a more cross-functional way and with aligned objectives to capitalise on all the hard work that has been built into the past year.

Lucy MacLennan

Progressive Farming Trust Limited

Report of the Trustees

For the year ended 31 October 2020

Research and knowledge exchange team report

Foreword:

In response to the biodiversity and climate crises as well as the recent health crisis, greater numbers begin to question the dominant industrial food system. Yet the threats to nature continue to multiply. Society is looking for solutions and we believe that organic and agroecological farming has a significant role to play. The Organic Research Centre (ORC) is the only organisation solely dedicated to scientific research in organic farming in the UK.

In 2019/20, a year of profound review of our research, knowledge exchange and policy activities, ORC has adopted a Research Strategy to direct our work, ensure our position in the research funding environment as well as outline how we will continue to contribute towards healthier and more sustainable food systems in the UK and beyond.

Our research and knowledge exchange team works on a number of projects funded by the European Union, UK government and foundations, developing around six areas of expertise:

Crop diversity and agronomy

"Research on organic crops has a pivotal role to play in redesigning the whole of agriculture towards greater sustainability and resilience".

Main engagement in 2019/20 has been on:

- improving crop breeding, seed production and variety testing for organic and low-input farming, through the EU-funded **LIVESEED** 'Boosting organic seed production in Europe' project and with the start of the DEFRA-funded **LiveWheat** 'Farm-based organic variety trials network' project with a group consisting of both organic and conventional farmers;
- optimising the performance of crop species mixtures ('plant teams') as a means to improve yield stability, reduce pest and disease damage, and enhance stress resilience in agricultural systems, with the EU-funded **DIVERSify** 'Designing innovative plant teams for ecosystem resilience and agricultural sustainability' project;
- investigating the use of a permanent living mulch understorey in low input/ no till systems, with a group consisting of both organic and conventional farmers, as part of an **Innovative Farmers** Field Lab; and
- helping farmers and growers maintain and improve the productivity of UK agricultural and horticultural systems through better understanding of soil biology and soil health, with the AHDB-funded **Soil Biology and Soil Health Partnership**.

Agroforestry

"Integrating trees with agriculture to encourage positive interactions in order to improve farm resilience, lead to an overall increase in productivity, biodiversity and other mutual benefits"

Main engagement in 2019/20 has been on:

- promoting innovation in agroforestry through the development of a network, based on successful sharing of practical experiences and existing research knowledge, applied to different contexts, climates and agricultural sectors, with the conclusion of the EU-funded **AFINET** 'Agroforestry Innovation Networks' project; and
- increasing soil health and providing an incentive for farmers to manage woody elements on their farm as part of a whole farm system, specifically by the application of woodchip, issued from hedgerows or tree pruning, to crops as a soil amendment, through the EIP-Agri (EU)-funded **WOOFs** 'WOOdchip For Fertile Soils' project.

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For the year ended 31 October 2020

Animal husbandry

"Keeping livestock is a key part of many organic farming systems. Our work covers cattle, sheep, goats, pigs and poultry"

Main engagement in 2019/20 has been on:

- helping farmers, breeders and the organic feed processing industry achieve the goal of 100% use of organic and regional feed for monogastrics, with the EU-funded **OK-NET EcoFeed** '*Organic Knowledge Network on Monogastric Animal Feed*' project;
- minimising the use of contentious inputs in certified organic agriculture in Europe by providing research-based decision support, with the EU-funded **Organic-Plus** '*Pathways to phase-out contentious inputs from organic agriculture in Europe*' project; and
- enhancing the sustainability, competitiveness and resilience of the European Sheep and Goat sectors through collaboration between industry and research, with the closure of the EU-funded **iSAGE** '*Innovation for Sustainable Sheep and Goat Production in Europe*' project.

Healthy and sustainable food systems

"Developing sustainable food systems with a focus on nutrition, health and welfare in a whole farm context"

Main engagement in 2019/20 has been on:

- a participatory work with a network of example farms in the UK, Germany and Austria to jointly develop a set of criteria for farm health measurement and for practical knowledge multiplication, with the '**Farm system health in practice**' project funded by the Swedish Ekhaga Foundation;
- assessing the public goods that are being delivered through agricultural practices using the Public Goods (PG) tool, as part of the work on developing new UK agricultural policy, with the start of the DEFRA-funded **ELMS T&T PG Tool** '*Environmental Land Management Scheme: Test and Trials*' project; and
- a range of technical and organisational innovations to remove lock-ins from farmers to consumers, as well as strategies and recommendations, to sustain crop diversification, with the EU-funded **DiverIMPACTS** '*Diversification through Rotation, Intercropping, Multiple cropping, Promoted with Actors and value-Chains Towards Sustainability*' project.

Business and markets

"Establishing a comprehensive knowledge base to support market and policy decisions, in the short term, and to encourage sustainable consumption patterns in the long term"

Main engagement in 2019/20 has been on:

- improving organic trade statistics in the UK to help businesses and policymakers make informed decisions, also in light of the UK exit from the EU, with the DIT-funded '**Evaluating the different approaches for improving UK organic trade statistics**' project; and
- exploring the attitudes of all the stakeholders of the organic sector towards organic seed and organic breeding, and assessing the impact of potential measures to improve the market and the regulatory arrangements for organic seed and breeding, as part of the EU-funded **LIVESEED** project; and
- understanding the socio-economic and consumer-related issues affecting the European sheep and goat sector, as part of the EU-funded **iSAGE** project.

Knowledge exchange and policy

Working with our partners we provide well researched and reliable evidence to inform policy development. We act as an authoritative voice highlighting the benefits and also needs of the organic farming industry in the UK, and advocating for the redesign and delivery of better farming systems. Our Knowledge Exchange and Policy Team works across all the other areas of expertise in ensuring that:

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For the year ended 31 October 2020

- every project is well grounded in the reality of farming and food systems and considers the needs and opportunities from the farming community; and
- all project results are effectively translated and shared with the target audience of farming and food system stakeholders (from farmers to policy makers at a UK and EU level), thus ensuring a high impact; and
- a high-level flow and exchange of knowledge around sustainable farming is enabled and maintained within the farming and food systems community, which is the key remit of the Agricology programme which the ORC manages.

The KE activity in 2019/20 has been especially active on agroforestry, crop diversification, organic seeds, and sustainability assessment of livestock production.

Highlights against the ORC commitments

As part of the ORC's research strategy, we develop our work following three core commitments:

Diversification: focusing on solutions that increase diversity at all levels, from crops to wildlife, from businesses to knowledge. In 2019/20, ORC:

- studied and promoted the benefits of mixing crop species in the same field as opposed to monoculture to reduce the use of external inputs (**DIVERSify** project), and helped develop the whole technical and socio-economic context to make such diversification viable from a financial and organisational point of view (**DiverIMPACTS** project).

Integration: always working as an interdisciplinary team mirroring the holistic approach of organic farming principles and the multiple facets of agricultural systems. In 2019/20, ORC:

- studied and demonstrated the benefits of tree management (agroforestry) on crops and soils (crop diversity and agronomy) with the **WOOFs** project, as well as on animal health and nutrition with the **OK-NET** EcoFeed project; and
- the hard-working Business and Markets team analysed the socio-economic and consumer-related issues affecting sustainable animal husbandry (the Sheep and Goat sector, with the **iSAGE** project) and organic seeds, with the **LIVESEED** project.

Participation: working with farmers and other stakeholders to identify problems, co-create knowledge and work towards practical and applicable solutions. In 2019/20, ORC significantly advanced a new concept of carrying out research on farmers' fields, which we call 'collective experiments':

- we gathered a network of 18 arable organic and non-organic farms across England working collectively on a participatory varietal evaluation and agronomic survey of wheat production (one of the first times the two aspects are joined together and studied in farmers' fields) as part of the newly started **LiveWheat** project; and
- started a further collective experiment, as part of the **Innovative Farmers** programme, in which organic and non-organic farms are investigating the potential for developing a crop rotation with minimal soil disturbance using a permanent living mulch understorey.

Excellence

ORC commits to a **high scientific ambition**, by constantly raising our scientific profile and being part of the debate within the scientific community. In 2019/20, ORC has:

- published **as first author four scientific papers**, namely:
 - a paper on the rediscovery of forgotten wheat species, studying their agronomic and nutritional performance in organic fields as affected by different soil management systems;
 - a review of the benefits of, and the potential for, using tree-based fodder in sustainable animal husbandry;
 - the results of the first EU-wide survey on the factors affecting the use of organic seeds on organic farms;

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- a paper shedding light on the financial effectiveness of different supply chains for organic food.
- **co-authored three further scientific papers**, covering the multifaceted challenges and opportunities for embedding cultivated biodiversity in society, outcomes of sustainability assessments of sheep and goat farms in different European countries, and patterns of sheep and goat meat consumption in Europe.

Impact

Through the work of its Knowledge Exchange and Policy team, ORC aims to maximise, from concept development through to project closure and beyond, the **sharing and direct usability** of the results to a wide audience, from farmers to policy-makers. In 2019/20, ORC:

- **organised a total of 23 events** (mostly webinars due to the COVID restrictions), with an average of 165 participants/event; and
 - The most attended sessions were at events like Groundswell (groundswellag.com/) and the Oxford Real Farming Conference (orfc.org.uk/), with a mixed audience of 2,000 and 1,000 respectively,
 - To cope with COVID19 restrictions, **Agricology held a successful series of 10 “virtual field days”** with an average attendance (mostly farmers) of 75,
- took part in **the publication of six booklets/technical guides**, namely summarising, and adding value to, the decades-long pioneering work carried out on Agroforestry;
- produced seven **Practice Abstracts** for the European Innovation Platform (EIP), mostly as part of the LIVESEED and OK-NET EcoFeed projects, and coordinated the release of a Practice Abstract from the international consortium of the DIVERSify Project;
- took part in the production of a **video documentary series** on crop diversification and crop mixtures; and
- produced a **public-use online tool and visual output** (sageguard.net) to support practical decision-making on the sustainability of sheep and goat farms.

Dr Will Simonson and Dr Ambrogio Costanzo

Progressive Farming Trust Limited

Report of the Trustees

For the year ended 31 October 2020

The Trustees present their report and financial statements for the year ended 31 October 2020. Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

Objectives and activities

The Progressive Farming Trust (trading as The Organic Research Centre) (PFT) aims to combine scientific excellence with practical experience to deliver real benefits on the ground for all our futures by working, nationally and internationally, to:

- research and develop practical, sustainable land management and food production systems based on organic and agroecological principles; and
- foster knowledge exchange between researchers, producers, food businesses and related professionals; and
- influence policy and public debates on the future of food and farming based on sound evidence.

Our objectives are pursued by means of a detailed programme of activities as set out in our annual business plans, with a quarterly review process, internally and by the Council of Management, used to monitor progress of activities and the outputs delivered.

The Trustees have identified the following public benefits derived from the charity's activities:

- the advancement of education, i.e. activities to promote, sustain and increase individual and collective knowledge and understanding of specific areas of study, skills and expertise, remains the primary one of relevance; and
- the advancement of health, advancement of environmental protection and improvement (in particular the promotion of sustainable development and biodiversity; and
- the promotion of recycling and sustainable waste management; and research projects into the use of renewable energy sources; and
- the advancement of animal welfare through research into improved livestock production systems.

All findings of our research programmes are made available in the public domain.

Sources of funding

A range of funding is utilised by PFT including restricted project funding gained through funding bids and unrestricted funds donated by Charitable Trusts and individual donors.

Risk factors and management

The Trustees have given due consideration to the major risks to which PFT is exposed and holds a register of these. We have taken all reasonable steps to mitigate these risks. Risk assessment and management processes are in operation on an on-going basis throughout the organisation and cover all aspects of financial and non-financial performance.

The monitoring of our financial control systems and procedures and risk-management strategies is delegated to the Finance Committee, which meets quarterly and reports to the Council of Management. The major risks identified relate to failure to achieve income goals, however the appointment of a new senior management team who have a stronger knowledge and understanding of the organisation business model, sensitivity analysis and KPI management will help to mitigate this risk, along with additional support from a fundraising consultancy practice.

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Report of the Trustees

For the year ended 31 October 2020

Reserves policy

Recognising the long-term nature of many funded projects, the reserves policy is to maintain £350k cash balances and short-term investments, in order to provide protection against adverse cash movements due to delayed payments.

Structure, governance and management

The Progressive Farming Trust Ltd was registered as a charity in 1980.

The company is limited by guarantee and does not have a share capital. It has no subsidiary companies or legal association with other organisations. The company does work in partnership with many organisations on the delivery of projects and other charitable activities.

Governance structure

The PFT has a Council of Management consisting of not less than three and not more than fifteen unpaid Trustees (Directors), which sets strategy and direction and monitors performance.

The company is run on a day-to-day basis by a Senior Management Team lead by a Chief Executive Officer, supported by a Director of Research & Innovation, a Head of Finance and Deputy Head of Research. The Senior Management Team is responsible for implementing the plans approved by the Council on the basis of a statement of Delegated Authority.

The remuneration of the Senior Management Team is set by the Council as advised by the Remuneration Committee. The remuneration policy seeks to ensure that a) as this is a research organisation, for all staff relative pay levels compared with the Higher Education sector are maintained, and b) that for the Senior Management comparability with remuneration in other similar charities is also maintained.

Trustee recruitment and induction

The Trustees (members of the Council of Management) are elected by the Members of the Progressive Farming Trust at the Annual General Meeting, with one-third retiring annually and eligible for re-election.

Recruitment of Trustees is achieved through personal recommendation or utilising specialist agencies. The Council contains a broad range of farming, business, finance and organic experience, research, legal and international knowledge, and political experience linked with environmental interests.

Information is provided to help new Trustees to familiarise themselves with the objectives and activities of PFT. They are also referred to the Trustee Act 2000 and relevant Charity Commission guidance.

Details of Trustee and related party transactions are disclosed in note 21 to these accounts.

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Report of the Trustees

For the year ended 31 October 2020

Statement of responsibilities of the Trustees

The Trustees (who are also 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the Trustees on 12 March 2021 and signed on their behalf by

Tim Bennett

Tim Bennett – Trustee and Chair

Independent auditors' report

To the members of

Progressive Farming Trust Limited

Opinion

We have audited the financial statements of Progressive Farming Trust Limited (the 'charity') for the year ended 31 October 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes to the financial statements, 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 charity's affairs as at 31 October 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditors' report

To the members of

Progressive Farming Trust Limited

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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; and
- the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity 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 the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees 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 they 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

To the members of

Progressive Farming Trust Limited

Our responsibilities for the audit of the financial statements

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

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 auditor's report.

Use of our report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alison Godfrey

Date: 16 March 2021

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Progressive Farming Trust Limited

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 October 2020

		Restricted £	Unrestricted £	2020 Total £	Restated 2019 Total £
	Note				
Income from:					
Donations and legacies	3	40,730	103,028	143,758	79,962
Charitable activities:					
Research and projects	4	261,802	11,939	273,741	616,873
Information services	5	102,635	4,662	107,297	239,641
Other trading activities	6	-	24,274	24,274	21,190
Investments		-	1,120	1,120	947
Other:					
Miscellaneous income		-	804	804	980
Gain on disposal of fixed assets		-	1,612,909	1,612,909	-
Total income		<u>405,167</u>	<u>1,758,736</u>	<u>2,163,903</u>	<u>959,593</u>
Expenditure on:					
Raising funds:					
Fundraising		18,076	82,509	100,585	32,521
Other trading activities		-	-	-	21,682
Charitable activities:					
Research and projects		428,134	540,617	968,751	826,429
Information services		155,599	168,571	324,170	440,181
Other expenditure:					
Exceptional items		-	-	-	503,020
Total expenditure	8	<u>601,809</u>	<u>791,697</u>	<u>1,393,506</u>	<u>1,823,833</u>
Net losses on investments		<u>-</u>	<u>(20,867)</u>	<u>(20,867)</u>	<u>-</u>
Net income / (expenditure)		(196,642)	946,172	749,530	(864,240)
Transfers between funds		<u>28,352</u>	<u>(28,352)</u>	<u>-</u>	<u>-</u>
Net movement in funds	9	(168,290)	917,820	749,530	(864,240)
Reconciliation of funds:					
Total funds brought forward		<u>989,295</u>	<u>532,382</u>	<u>1,521,677</u>	<u>2,385,917</u>
Total funds carried forward		<u><u>821,005</u></u>	<u><u>1,450,202</u></u>	<u><u>2,271,207</u></u>	<u><u>1,521,677</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 20 to the accounts. Exceptional items comprise restructuring and other costs relating to the business recovery plans of the charity.

The 2019 comparatives have been restated due to a change in the income recognition policy as disclosed in note 24 to the accounts.

Progressive Farming Trust Limited

Balance sheet

As at 31 October 2020

	Note	£	2020 £	Restated 2019 £
Fixed assets				
Tangible assets	12		431,265	2,184,684
Social investments	13		237,300	318,731
Investments	14		<u>529,138</u>	<u>1,515</u>
			1,197,703	2,504,930
Current assets				
Stock	15	375		7,155
Debtors	16	209,164		226,068
Current asset investments		300,464		59,651
Cash at bank and in hand		<u>685,908</u>		<u>23,786</u>
		1,195,911		316,660
Liabilities				
Creditors: amounts falling due within 1 year	17	<u>(122,407)</u>		<u>(1,299,913)</u>
Net current assets / (liabilities)			1,073,504	(983,253)
Net assets	19		<u>2,271,207</u>	<u>1,521,677</u>
Funds	20			
Restricted income funds				
Dean Organic Fund			538,848	538,848
Other restricted funds			282,157	450,447
Unrestricted funds				
Designated funds			82,406	84,291
General funds			<u>1,367,796</u>	<u>448,091</u>
Total charity funds			<u>2,271,207</u>	<u>1,521,677</u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 12 March 2021 and signed on their behalf by

Tim Bennett

Tim Bennett- trustee and chair

Progressive Farming Trust Limited

Statement of cash flows

As at 31 October 2020

	2020 £	Restated 2019 £
Net movement in funds	749,530	(864,240)
Adjustments for:		
Depreciation charges	28,455	54,253
(Gains) / losses on investments	20,867	-
Interest paid	7,967	45,874
(Increase) / decrease in social investments	81,431	(53,524)
Dividends, interest and rents from investments	(1,120)	(947)
Loss / (profit) on the sale of fixed assets	(1,612,909)	12,380
Decrease / (increase) in stock	6,780	3,825
Decrease / (increase) in debtors	16,904	(51,437)
Increase / (decrease) in creditors	(302,225)	289,544
Net cash provided by / (used in) operating activities	(1,004,320)	(564,272)
Cash flows from investing activities:		
Proceeds from disposal of investments	1,515	9,498
Proceeds from disposal of fixed assets	3,358,993	-
Dividends, interest and rents from investments	1,120	947
Purchase of tangible fixed assets	(21,120)	(8,281)
Purchase of investments	(550,005)	-
Net cash provided by / (used in) investing activities	2,790,503	2,164
Cash flows from financing activities:		
Repayment of borrowing	(883,248)	(320,492)
Cash inflows from new borrowing	-	667,000
Net cash provided in / (used in) financing activities	(883,248)	346,508
Increase / (decrease) in cash and cash equivalents in the year	902,935	(215,600)
Cash and cash equivalents at the beginning of the year	83,437	299,037
Cash and cash equivalents at the end of the year	986,372	83,437
This is represented as:		
Current asset investments	300,464	59,651
Cash at bank and in hand	685,908	23,786
	986,372	83,437

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

1. Accounting policies

a) Basis of preparation

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

Progressive Farming Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. However, the COVID-19 pandemic has had a profound impact on the global economy, and has in turn affected the charity. The trustees have considered the impact of this issue on the charity's current and future financial position. The charity holds unrestricted, general reserves of £1,367,796, designated reserves that can be drawn down if necessary of £82,406 and a combined balance of £986,372 held in cash and liquid current asset investments. A further £529,138 is held in listed investments which could be drawn down where necessary. Land and buildings with a net book value at 31 October 2020 of £413,862 have been sold post year-end, for further unrestricted gains. The trustees therefore consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

1. Accounting policies (continued)

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) 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 bank.

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated to activities on an income basis, excluding unrestricted donations. In 2020 there were no direct or allocated costs attributed to raising funds: other trading activities. The following percentages were used:

	2020	2019
Raising funds: fundraising	6.0%	0.0%
Raising funds: other trading activities	0.0%	2.4%
Research and projects	67.7%	68.3%
Information services	26.3%	29.3%
Exceptional items	0.0%	0.0%

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

1. Accounting policies (continued)

i) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Freehold land	Not depreciated
Freehold buildings	2% on cost
Solar PV	4% on cost
Research equipment	20% reducing balance
Fixture, fittings and equipment	33% on cost
Motor vehicles	25% on cost

j) Social investments

Social investments are concessionary loans made to third parties that directly further the charitable purposes of the charity. The loans are recognised as the amount paid, less cumulative repayments. They are reviewed annually for impairment.

k) Investments

Investments held at the year end are valued at the current market value at that date. Investment income from dividends is included in incoming resources while realised and unrealised losses and gains on investments are shown separately on the statement of financial activities (SOFA). Realised gains and losses are calculated on investment disposals during the year as the difference between the opening market value and the proceeds received on sale. Unrealised gains and losses are calculated on investment holdings at the year end as the difference between the closing market value and the opening market value or purchase value during the year.

l) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

m) Debtors

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

n) Current asset investments

Current asset investments are cash held on deposit that will be used to fund social investments. Current asset investments are measured at cost.

o) Cash at bank and in hand

Cash at bank and cash 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.

p) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

1. Accounting policies (continued)

q) Financial instruments

The charitable company 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 recognised at amortised cost using the effective interest method.

r) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

s) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

t) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1i to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

u) Changes in accounting policies

The charity has changed its accounting policy in the year to cease the deferral of grant income in line with expenditure and to instead recognise grant income when received, or in advance of payment if income recognition is deemed to be met. This has resulted in the restatement of the prior period, as detailed in the note 24. Balances previously held as deferred income have been restated as restricted funds brought forward.

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	Restated 2019 Total £
Income from:			
Donations and legacies	-	79,962	79,962
Charitable activities			
Research and projects	605,877	10,996	616,873
Information services	195,485	44,156	239,641
Other trading activities	-	21,190	21,190
Investments	-	947	947
Other income	-	980	980
Total income	801,362	158,231	959,593
Expenditure on:			
Raising funds:			
Fundraising	-	32,521	32,521
Other trading activities	-	21,682	21,682
Charitable activities:			
Research and projects	590,361	236,068	826,429
Information services	221,699	218,482	440,181
Other expenditure:			
Exceptional items	27,000	476,020	503,020
Total expenditure	839,060	984,773	1,823,833
Net expenditure	(37,698)	(826,542)	(864,240)
Transfers between funds	14,749	(14,749)	-
Net movement in funds	(22,949)	(841,291)	(864,240)

3. Income from donations and legacies

	Restricted £	Unrestricted £	2020 Total £	2019 Total £
JA Pye Charitable Settlement	-	2,500	2,500	25,000
John Ellerman Foundation	40,730	-	40,730	-
Legacies	-	73,000	73,000	-
Other donations	-	27,528	27,528	51,438
Gift aid	-	-	-	1,566
Fundraising and events income	-	-	-	1,958
Total	40,730	103,028	143,758	79,962

All income from donations and legacies in the prior year was unrestricted.

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

4. Income from charitable activities: research and projects

	Restricted £	Unrestricted £	2020 Total £
Defra	91,857	-	91,857
Ekhaga Foundation	18,210	-	18,210
European Commission	91,073	-	91,073
RPA	49,187	-	49,187
Welsh EIP	5,940	-	5,940
Other project income	5,535	11,939	17,474
Total research and project income	261,802	11,939	273,741

Prior period comparative:

	Restricted £	Unrestricted £	Restated 2019 Total £
BBSRC	15,847	-	15,847
Defra	43,745	-	43,745
Ekhaga Foundation	33,216	-	33,216
European Commission	464,817	-	464,817
RPA	39,431	-	39,431
Welsh EIP	6,443	-	6,443
Other project income	2,378	10,996	13,374
Total research and project income	605,877	10,996	616,873

5. Income from charitable activities: information services

	Restricted £	Unrestricted £	2020 Total £
Daylesford Foundation	73,624	-	73,624
Defra	(1,622)	-	(1,622)
European Commission	(5,220)	-	(5,220)
Prince of Wales' Charitable Foundation	35,853	-	35,853
Other project income	-	4,662	4,662
Total information services income	102,635	4,662	107,297

Negative figures in income represent accrued income balances which had to be written back after they were found to be irrecoverable.

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

5. Income from charitable activities: information services (continued)

Prior period comparative:

	Restricted £	Unrestricted £	Restated 2019 Total £
Daylesford Foundation	150,380	-	150,380
Defra	1,622	-	1,622
European Commission	16,084	-	16,084
Prince of Wales' Charitable Foundation	27,399	-	27,399
Producer conference	-	9,829	9,829
Other project income	-	34,327	34,327
Total information services income	195,485	44,156	239,641

6. Income from other trading activities

	Restricted £	Unrestricted £	2020 Total £	2019 Total £
Farm rental income	-	-	-	940
Other estate income	-	24,274	24,274	20,000
DOF administration	-	-	-	250
Total	-	24,274	24,274	21,190

All income from other trading activities in the prior year was unrestricted.

7. Government grants

The charitable company receives government grants, defined as funding from Defra and the Welsh Government, to fund charitable activities. The total value of such grants in the period ending 31 October 2020 was £96,175 (2019: £51,810, restated). There are no unfulfilled conditions or contingencies attaching to these grants.

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

8. Total expenditure

	Raising funds: fundraising £	Charitable activities: research £	Charitable activities: information services £	Support and governance costs £	2020 Total £
Staff costs (note 10)	60,416	484,819	107,687	206,741	859,663
Activity delivery costs	5,461	89,763	63,061	4,032	162,317
Office/facility operation & maintenance	-	-	-	75,725	75,725
Other office costs	-	-	-	37,479	37,479
Computing and IT support	-	-	-	44,976	44,976
Bank charges/interest	-	-	-	9,658	9,658
Insurance	-	-	-	6,743	6,743
Audit and accountancy	-	-	-	13,240	13,240
Governance costs	-	-	-	1,026	1,026
Legal and professional fees	-	-	-	93,913	93,913
Depreciation	-	-	-	28,455	28,455
Farm tenancy and sharefarming expenditure	-	-	-	38,573	38,573
Miscellaneous costs	-	-	-	21,738	21,738
Sub-total	65,877	574,582	170,748	582,299	1,393,506
Allocation of support and governance costs	<u>34,708</u>	<u>394,169</u>	<u>153,422</u>	<u>(582,299)</u>	<u>-</u>
Total expenditure	<u>100,585</u>	<u>968,751</u>	<u>324,170</u>	<u>-</u>	<u>1,393,506</u>

Total governance costs were £10,386.

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

8. Total expenditure

Prior period comparative	Raising funds: fundraising £	Raising funds: other trading activities £	Charitable activities: research £	Charitable activities: information services £	Other expenditure: exceptional items £	Support and governance costs £	2019 Total £
Staff costs (note 10)	32,408	9,201	372,855	236,872	110,524	230,236	992,096
Activity delivery costs	113	15	97,449	50,758	6,895	16,474	171,704
Office/facility operation & maintenance	-	-	-	-	-	11,965	11,965
Other office costs	-	-	-	-	-	23,128	23,128
Computing and IT support	-	-	-	-	-	27,444	27,444
Bank charges/interest	-	-	-	-	12,170	37,656	49,826
Insurance	-	-	-	-	-	10,280	10,280
Audit and accountancy	-	-	-	-	-	18,870	18,870
Governance costs	-	-	-	-	-	5,792	5,792
Legal and professional fees	-	-	-	-	80,447	16,674	97,121
Depreciation	-	-	234	-	-	54,019	54,253
Loss on disposal of fixed assets	-	-	-	-	-	12,380	12,380
Bad debts	-	-	-	-	-	27,000	27,000
Farm tenancy and sharefarming	-	-	-	-	292,984	25,470	318,454
Miscellaneous costs	-	-	-	-	-	3,520	3,520
Sub-total	32,521	9,216	470,538	287,630	503,020	520,908	1,823,833
Allocation of support and governance costs	-	12,466	355,891	152,551	-	(520,908)	-
Total expenditure	32,521	21,682	826,429	440,181	503,020	-	1,823,833

Total governance costs were £16,832.

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

9. Net movement in funds

This is stated after charging:

	2020 £	2019 £
Depreciation	28,455	54,253
Trustees' indemnity insurance	Nil	Nil
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	360	2,803
Auditors' remuneration:		
▪ Consultancy	560	2,160
▪ Statutory audit	8,800	8,880
	<u>8,800</u>	<u>8,880</u>

Trustees expenses comprise amounts relating to 1 trustee for travel and subsistence costs (2019: 5 trustees).

10. Staff costs and numbers

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	706,427	830,704
Social security costs	69,514	80,230
Pension costs	83,722	81,162
	<u>859,663</u>	<u>992,096</u>

One employee earned between £60,000 and £70,000 during the year (2019: one employee).

The key management personnel of the charitable company comprise the senior management team. Total employee benefits paid to the key management personnel were £219,786 (2019: £282,343).

During the year, redundancy payments totalling £12,543 were paid to 3 members of staff. There were no amounts outstanding at 31 October 2020.

The average staff head count during the year was:

	2020 No.	2019 No.
Administration	7.1	5.0
Research / project staff	15.8	27.0
	<u>22.9</u>	<u>32.0</u>
Average full-time equivalents (all staff)	<u>20.4</u>	<u>22.3</u>

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

12. Tangible fixed assets

	Freehold land £	Buildings £	Solar PV £	Fixtures, fittings and equipment £	Total £
Cost					
At 1 November 2019	716,791	1,853,889	72,301	21,701	2,664,682
Additions	-	-	-	21,120	21,120
Disposals	(556,950)	(1,520,000)	(72,301)	-	(2,149,251)
At 31 October 2020	159,841	333,889	-	42,821	536,551
Depreciation					
At 1 November 2019	-	453,574	14,460	11,964	479,998
Charge for the year	-	14,278	723	13,454	28,455
On disposal	-	(387,984)	(15,183)	-	(403,167)
At 31 October 2020	-	79,868	-	25,418	105,286
Net book value					
At 31 October 2020	159,841	254,021	-	17,403	431,265
At 31 October 2019	716,791	1,400,315	57,841	9,737	2,184,684

13. Social investments

	2020 £	2019 £
Concessionary loans	237,300	318,731

Concessionary social investment loans comprise interest-free loans of up to £25,000 made to fund the purchase of equipment, stock or similar items to enable the borrower to carry out certified or closely aligned organic/agroecological farming and/or food business activities. They are repayable in monthly installments beginning 12 months after the loan was agreed. Amounts receivable within one year is £82,915 and amounts receivable in more than one year is £154,385 (2019: £85,324 receivable within one year, £233,407 receivable in more than one year).

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

14. Investments

	Listed investments £	Unlisted investments £	2020 £	2019 £
Market value at 1 November 2019	-	1,515	1,515	11,013
Additions	550,005	-	550,005	-
Disposals proceeds	-	(1,515)	(1,515)	(9,498)
Unrealised losses	(20,867)	-	(20,867)	-
Market value at 31 October 2020	529,138	-	529,138	1,515
Historic cost:	550,005	-	550,005	1,515

Unlisted investments, sold during the year, were held in Organic Arable Marketing Company Ltd (1,215 shares at £1) and Seed Co-Operative (300 shares at £1).

Listed investments comprise funds held by Rathbones, which are shown at the market value at the balance sheet date.

15. Stock

	2020 £	2019 £
Goods for resale	375	7,155

16. Debtors

	2020 £	2019 £
Trade debtors	18,211	32,404
Prepayments	5,549	3,215
Accrued income	185,404	189,526
VAT debtor	-	923
	209,164	226,068

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

17. Creditors : amounts due within 1 year	2020 £	Restated 2019 £
Triodos bridging loan	-	655,000
Bank overdraft	-	173,280
Trade creditors	33,692	41,945
Other creditors	25,833	35,591
Deferred income (see note 18)	-	5,868
Accruals	62,882	341,229
10 year private loan repayable by 2024	-	35,000
Other private loan	-	12,000
	<u>122,407</u>	<u>1,299,913</u>

The bridging loan and overdraft were secured by way of a first legal charge dated 29 June 2009 over the freehold land and farm buildings (excluding farmhouse and offices) known as Elm Farm, Hamstead Marshall, Newbury, RG20 0HR, and by a first debenture dated 17 June 2010 comprising a fixed and floating charge over all assets and undertakings of the charity. The bridging loan and overdraft were both repaid in full during the year using funds from the sale of the land and property.

The private loans for £35,000 and £12,000 respectively were repaid in full using funds from the sale of land and property.

18. Deferred income	2020 £	Restated 2019 £
At 1 November 2019	5,868	56
Deferred during the year	-	5,812
Released during the year	<u>(5,868)</u>	<u>-</u>
At 31 October 2020	<u>-</u>	<u>5,868</u>

Deferred income comprises amounts received relating to grants and contracts for which performance conditions have not been met.

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

19. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	431,265	431,265
Social investments	237,300	-	-	237,300
Investments	-	-	529,138	529,138
Net current assets	<u>583,705</u>	<u>82,406</u>	<u>407,393</u>	<u>1,073,504</u>
Net assets at 31 October 2020	<u>821,005</u>	<u>82,406</u>	<u>1,367,796</u>	<u>2,271,207</u>
Prior period comparative				
	Restricted funds £	Designated funds £	General funds £	Total funds (restated) £
Tangible fixed assets	-	-	2,184,684	2,184,684
Social investments	318,731	-	-	318,731
Investments	-	-	1,515	1,515
Net current assets / (liabilities)	<u>670,564</u>	<u>84,291</u>	<u>(1,738,108)</u>	<u>(983,253)</u>
Net assets at 31 October 2019	<u>989,295</u>	<u>84,291</u>	<u>448,091</u>	<u>1,521,677</u>

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

20. Movements in funds

	Restated at 1 November 2019 £	Income £	Expenditure £	Transfers between funds / losses £	At 31 October 2020 £
Restricted funds					
<u>EU Funding</u>					
Afinet	-	8,986	(8,986)	-	-
Cerere	230	(5,220)	-	4,990	-
DiverImpacts	85,944	-	(53,337)	-	32,607
Diversifood	-	(3,187)	-	3,187	-
Diversify	45,786	-	(23,075)	-	22,711
ISAGE	-	78,624	(65,191)	-	13,433
Liveseed	125,349	-	(104,212)	-	21,137
WHEALBI	-	(11,911)	-	11,911	-
EU Interreg/IFOAM: SME Organic	2,750	-	-	-	2,750
OKNet EcoFeed	40,877	12,587	(25,948)	-	27,516
OrganicPlus	55,935	5,974	(2,074)	-	59,835
<u>UK Statutory Funding</u>					
RPA: EIPSoils	(4,390)	24,612	(18,585)	-	1,637
RPA: Woofs	-	24,575	(27,415)	2,840	-
Welsh EIP Ancient Cereals	3,909	5,941	(2,665)	-	7,185
BBSRC: SustGraze Seegslip	-	(565)	-	565	-
DEFRA: OrgTech OK Transfer	-	(1,622)	-	1,622	-
DEFRA: SustainFarm FACCE Eranet	4,286	(7,523)	-	3,237	-
DEFRA: UK Regulation	1,455	-	-	-	1,455
DEFRA: Environmental Land Management Test and Trials	-	24,854	(10,474)	-	14,380
DEFRA: Evaluating and Improving UK Organic Trade Statistics	-	26,667	(26,667)	-	-
DEFRA: LiveWheat	-	47,860	(38,715)	-	9,145
			-	-	
<u>Foundation funding</u>					
Daylesford Foundation: Agricology2	57,631	73,624	(131,255)	-	-
Ekhaga Foundation: System Health	22,541	18,210	(18,089)	-	22,662
PW Charitable Foundation: Innovative Farmers	232	35,853	(24,343)	-	11,742
<u>Other projects</u>					
Other externally-funded projects	7,912	6,098	(2,702)	-	11,308
Ellerman grant	-	40,730	(18,076)	-	22,654
Dean Organic Fund	538,848	-	-	-	538,848
Total restricted funds	989,295	405,167	(601,809)	28,352	821,005

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

20. Movements in funds (continued)

	Restated at 1 November 2019 £	Income £	Expenditure £	Transfers between funds / losses £	At 31 October 2020 £
Unrestricted funds					
<i>Designated funds:</i>					
FIBL: SMART, Publications, Project Acquisition	1,885	-	(1,885)	-	-
M Langman: Food quality and health bequest	38,305	-	-	-	38,305
Farm and Food Society: Animal health and welfare	<u>44,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,101</u>
<i>Total designated funds</i>	<u>84,291</u>	<u>-</u>	<u>(1,885)</u>	<u>-</u>	<u>82,406</u>
General funds	<u>448,091</u>	<u>1,758,736</u>	<u>(789,812)</u>	<u>(49,219)</u>	<u>1,367,796</u>
Total unrestricted funds	<u>532,382</u>	<u>1,758,736</u>	<u>(791,697)</u>	<u>(49,219)</u>	<u>1,450,202</u>
Total funds	<u><u>1,521,677</u></u>	<u><u>2,163,903</u></u>	<u><u>(1,393,506)</u></u>	<u><u>(20,867)</u></u>	<u><u>2,271,207</u></u>

Purposes of restricted funds

Research contracts or partner subcontracts financed by Defra and Welsh Government are treated as restricted to the area of research in which they are commissioned. Grants from EU sources are by definition restricted. Grants from Foundations and Trusts may be restricted to a particular area of research, dependant on the terms of the grant agreed.

For projects with positive closing balances, the surplus restricted resources have been retained to meet future commitments, consistent with project funding agreements. Negative figures in income represent accrued income balances which had to be written back after they were found to be irrecoverable.

Purposes of designated funds

These funds have been designated to support work on conceptual and scientific aspects of food quality and health in the case of the M Langham bequest, and on farm animal welfare in the case of the Farm and Food Society. The funds are used to support events and projects. In 2016, a donation of €50,000 (£38,055) was received from the Swiss Research Institute of Organic Agriculture (FIBL) where freedom was given to PFT to allocate the resources to areas of mutual benefit, including joint publications, project acquisition and the development of sustainability assessment tools (SMART).

Transfers between funds

Transfers between funds have taken place during the year. All transfers represent the use of unrestricted funds to cover the reversal of small accrued income balances which were deemed during the year to be irrecoverable. Net losses on investments of £20,867 are shown in general funds.

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

20. Movements in funds (continued) - prior period comparative (restated)

	At 1 November 2018 £	Income £	Expenditure £	Transfers between funds £	At 31 October 2019 £
Restricted funds					
<u>EU Funding</u>					
Afinet	12,028	24,846	(36,874)	-	-
Agforward	-	400	(400)	-	-
Cerere	24,564	16,084	(40,418)	-	230
DiverImpacts	69,986	88,228	(72,270)	-	85,944
Diversifood	-	30,911	(30,911)	-	-
Diversify	11,715	55,767	(21,696)	-	45,786
ISAGE	60,938	107,321	(168,259)	-	-
Liveseed	72,878	142,283	(89,812)	-	125,349
OK-Net Arable	-	-	-	-	-
WHEALBI	-	15,061	(15,061)	-	-
EU Interreg/IFOAM: SME Organic	2,750	-	-	-	2,750
OKNet EcoFeed	66,299	-	(25,422)	-	40,877
OrganicPlus	59,707	-	(3,772)	-	55,935
<u>UK Statutory Funding</u>					
RPA: EIPSoils	(4,390)	15,804	(15,804)	-	(4,390)
RPA: Woofs	-	23,627	(23,627)	-	-
Welsh EIP Ancient Cereals	-	6,443	(2,534)	-	3,909
BBSRC: SustGraze Seegslip	-	15,847	(15,847)	-	-
DEFRA: OrgTech OK Transfer	-	1,622	(1,622)	-	-
DEFRA: SustainFarm FACCE					
Eranet	3,357	43,745	(42,816)	-	4,286
DEFRA: UK Regulation	3,001	-	(1,546)	-	1,455
<u>Foundation funding</u>					
A Team / Other: Policy	-	-	(6,434)	6,434	-
Daylesford Foundation:					
Agricology 2	51,532	150,380	(144,281)	-	57,631
Ekhaga Foundation: System Health	9,028	33,216	(19,703)	-	22,541
PW Charitable Foundation:					
Innovative Farmers	232	27,399	(27,399)	-	232
<u>Other projects</u>					
Other externally-funded projects	6,000	2,378	(5,552)	5,086	7,912
Dean Organic Fund	562,619	-	(27,000)	3,229	538,848
Total restricted funds	1,012,244	801,362	(839,060)	14,749	989,295

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

20. Movements in funds (continued) - prior period comparative (restated)

	At 1 November 2018 £	Income £	Expenditure £	Transfers between funds £	At 31 October 2019 £
Unrestricted funds					-
<i>Designated funds:</i>					
FIBL: SMART, Publications, Project Acquisition	2,982	2,982	(4,079)	-	1,885
M Langman: Food quality and health bequest	39,202	-	(897)	-	38,305
Farm and Food Society: Animal health and welfare	44,101	-	-	-	44,101
<i>Total designated funds</i>	<u>86,285</u>	<u>2,982</u>	<u>(4,976)</u>	<u>-</u>	84,291
General funds	<u>1,287,388</u>	<u>155,249</u>	<u>(979,797)</u>	<u>(14,749)</u>	448,091
Total unrestricted funds	<u>1,373,673</u>	<u>158,231</u>	<u>(984,773)</u>	<u>(14,749)</u>	532,382
Total funds	<u>2,385,917</u>	<u>959,593</u>	<u>(1,823,833)</u>	<u>-</u>	1,521,677

21. Related party transactions

Trustees donated a total of £400 (2019: £947) (including £nil (2019: £76) travel expenses not claimed) to Organic Research Centre.

D Peck, Trustee, made a low interest, 10-year loan of £35,000 to Organic Research Centre in 2014. An additional loan of £20,000 was also made by D Peck in 2017/18. During the prior year, D Peck agreed to write-off £8,000 of this balance, which was treated as an unrestricted donation to the charity.

The balance of both loans was fully repaid in 2019/20 using proceeds from the sale of the charity's Elm Farm property. The amount outstanding on the 10-year loan at 31 October 2020 is £nil (2019: £35,000). The amount outstanding on the additional loan at 31 October 2020 is £nil (2019: £12,000).

D Peck was paid £735 in interest during the year (2019: £650).

Organic Research Centre also paid £1,578 in membership fees to IFOAM during the year. Roger Kerr is a Trustee of Organic Research Centre and IFOAM.

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

22. Operating lease commitments

The charity had operating leases at the year end with total future minimum lease payments as follows:

	2020 £	2019 £
Amount falling due:		
Within 1 year	37,200	-
Within 1 - 5 years	176,700	-
	<u>213,900</u>	<u>-</u>

23. Analysis of changes in net debt

	At 1 November 2019 £	Cash flows £	At 31 October 2020 £
Cash	23,786	662,122	685,908
Cash equivalents	59,651	240,813	300,464
Overdraft	(173,280)	173,280	-
	(89,843)	1,076,215	986,372
Loans falling due within 1 year	(702,000)	702,000	-
Total	<u>(791,843)</u>	<u>1,778,215</u>	<u>986,372</u>

24. Prior period restatement

The prior period comparatives have been restated following a change in accounting policy. Rather than deferring grant income in line with expenditure, grant income is now recognised either when the cash is physically received, or in advance of payment when income recognition is deemed to be met - whichever comes earlier.

This has impacted prior period restricted income, prior period deferred income and total funds brought forward to 1 November 2019 as follows:

Deferred income	2019 £
Total deferred income per original accounts:	438,731
Deferral of project income in 2019:	5,814
Recognition of grant income in periods prior to 2019:	<u>(438,677)</u>
Total deferred income after restatement:	<u>5,868</u>

Progressive Farming Trust Limited

Notes to the financial statements

For the year ended 31 October 2020

24. Prior period restatement (continued)

Restricted funds brought / carried forward

Due to the reversal of deferred income balances in periods prior to 2019, the carried forward restricted fund balances have also been restated, as follows:

	2019 £	2018 £
Total restricted funds carried forward per original accounts:	556,435	573,570
Reversals of deferrals in periods prior to 2019:	438,677	438,677
Net effect of reversal of deferred income in 2019:	(5,814)	-
Removal of rounding errors	(3)	(3)
Total restricted funds carried forward after restatement:	<u>989,295</u>	<u>1,012,244</u>

Income

Total income recognised in 2019 has therefore been affected as follows:

	Research and projects 2019 £	Information services 2019 £	Total income from charitable activities 2019 £
Income recognised per original accounts:	603,020	259,308	862,328
Restatements:	<u>13,853</u>	<u>(19,667)</u>	<u>(5,814)</u>
Restated income:	<u>616,873</u>	<u>239,641</u>	<u>856,514</u>

Alison Godfrey
Godfrey Wilson Limited
Chartered Accountants & Statutory Auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

12 March 2021

Dear Alison

Letter of Representations on the Financial Statements for the Year Ended 31 October 2020

This representation letter is provided in connection with your audit of the financial statements of the charity for the year ended 31 October 2020.

We confirm that the following representations are made on the basis of enquiries of the trustees, management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you:

1. We have fulfilled our responsibilities as trustees, as set out in the terms of your engagement letter dated 18 February 2020, under the Companies Act 2006 for preparing financial statements, in accordance with 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).

We confirm that in our opinion the financial statements give a true and fair view and in particular that where any additional information must be disclosed in order to give a true and fair view that information has in fact been disclosed. We confirm that the selection and application of the accounting policies used in the preparation of the financial statements are appropriate, and we approve these accounts for the year ended 31 October 2020.

2. We confirm that all accounting records have been made available to you for the purpose of your audit, in accordance with your terms of engagement, and that all the transactions undertaken by the charity have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management, trustees' and members' meetings, have been made available to you. We have given you unrestricted access to persons within the charity in order to obtain audit evidence and have provided any additional information that you have requested for the purposes of your audit.
3. We acknowledge that it is a criminal offence to make a false statement in this regard, and where any director either makes a false statement; is aware that the statement is false; is reckless in preventing this statement; or fails to take reasonable steps to prevent the trustees' report from being approved, we acknowledge that each director will be guilty of a criminal offence.
4. We confirm the charity has satisfactory title to all assets and there are no liens or encumbrances on the assets, except for those disclosed in the financial statements.

Organic Research Centre, Trent Lodge, Stroud Road, Cirencester GL7 6JN

T 01488 658 298 E hello@organicresearchcentre.com W organicresearchcentre.com

Patrons: The Duchess of Richmond and Gordon, Yvonne Pye, Christopher Bielenberg, Juliet Kindersley, Peter Kindersley and Jan Sundt.
The Progressive Farming Trust Ltd, trading as the Organic Research Centre, is a charity registered in England and Wales (281276). A company limited by guarantee (1513190).
Registered office: Trent Lodge, Stroud Road, Cirencester GL7 6JN.

5. We confirm that significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We confirm that we have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
6. We confirm that the charity has no liabilities or contingent liabilities other than those disclosed in the financial statements.
7. We confirm that all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the applicable financial reporting framework.
8. We confirm that there have been no events since the balance sheet date which require disclosing or which would materially affect the amounts in the financial statements, other than those already disclosed or included in the financial statements.
9. We confirm that we are aware that a related party of the charity is a person or organisation which either (directly or indirectly) controls, has joint control of, or significantly influences the charity or vice versa and as a result will include: trustees/directors, other key management, close family and other business interests of the previous. We confirm that the related party relationships and transactions set out in appendix I are a complete list of such relationships and transactions and that we are not aware of any further related parties or transactions.
10. We confirm that the charity neither had, at any time during the year, any arrangement, transaction or agreement to provide credit facilities (including advances and credits granted by the charity) for trustees, nor provided guarantees of any kind on behalf of the trustees except as disclosed in the financial statements.
11. We confirm that the charity has not contracted for any capital expenditure other than as disclosed in the financial statements.
12. We confirm that the charity has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
13. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the charity conducts its activities and which are central to the charity's ability to conduct its activities, except as explained to you and as disclosed in the financial statements.
14. We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud. We confirm that we have disclosed to you the results of our risk assessment of the risk of fraud in the organisation. There have been no deficiencies in internal control of which we are aware.
15. We confirm that there have been no actual or suspected instances of fraud involving trustees, management or employees who have a significant role in internal control or that could have a material effect on the financial statements. We also confirm that we are not aware of any allegations of fraud by trustees, former trustees, employees, former employees, regulators or others.

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16. We confirm that, in our opinion, the charity's financial statements should be prepared on the going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs. In reaching this conclusion, we have taken into account all relevant matters of which we are aware, and have considered a period of at least one year from the date on which the financial statements will be approved.
17. We confirm that in our opinion the effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is set out in the management letter.
18. We confirm that, in respect of the restatement to correct a material misstatement in prior period financial statements that affects the comparative information (and any other period covered by your work), the adjustment relates to a change in accounting policy as we believe that the new accounting policy is more appropriate, and accordingly, to ensure the consistency of accounting treatment between periods, it is necessary to restate the current and corresponding periods on the basis of the new policy.
19. We confirm that we are not aware of any matters of material significance that should be reported to regulators. We confirm that all correspondence with the Charity Commission has been made available to you.
20. We confirm that all grants, donations and other income, including those subject to special terms or conditions or received for restricted purposes, have been notified to you. There have been no breaches of terms or conditions during the period regarding the application of such income.
21. We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that: (a) so far as each trustee is aware, there is no relevant audit information of which you as auditors are unaware; and (b) each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that you are aware of that information.
22. We acknowledge that it is a criminal offence to knowingly or recklessly make you as an auditor, a statement (oral or written) that conveys, or purports to convey, information or explanations that you require in your capacity as auditor, or are entitled to require, that is misleading, false or deceptive in a material particular.

Yours sincerely

Tim Bennett

Tim Bennett – trustee and chair

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Appendix I: Summary of Related Parties

Connected Organisation	Name	Nature of Connection
Carmarthen Farm business	Tim Bennett	Owner
Centre for Innovation and Excellence in Livestock (York)	Tim Bennett	Chairman
Organic Farmers & Growers	Roger Kerr	CEO
Organic Trade (UK) Ltd (trading as the Organic Trade Board)	Roger Kerr	Director
UK Organic Certifiers Group	Roger Kerr	Chair
Council of IFOAM EU	Roger Kerr	UK Representative
Savva Capital, Mauritius	Donald Peck	Director
Growth Catalyst Partners	Donald Peck	Director
Foundation Rachel and Pamela Schiele	Donald Peck	Trustee
IPPR	Donald Peck	Trustee
Think Ahead	Donald Peck	Trustee
SEL Consultancy	S Lloyd	Director
TOI Corporate Service Limited	Adrian Blackshaw	Director

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