

**Charity Registration No. 281276**

**Company Registration No. 1513190 (England and Wales)**

**PROGRESSIVE FARMING TRUST LIMITED**

**TRADING AS - ORGANIC RESEARCH CENTRE - ELM FARM**

**COUNCIL MEMBERS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 OCTOBER 2011**



**PROGRESSIVE FARMING TRUST LIMITED**  
**TRADING AS - ORGANIC RESEARCH CENTRE - ELM FARM**

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**COUNCIL MEMBERS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2011**

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## **LEGAL AND ADMINISTRATIVE INFORMATION**

<b>Members of Council</b>	C A Bielenberg A M F Astor A Bielenberg D R W Harrison A M Jedwell J F Jones J A Longfield MBE J S Skinner Dr H Vogtmann D J Wilson
<b>Executive Director and Company Secretary</b>	N H Lampkin
<b>Charity number</b>	281276
<b>Company number</b>	1513190
<b>Principal Address and Registered Office</b>	The Organic Research Centre Elm Farm Hamstead Marshall Newbury Berkshire RG20 0HR
<b>Auditors</b>	Russell New Limited The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN
<b>Bankers</b>	CAF Bank Limited P O Box 289 West Malling Kent ME19 4TA  National Westminster Bank Plc City of London Office 1 Princes Street London EC3P 3AR  Triodos Bank Brunel House 11 The Promenade Bristol BS8 3NN
<b>Investment advisors</b>	Newton Investment Management Limited The Bank of New York Mellon Centre 160 Queen Victoria Street London EC4V 4LA

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The Council Members present their report and financial statements for the period ended 31 October 2011

## **1 Members of Council, Structure, Governance and Management**

The Progressive Farming Trust Ltd was established as a Limited Company and registered as a Charity in 1980. Its objects and the scope of its activities are defined in the Memorandum and Articles of Association. Since 2006, its trading name has been The Organic Research Centre – Elm Farm, previously the trading name was Elm Farm Research Centre.

The company is limited by guarantee and does not have a share capital.

Progressive Farming Trust Limited has a Council of Management which sets strategy and direction. The members of the Council in 2010/11 were C A Bielenberg (Chairman), A Astor, A Bielenberg, D R W Harrison, R Hood (resigned with effect from 23/5/2011), A Jedwell, JF Jones, J Longfield, J S Skinner, D Wilson and Prof Dr H Vogtmann. During the year Prof Vogtmann indicated his intention to retire, but this did not take effect until 1/12/2011.

The Company's Council of Management meets four times per year formally, undertakes strategy review meetings and gathers to inform itself on particular issues. The Council of Management sets strategy and direction and monitors performance.

In 2010/11 the Company was run on a day to day basis by the executive Director Prof Nicolas Lampkin reporting to the Council of Management.

The directors are assisted by the senior management team Dr Bruce Pearce (Senior Programme Manager) and the Principal researcher/consultant team leaders (Crops Dr Thomas Doring, Socio-economics Dr Susanne Padel, Information services Roger Hitchings). The senior management team is responsible for implementing the plans approved by the Council of Management on the basis of a statement of Delegated Authority.

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

The Trustees have a strategy to increase their number and broaden the range of expertise, paying particular attention to succession planning focusing on the age and gender composition. Recruitment of Trustees is undertaken primarily from individuals with whom the Charity has either personal experience or personal recommendation. Specialist agencies and recruitment groups may also be canvassed. During 2010/11 the search for a new Chair of the Council was initiated. The Council contains a broad range of business and finance experience, research, legal and international knowledge, and political experience linked with environmental interests.

Information is provided to help new trustees to familiarize themselves with the objectives and activities of the Company. Company Memorandum and Articles of Association, latest audited Annual Accounts, latest Annual Report, last Trustees' meeting minutes and relevant papers, the Charity Commission publication on Responsibilities of Trustees, organization chart, Director's Responsibilities for Health and Safety (HSC), Investment of Charitable Funds – the effects of the Trustee Act 2000 (Charity Commission). They are referred to the Trustee Act 2000 and its provisions and any subsequent amendments and the Charity Commission website.

All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee and related party transactions are disclosed in note 17 to these accounts. Trustees are required to disclose all relevant interests and register them with the Company Secretary, and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

## **2 Objectives of the charity**

The defined Object for the Charity is the advancement of public education by the promotion, encouragement and advancement of knowledge of, and research and experiments into, agriculture, biological (organic) husbandry and technical, economic and social sciences or intermediate technology whether within the UK or otherwise

In particular, the business of the Organic Research Centre is to develop and support appropriate agriculture and food systems, primarily within local economies, which build on organic and agro-ecological principles, to ensure the health and wellbeing of soil, plant, animal, man and the environment

The Centre has played a central role, in the UK and abroad in the development of organic food and farming research, policy and standards since 1980. Our aim, as restated in our Corporate Plan 2010-2012, is to strengthen our position and effectiveness as the leading independent UK research and development institution for organic food and farming, by

- 1 Developing ORC's research programme and conducting research on organic/agro-ecological approaches to food and farming in order to
  - a Improve the productivity and sustainability of such approaches and address key technical problems where current practice falls short of organic/agro-ecological principles, recognizing the importance of working with participatory/farming systems research tradition
  - b Evaluate, with a view to improvement, the economic, social, environmental, quality and other impacts of such systems, including delivery of ecosystem services, pollution, resource use and biodiversity impacts, greenhouse gas emissions and potential for climate change mitigation, food security, food sovereignty and sustainability of food production systems, food quality, safety and human/animal health and wellbeing
- 2 Developing ORC's information services in order to
  - a Communicate organic principles/best practice and disseminate technical and market information to producers, consultants, food businesses and others, so as to improve both business performance and delivery of public goods (climate change, animal welfare, biodiversity etc ), and
  - b Facilitate the sound development of the organic sector primarily in the UK but also internationally
- 3 Developing ORC's education and public relations programme in order to
  - a Educate and inform students, school children, consumers and civil society more generally about the issues affecting the sustainability of primary food/energy/fibre production, and
  - b Engage with the media on relevant food, farming and sustainability issues
- 4 Engaging with and influencing policy-makers at local, national and international level in order to ensure that the potential of organic/ agro-ecological approaches is recognized in climate change, food security, biodiversity, animal health/welfare, food quality/health and agri-environmental/rural development policy debates and that appropriate policies are developed
- 5 Developing the farm and estate of ORC as a resource, and its administration and governance systems, to support the above activities

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

## **2.1 Public benefit**

The Charities Act 2011 requires explicit reporting of the public benefit derived from the Charity's activities. The Trustees have complied with the duty under this section to have due regard to the public benefit guidance published by the Charity Commission. As indicated above, the Charity was established for the advancement of education through research. In the context of the Charity Commission's broader range of 13 areas of potentially relevant public benefit purposes, 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. However, the work of the Charity also addresses the advancement of health, advancement of environmental protection and improvement (in particular the promotion of sustainable development and biodiversity, 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. Specific examples of how these public benefit issues are addressed are provided at various points in this report.

## **2.2 The context in which we work**

As a society we are currently facing a complex of issues relating to climate change, the environment, food security, public health and economic recovery following the recession.

Within the UK, the perceived need to increase food production through sustainable intensification has been highlighted in particular by John Beddington, the Government's Chief Scientist, following the publication of the Government's Foresight review<sup>1</sup> in early 2011. Beddington's public position on increasing food production as a primary goal contrasts markedly with the focus of the Foresight report itself, which recognizes the complexities of the situation, including the need to reduce waste, to reduce demand for resource hungry products, and to protect biodiversity and eco-system services. There is clearly a need to consider more efficient utilization of what we already produce, in particular through reviewing the role of livestock in food production and improving human diets, which will also have health benefits.

The simplified 'increased production whatever else happens' agenda has been picked up enthusiastically by some parts of the agricultural industry, notably pro-GM companies and others anticipating the potential for increased profits. At the same time, this has been used to question whether organic farming can deliver against the productivity benchmark, dismissing it as a relevant model for the future, while downplaying the problems of simultaneously delivering sustainability goals. In the UK at least, this is contributing to significant downgrading of organic farming in terms of both research policy and agricultural/rural development policy.

Yet it is clear from the various studies that have emerged over the last couple of years that there is no single solution to addressing the challenges we face. Recent Royal Society<sup>2</sup>, IAASTD<sup>3</sup>, SCAR<sup>4</sup> and OECD<sup>5</sup> reports have identified that there are different routes to achieving sustainable food systems.

In some cases, such as IAASTD and SCAR, they have seriously questioned the assumptions that further industrialization of food production through GM and other technology intensive approaches can achieve a satisfactory result, particularly in a context where the majority of the world's food is still produced by resource-poor, low-intensity producers. The SCAR foresight review in particular

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<sup>1</sup> Foresight: The Future of Food and Farming: Challenges and Choices for Global Sustainability (2011) [Executive summary](#) and [full report](#)

<sup>2</sup> Royal Society: Reaping the benefits: Science and the sustainable intensification of global agriculture (2009) [Full report](#)

<sup>3</sup> International Assessment of Agricultural Knowledge, Science and Technology Development: Agriculture at a Crossroads (2008) [Executive summary](#) and [all reports](#)

<sup>4</sup> SCAR: Sustainable food consumption and production in a resource-constrained world (2011) [Full report](#)

<sup>5</sup> OECD: Challenges for agricultural research (2011) [Contents](#)

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contrasts productivist and sufficiency models for future food systems and argues that society has choices to make about which route it wants to follow

Despite the political negativity towards organic farming, all of these research and food policy reviews identify agro-ecological approaches, as part of the solution at least, though they differ on whether it is a supplement to other technological innovations or central to achieving sustainability in both production and food systems. Even where a technology-driven 'sustainable intensification' route is pursued, there is a need to maintain alternative options as an insurance policy should the preferred route fail, as seems highly likely in a resource limited world. As a result there is now an increasing interest in agro-ecological alternatives, and as IAASTD and SCAR recognize, organic farming is a key agro-ecological approach and therefore highly relevant in this context.

At the EU level, the reform of the Common Agricultural Policy is currently centre stage, with an increased emphasis on delivery of public goods through its farm income support mechanisms, an area which could support the development of sustainable organic systems. This has now received significant recognition with the inclusion of an automatic entitlement for organic farming to receiving the greening element of Pillar 1 payments in the Commission's current proposals. Of importance for ORC's work is also the significant emphasis in the rural development proposals on knowledge transfer and the European Innovation Partnership, provided that organic and other knowledge intensive approaches are not squeezed out of the priorities for funding.

As far as the organic farming itself is concerned, at first sight, the development of the organic sector in the UK, and internationally, appears to be a success story. There has been significant and continuous growth over the last two decades, both in the area of land under organic management and in the market for organic food. At the same time, the institutional support for the organic movement has been strengthened, in a regulatory sense through the revised EU organic regulations applying from 2009, and in terms of policy support for organic farming particularly through the EU's Rural Development Programme and national/regional action plans for organic farming. In the UK, organic farming now covers about 4% of the land area (over 8% in Wales and Southwest England), while in some other EU countries and Switzerland, organic farming exceeds 10% and is as high as 40% of the land area on a regional basis.

At the same time, there are a number of clouds on the horizon that threaten to undermine or reverse the progress that has been made:

- The focus on the market, and on certified organic production, has become dominant for many, so that it has become an end in itself, rather than a means to support organic land management based on organic and agro-ecological principles delivering a range of environmental sustainability, health and quality goals.
- The recession, which has impacted on the UK organic market quite significantly, has disrupted the previous growth trends and undermined confidence, although there is evidence in late 2011/early 2012 that the decline has slowed and some confidence is returning. The UK situation contrasts markedly with other European countries that have seen continued market growth.
- For many policy makers, there continues to be confusion about whether support for organic farming is about supplying a market niche, or a real contribution to meeting their policy goals. With the emergence of serious policy concerns relating to climate change and food security, as well as soil, water and biodiversity conservation, the relevance of organic land management is not (or barely) recognized. Even where it is, the limited extent of the adoption of organic practices is seen as problematic. Defra has significantly reduced its support for organic farming. In many recent policy documents, organic is not even worth a mention, even though there is a common desire, at least in words if not actions, for sustainability and health outcomes.
- The dominance of corporate interests, both in the organic marketplace and in the debate on future development paths for agriculture and food, also means that the emphasis on organic and agro-ecological principles is down played, and that there is a renewed confidence amongst those promoting an industrial/technological approach to addressing the key policy issues.



- Many producers who have converted to organic production have only really encountered the inspection process and the rulebook. The opportunities to engage with the underlying organic/agro-ecological principles, and with agro-ecosystem management approaches as a way of dealing with production problems, are limited. As a consequence, the development of systems that are just certification compliant, reliant on substituting one slightly more acceptable input for an unacceptable one, is perhaps inevitable, but means that the systems in place are not delivering the ecosystem services and public benefits that many believe they should be.

The challenge for ORC in the next few years is to engage with policy debates on food security and CAP reform, and to turn these trends round by supporting with high quality research the development of sustainable farming systems based on organic/ agro-ecological principles, capable of making a real contribution to addressing local, national and global food security, climate change, biodiversity/resource conservation and socio-economic concerns. The achievement of this will involve not just research, but effective dissemination of information and communication.

- with producers to upgrade and operate their farms successfully for public and private benefit,
- with supply chain businesses to really understand what it is they are selling when they engage with organic food and to survive in an economic environment dominated by large corporations,
- with consumers to better understand and commit to what they are buying, and
- with citizens, control bodies and policy-makers to really understand and engage with the solutions that are needed, and the potential of organic farming, to address the issues that they are concerned about.

This cannot be achieved by ORC alone – there is a need to build collaborative alliances with traditional and non-traditional partners. However, all of this needs to be done on the basis of a clear commitment to our core organic/agro-ecological principles.

### **3 Achievements of the Organic Research Centre in 2011**

#### **3.1 Chairman's summary**

2011 has been a year of consolidation for the Trust and its activities. Following the completion of major building refurbishment work and significant staff changes in 2009 and 2010, the focus in 2011 has been on developing the research programme and other work in a more stable institutional context, a process that is bearing fruit.

Our research activity has continued to grow, particularly as a result of securing a number of new EU-funded contracts, which has helped us to diversify our income streams. Active bidding during the year has also resulted in several new projects that will start in 2012. These bidding successes have enabled us to undertake new research on livestock, as well as to continue our agro-forestry work, both areas we are keen to develop further in the coming years. The increased research activity has also resulted in a large number of new publications (see Factfile), including in peer-reviewed journals, demonstrating the scientific credibility of the work that we undertake.

On the advisory side, we have been affected by the withdrawal of government financial support for advice on conversion to organic farming in both England and Wales. Apart from leaving the agricultural industry with a serious information gap with respect to organic farming (and agro-ecological approaches more generally), we have faced a real challenge maintaining the Organic Advisory Service in the form that many organic producers have experienced it over the last twenty years. We have therefore decided instead to refocus our advisory efforts on supporting all organic consultants working in the UK and Ireland through providing them with accreditation, professional development and other information support services. This will be achieved through the integration of the Institute of Organic Training and Advice into ORC during 2012.

While one-to-one advice may have suffered, we have been actively developing other means of exchanging organic knowledge with producers and other food businesses through our annual conference which goes from strength to strength, through a revitalized ORC Bulletin and website, as well as through new initiatives including an e-bulletin, Twitter and Facebook. We are very encouraged by the responses that we have been receiving to these developments. During 2011, we also launched the Participatory Research Network, designed to build on our experience of working closely with producers and others on key research questions by providing a forum for real research needs and innovations to be identified, and to encourage a low-cost, self-help approach to research and development.

In a broader context, the public debate about organic farming has been more critical, or at least 'bad news' stories have tended to attract more media attention. We remain committed to the idea that our role is one of assembling and reporting the evidence on the environmental, animal welfare, food quality and other impacts of organic farming. During the year we completed two reviews, one on biodiversity impacts of organic farming, and one on soil carbon sequestration. The body of evidence still remains very much in favour of the beneficial impacts of organic production, although we recognize that organic can't always guarantee to be better, and that there is plenty of scope for further improvement. Much of our research and knowledge transfer work is focused on this.

Despite these efforts, the big issues – climate change, biodiversity loss, genetic modification, food security, economic crises and CAP reform – do not go away. We are increasingly engaging with these debates. In particular our involvement with research on greenhouse gases, on biodiversity and ecosystem services and on organic farming policies has left us well placed to engage with policy makers in different *fora* to present coherent arguments and evidence about the contribution that organic/agro-ecological approaches to food production can make. Our policy advocacy work also encompasses input into organic regulatory issues and to agricultural research agenda-setting at the European level, where the contrasting approaches of 'sustainable intensification' and agroecology are now intensely debated. We intend to continue developing this work vigorously in the coming year, supported by improved communication with the media and the public.

Financially, the year was less challenging than the previous year, with expenditure reduced significantly, particularly on central administration. However, income was also slightly lower due to the ending of key government advisory contracts, the reduction in voluntary donations and reduced income from estates and investments. Overall we again made a loss, though much smaller than in 2010. Despite the success with research grants, 2012 will remain challenging with high priority being given to rebuilding our donation income as well as continuing to bid for new project contracts.

### **3.2 Research for sustainable food systems**

ORC's research to support the development of sustainable food systems aims to

- improve the productivity and sustainability of organic/agro-ecological approaches
- evaluate, with a view to improvement, the impacts of organic/agro-ecological approaches, including delivery of ecosystem services, pollution, resource use and biodiversity impacts, greenhouse gas emissions and potential for climate change mitigation, food security, food sovereignty and sustainability of food production systems, food quality, safety and human/animal health and wellbeing

Our research programmes deliver public benefits by the advancement of health, advancement and improvement of environmental protection and improvement (in particular the promotion of sustainable development and biodiversity, 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.

Further details on any of the projects mentioned in this report can be found on our website [www.organicresearchcentre.com](http://www.organicresearchcentre.com)

### **3.2.1 Crops research**

(Team Leader Dr Thomas Doring)

A major focus of the crops research programme is the use and maintenance of plant diversity to increase crop performance and stability and to enhance the provision of ecosystem services. Using a whole-system approach in highly participatory research projects, ORC aims to develop innovative solutions for farming systems in a range of arable and horticultural crops, including wheat, oats, barley, spelt, oil seed rape, broccoli, beans, and various forage legumes.

The public benefits from this programme include the advancement of agricultural, ecological and plant breeding knowledge through research as well as contributing to food security (through more stable yielding and locally adapted populations), sustainable development, biodiversity conservation and the reduction of greenhouse gas emissions through better design of the fertility building (nitrogen and carbon capture) phase of rotations, reducing the need for industrially fixed nitrogen fertiliser inputs and fossil energy use together with the scale of related emissions. All findings of the research programme are being, or will be, made available in the public domain.

ORC continues to collaborate with several UK and overseas universities in joint supervision of crop-related PhD and MSc theses alongside our existing research programmes.

#### *Genetically diverse wheat for stable yields and quality Wheat Breeding LINK*

One of our major research activities in the crops programme is the Wheat Breeding LINK project. It is led by ORC and follows on from a previous project focusing on the use of high genetic diversity in wheat. The current project, running from 2008 to 2012, is funded by Defra and industry partners, including plant breeders, organic certification bodies, millers and bakers. A key aim of the project is to assess the extent to which the performance and stability of winter wheat yields and wheat quality can be increased over a wide range of (changing) environmental conditions by introducing a high degree of genetic diversity in the field. For this purpose Composite Cross Populations (CCPs) are being trialled both in replicated field experiments and on a large number of on-farm trials throughout England. Assessments include the growing characteristics, agronomic properties and the processing qualities and marketing capabilities of the CCPs for end users, e.g. through baking and malting tests. CCPs also offer the potential for selective adaptation to the local farm site on which they are grown. This issue is being investigated using molecular tools in collaboration with the John Innes Centre, Norwich. We hope that through our wheat population research we will advance ecological and plant breeding knowledge and can contribute to food security in increasingly unstable environments, by developing more stable yielding and locally adapted crops.

#### *Species diversity in leys for improved functionality of rotations Legume LINK*

A similar approach is being pursued in the Defra-funded Legume LINK project, which is also led by ORC. Legume LINK started in December 2008 and will finish in 2012. In the project, which is co-funded by industry partners, we investigate how increased species diversity in the ley phase of the rotation can help to improve the nitrogen use efficiency of cropping systems. In addition we are collecting data on the growth characteristics and agronomic properties of several legume species across a wide geographical range in order to make targeted recommendations on which legume species to include in the rotation, depending on the farm location. Research partners in Legume LINK include the Institute of Grassland and Environmental Research (IBERS), Rothamsted Research, the Scottish Agricultural College (SAC), NIAB/TAG, and the Organic Studies Centre at Duchy College. Many successful low-input systems rely on a legume-based fertility-building ley as an alternative to mineral nitrogen applications. Thus, there is increasing interest in applying these systems more widely. Ultimately, Legume LINK aims to create a legume-based species mixture that can have significantly improved resilience in fertility building and nitrogen release dynamics compared to the traditional grass/clover mixtures.

#### *Agricultural plant diversity on an even larger scale SOLIBAM*

SOLIBAM (Strategies for Organic and Low-input Integrated Breeding and Management) started in March 2010 and will run for 4.5 years. The project, led by the French National Institute for Agricultural

Research (INRA), brings together 22 partners from the private and public sectors, representing 10 different European countries and two African countries (Ethiopia and Mali), as well as one international research organisation (ICARDA). The involvement of such a large number of partners means that comparative trials can be coordinated within a single project across an extremely wide range of geographical locations, covering the main agro-ecosystems of Europe as well as sub-Saharan Africa and the Middle East. The project is based on the thesis that improving quality and stabilizing yields in organic and low-input agriculture depends on increased diversity in cropping systems and requires an integrated approach combining innovative breeding and crop management techniques. Dissemination of the project findings is of high importance and there will be a number of knowledge transfer events in different countries. SOLIBAM is funded under the EU's 7th Framework Programme for Research and Development.

*More diversity QUOATS, Oilseed rape, Ecodyn and other projects*

In addition to these major projects, ORC is also participating in a number of further crops research activities. The QUOATS project (Harnessing new technologies for sustainable oat production and utilisation) is a Defra and industry funded LINK project on oat breeding. It runs from 2009 to 2014, and is led by Aberystwyth University. ORC is trialling several oat varieties and newly bred lines under organic crop management in order to contribute to the development of oats that are best suited to organic conditions. In an HGCA funded project on new approaches to weed control in oilseed rape, ORC is assessing the use of vision guided hoes to control weeds without the use of herbicides in oilseed rape, this project runs from 2009-2012 and is led by NIAB/TAG. ORC also continued the pilot trial on reduced tillage in collaboration with Duchy Home Farm, the Institute of Organic Advice and Training, and the Royal Agricultural College. On-farm field experiments have been set up to assess the possibility of reduced tillage in organic agriculture in order to develop cropping systems with higher energy efficiency, improved soil conservation, and better resilience against water stress. A new Defra/EU-funded project on reduced tillage building on this initial work will get started in 2012.

### **3.2.2 Ecosystem services and sustainability assessment**

(Team Leader: Dr Bruce Pearce)

This expanding programme focuses on the wider impacts of organic and other farming systems and the assessment of their sustainability and contribution to delivery of ecosystem services. The public benefit from this work includes the advancement of agricultural and ecological knowledge through research as well as contributing to food security, climate change mitigation, sustainable development and biodiversity. The results will be made available in the public domain.

#### *Greenhouse Gas Platform*

The Agricultural Greenhouse Gas Research Platform is a research programme funded by Defra and the devolved UK governments. It seeks to improve the accuracy and resolution of our reporting system by providing new experimental evidence on the factors affecting emissions and statistics relevant to changing farming practices in the UK. The Platform aims to deliver an improved Greenhouse Gas reporting system through three closely linked projects. ORC is working on one of these projects: Data Synthesis, Modelling and Management (AC0114). This project will provide a synthesis of existing and new evidence on GHG emission factors and the effectiveness of mitigating measures, derived from literature reviews and the other partner projects. This will be integrated with UK agricultural statistics and data on farm practices to define an improved Emissions Inventory structure for reporting and tracking change. This will be supported by the development of a robust methodology to quantify the uncertainty in emission estimates. ORC's role is assessing the suitability of industry and government level farm-practice data for inclusion within the working inventory. We are also contributing to the development of a revised inventory structure, through helping to define the (organic and non-organic) farm systems that will be included within the annual reporting. We are responsible for Knowledge Exchange with industry across the Greenhouse Gas Platform projects and for organising workshops to facilitate the transfer of expertise and data from industry sources.

### *Sustainability assessment*

The OCIS Public Goods tool development with funding from Natural England and Defra was further developed and integrated into a number of other projects undertaken by ORC and our collaborators. The developments included modifications for different systems and countries (e.g. dairy as part of the SOLID project). In a separate Defra-funded project (OF0386) led by the Warwick Crop Centre (formerly HRI) at Wellesbourne, ORC is contributing to the development of methods for assessing the sustainability of farming systems. This project aims to describe the range of current UK farming systems, for example organic, low input, extensive, integrated, intensive etc., and to develop methods to describe their environmental, economic and social characteristics. Previous studies were reviewed to inform the description of farming systems and work on selection of appropriate indicators has been initiated. Once completed, the methods will then be validated using case studies.

Laurence Smith is undertaking a PhD that is aiming to assess the climate change and other environmental implications of a large scale conversion to organic farming within England and Wales. This work will help to highlight benefits and/or dis-benefits provided by the organic approach with a focus on assessments at a farm system rather than individual product level, investigating the potential for interactions and trade-offs between the farming systems identified. This work will build on the outputs from, and contribute to, the Defra-funded sustainability assessment and greenhouse gas data projects referred to above.

### *Eco-agroforestry integrating agriculture, forestry and biodiversity*

This project, with funding provided by the Ashden Trust, focuses on promoting an eco-agroforestry approach that integrates agroforestry with organic/agro-ecological principles. The project objectives are to improve the output of food and fuel from these systems while also enhancing biodiversity. In the second year of this project, we have completed a review of how agroforestry sits within current UK agricultural policies and we have made recommendations for policy changes needed to support the wider adoption of agroforestry. We held a successful meeting to discuss with stakeholders the establishment of an eco-agroforestry network - work is now underway to formalise the network and its activities. The website [www.sustainable-agroforestry.org](http://www.sustainable-agroforestry.org) has been established and is being utilised, along with the ORC website, to publicise the work and outputs from the programme. We worked with the University of Reading on an MSc project to investigate the influence of tree rows on an ecosystem service (pest and disease control) and a joint PhD student started in October 2010 who will investigate the goods and services that agroforestry can provide.

### **3.2.3 Livestock research**

(Team Leader: Dr Bruce Pearce)

The development of this new programme continues with the start of two new projects: the EU-funded dairy project (SOLID) and work on monogastric feed (ICOPP). The public benefit from this work will include the advancement of agricultural and ecological knowledge through research and the advancement of animal welfare, as well as contributing to food security, sustainable development and climate change mitigation through improved utilisation of on-farm resources. The results are and will be available in the public domain.

#### *SOLID Sustainable organic and low-input dairying*

The overall objective of this EU FP7 project is to make organic and low input dairy systems more competitive and support the multifunctional benefits they provide to society. The project involves collaboration with two milk producer co-operatives, OMSCo and Calon Wen. Initial activities in relation to participatory research have included adaptation of the ORC Public Good Tool (see above) for the rapid assessment of sustainability of dairy farms across ten partner countries ranging from the Mediterranean to Finland and from Wales to Romania with different species (dairy cows and goats), and the co-ordination between the nine partner countries preparing for participatory research projects to be conducted in the coming years. Work on novel forages for dairy animals has involved

the establishment of an agroforestry system at Elm Farm. Also, at Wakelyns, agroforestry biomass produced has been monitored and sampled for chemical analysis as a potential feed

*Improved contribution of local feed to support 100% organic feed supply to pigs and poultry (ICOPP)*

This European CORE Organic 2 project, led by Aarhus University, Denmark, started in October 2011 and will last for three years, with the UK work funded by Defra and delivered by ORC and FAI. It aims, through an innovative approach of increased knowledge of the characteristics of different local feeds and their wider impact on growth, health and welfare and environment, to produce new feeding strategies which comply with the aims for high animal welfare, production economics and environmental concerns. The main objectives are improved knowledge of availability and nutritional value of under-utilised or new organic feed ingredients by animal category with a focus on local feed resources, improved understanding of the possible benefits of roughage inclusion in relation to nutritional and behavioural needs as well as its impact on health and welfare, and understanding how direct foraging in the outdoor area can contribute to meeting the animals' nutritional needs and to assessing the economic and environmental consequences of increased reliance on local organically-produced feed.

The project involves 10 partner countries and will include a range of feeding experiments to be carried out with pigs (sows, piglets and finishers) and poultry (layers and broilers). These trials will include different feedstuffs, roughage, and foraging. The insight gained from these activities will be used to analyse and produce feeding strategies adapted to the differences in local feed supply, the economic impact related to different feed procurement, and variations in production structure in different countries/agroecological zones in Europe.

### **3.2.4 Socio-economic research**

(Team Leader Dr Susanne Padel)

The focus of the socio economic programme includes markets and consumers, certification, organic farming incomes and policy/programme evaluation. Public benefit is generated by enabling a range of users, including producers, supply chain businesses, and consumers, to improve their financial and environmental sustainability, and improving the effectiveness of regulation and policy-making by governments at national and European level.

*Certcost Economic analysis of certification systems for organic food and farming*

The main project objective is to generate research-based knowledge on how to improve the organic food certification system in terms of efficiency, transparency and cost effectiveness. In the final project year two additional case studies of alternative approaches to certification in the UK (output based monitoring of animal welfare and alternative systems for growers) in support of the overall objectives of the project were agreed and carried out. A number of meetings and workshops were attended and one meeting with UK industry stakeholders was held at ORC to discuss the final recommendations of the project. A synthesis report from the project and recommendations have been produced.

*BOEL (German organic farming research programme) evaluation*

The main aim is to evaluate the relevance, effectiveness and efficiency of the research support that was given under the programme. Specific challenges arise from the programme aims of supporting the development of organic farming through applied research with a strong emphasis on knowledge communication. This implies not only counting publications and dissemination events, but consulting with a range of experts from the sector to assess the impact of the research on the German organic sector. ORC will gain a better understanding of the topics covered and will write and translate into English eight thematic summaries of specific areas. An effects model setting out the activities, sector and societal goals of the programme was developed, relevant success indicators were identified and interviews with German stakeholders were held. Project data relating to 659 German organic

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research projects were analysed, supported by an on-line survey of project leaders. A random set of 54 projects were selected for further detailed analysis in later stages of the project.

*Organic farming policy evaluation for the European Commission*

The main aim of this project was to identify and analyse key issues in the implementation of policy instruments supporting the organic sector in Europe and to develop recommendations for future development. The work covered a review and categorisation of public support measures offered under Pillar I and II of the CAP and the level of uptake and public spending across the whole EU 27. In-depth case studies of regional or national policies in six Member States (including England and Wales in the UK) were carried out, where the analysis focussed on the interaction between the various policy instruments with the development of the sector in terms of production and demand, linkages with the EU Action Plan for organic farming of 2004 and the coherence of the support strategies. The work has been completed and submitted to the European Commission, where it is expected to feature in current CAP reform discussions. Publication is expected early in 2012.

*Financial performance of organic farming in England and Wales and the European Union*

The joint work with Aberystwyth University (AU) and the Rural Business Research funded by Defra produced a further edition of the annual report on the financial performance of organic farms in England and Wales. The 2009/10 report was published in March 2011 providing evidence that organic farms have in general maintained income levels and continue to perform as well as similar non-organic farms.

In a related study as part of the EU-funded *FACEPA* project, a review of the implications of organic farming methods for costs of production and the provisioning of environmental services was carried out and reported.

In a further related desk study co-ordinated by ORC, *the Potential for extending economic farm-level benchmarking to environmental and other aspects of farm performance was explored*. The review covered the areas of energy use and greenhouse gas emissions, animal health and welfare, agri-environment and management practices in a variety of benchmarking tools, including the Farm Business Survey (FBS) based one. A framework template for greenhouse gas emissions to illustrate the approach was developed.

*Organic Farm Management Handbook*

The 9th edition of the Organic Farm Management Handbook was published in 2011 by ORC with the support of Triodos Bank and Farming Connect in Wales, following nearly 20 years of joint publication with Aberystwyth University since the first edition appeared in 1994. It remains an important source of information for anyone interested in the business of organic farming – covering a broad range of market, certification, policy, financial and technical information about different organic systems and enterprises. The 2011/12 edition reflects honestly the difficulties that the organic sector has faced in the market place as well as featuring results from the farm income study and from the review of policy support in England and Wales.

*Energy Efficiency, Tradable Energy Quotas and the Lean Economy*

This three-year project, funded by the Polden-Puckham Trust and led by David Fleming with the support of Shaun Chamberlin and Lawrence Woodward, was marred by David Fleming's untimely death in November 2010. Shaun Chamberlin worked to complete the project, which developed the concept of Tradable Energy Quotas (TEQs) as a more equitable and effective alternative to carbon taxation and to raise the quality of the discussion on personal carbon allowances as a realistic policy. TEQs are argued to be the fairest way of involving individuals in the critical task of reducing our dependence on fossil fuels. The final year of the project saw the key conclusions republished, with a significant increase in media interest in the concept.

### **3.3 Information services: Supporting knowledge exchange through advice and education**

(Team Leader Roger Hitchings)

The main objectives for our work in this area, as set out in the Corporate Plan 2010-12, are to

- communicate organic principles/best practice and disseminate technical and market information to producers, consultants, food businesses and others, so as to improve both business performance and delivery of public goods (climate change, animal welfare, biodiversity etc ),
- facilitate the sound development of the organic sector in the UK and internationally,
- educate and inform students, school children, consumers and civil society more generally about the issues affecting the sustainability of primary food/energy/fibre production, and
- engage with the media on relevant food, farming and sustainability issues

The Information Services Team continues to pursue these objectives in what are challenging times. Activities continued to include advice, education, events, website, bulletin and other publications. The main focus in 2010/11 was on the delivery of OCIS in England until the closure of the service in March 2011, the continuing delivery of OCIS in Wales, the annual producer conference and open days, work with Organic Centre Wales (OCW) and the Transatlantic Partnership (TAP) e-learning course.

#### *Advisory services OAS, OCIS and OSDG*

The Organic Advisory Service (OAS) continued to deliver advice and consultancy through this period, much of which was delivered to and via the Organic Systems Development Group (OSDG) under the guidance of Mark Measures. Work outside of this provision dropped to a very low level although it continued to include planning guidance and training.

OAS advisors continued to deliver the Defra-funded Organic Conversion Information Service (OCIS) in England (managed by Natural England) in its final year. The service included a helpline, information packs and advisory visits to producers considering converting to organic production. Numbers contacting the helpline and receiving visits fell again compared to previous years but there was a last minute flurry as the end of the scheme approached. The service closed on March 31<sup>st</sup> 2011, ending a 15-year period in which the OAS delivered between 8,000 and 9,000 on-farm visits that in many cases made a difference both to farmers' decisions to convert and to how they did it.

Before the scheme closed, resources from the OCIS budget were also used to support further work on the development of the Public Goods tool and a general review of OCIS provision which included *inter alia* the idea of an organic information and knowledge hub.

#### *Producer conferences and events*

The 5<sup>th</sup> ORC Organic Producers Conference was held at the 4 Pillars Hotel in the Cotswold Water Park under the overall title 'Facing Present and Future Challenges'. The weather was wintry but did not disrupt attendance as in the previous year. Once again a varied and comprehensive programme found favour with delegates as shown in the unprecedented feedback response (close to 50% of feedback forms were returned). Attendance was slightly up at 220 registered participants. As with previous conferences the engagement of producer groups and sector bodies is an important factor in the success of the event, as is the regular sponsorship from Triodos Bank. The Institute of Organic Training and Advice (IOTA) held its annual conference at the same time and made a significant contribution to the main event.

#### *Looking to the future in England*

ORC engaged in discussions with a number of like-minded organizations to consider the establishment of an Organic Knowledge (OK) Partnership. This initiative was influenced by radical changes to rural development funding for vocational training as a result of the change of government and the abolition of the regional development agencies. The transfer of the remaining funding to



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Defra meant that there was no clear idea of how skills training would be delivered over the remaining years of the Rural Development Programme for England (RDPE). This potentially included services for organic producers, so the OKP met on a number of occasions to develop a Memorandum of Understanding between the partners and to lay the foundations for an application to the RDPE for a national programme of skills training once the funding gates were re-opened.

The changed circumstances for government-funded advice has also meant a need to re-evaluate the role of the Organic Advisory Service with ORC. As a result of discussions with the Institute of Organic Training and Advice, agreement was reached in principle on a merger between the two organizations, which would in future see ORC withdrawing its commercial advisory service and focusing more on supporting all the organic advisors working in the UK and Ireland with information, accreditation and other professional support. The merger process is due to be completed in 2012.

*Working in Wales Organic Centre Wales, Welsh OCIS and Farming Connect*

Our work in Wales has been primarily focused on engagement with Organic Centre Wales ever since its establishment in 2000. The Welsh Government continued to fund OCW during 2011, but following a review of OCW in 2010 it was announced that the core funding grant would stop for good in September 2011. ORC has continued to support the activities of OCW with involvement in the provision of policy advice, responses to consultations with a particular emphasis on GM issues, engagement with Lantra on education and training matters, and direct involvement in the management of OCW, including participation in the steering group of the Better Organic Business Links (BOBL) supply chain efficiencies programme.

The OAS continued to contribute to the delivery of the Welsh OCIS, the contract for which is to end on December 31<sup>st</sup> 2011. Because of the underspend in the OCIS budget it was agreed that some core functions of OCW could continue to be financed for that short period of time. As in England, demand for Welsh OCIS visits has been low, but this has also been partly because support funding is only available when the Organic Farming Conversion Scheme is open. It had not been clear whether there would be further windows of application but one did finally open on 3<sup>rd</sup> October 2011 for 4 weeks.

The OAS has been engaged with Farming Connect in Wales on two levels. One is the Farming Connect Organic Development Programme operated by OCW in which OAS and ORC staff have played significant roles over the years. In a new round of tendering OCW joined a consortium led by the Institute of Biological, Environmental and Rural Science (IBERS) to provide a service right across the enterprise spectrum. Unfortunately for OCW, and ORC as a partner, a rival bid was successful. The other area of Farming Connect engagement was as an independent provider of technical information and mentoring. A strategic decision was taken not to re-apply for approved status as the small amount of work gained did not justify the work required to submit a bid.

*Educational activities with local schools and the community*

We continue to believe that, with the conference centre and garden facilities, there is real potential to develop an education programme focused on food systems and sustainability, and efforts to fund both an education officer and the continued development of the horticultural education site will be maintained. A funding application to the Local Food element of the Big Lottery Fund was submitted to provide money for a part-time education officer, but this was not successful. As a result, we have been unable to maintain the programme following the retirement of our Education officer. Activities in this area have therefore been wound down for 2012.

Following the success of the 2010 Food Festival a more ambitious event was held in July 2011. This was organised in conjunction with the villagers of Hamstead Marshall and combined the Food Festival elements that were so successful in 2010 with the village fete, a craft fair and evening entertainment. It was judged a success by all who took part although the weather did threaten for a short while. Again, funding constraints mean that the event will not be repeated in 2012.

*Educational activities with students and professionals*

In the third and final year of the Transatlantic Partnership (TAP), ORC joined with its partners, the College of the Atlantic (Bar Harbor, Maine, USA) and the University of Kassel (Witzenhausen, Germany) to continue to deliver a range of activities and outcomes. We hosted one intern from COA during the year and plans are in place to host more in the year to come. The hosting of interns from elsewhere has continued and they have made valuable contributions to ORC core and project activities, and several have proved to be keen gardeners. The main activity for ORC was the research, writing and delivery of a sub-module 'A Systems Approach to Organic Farming' of the electronic learning course that was developed jointly by all three partners. The 10-week course used the Moodle Learning Management System at the University of Kassel delivered in Autumn 2011.

Three members of ORC staff (Bruce Pearce, Roger Hitchings and Jo Smith) along with Professor Peter von Fragstein from the University of Kassel visited COA in October on a faculty exchange visit to discuss in detail potential joint research ideas and to look at the resources available including the recently acquired Peggy Rockefeller Farm. The visit included an opportunity to visit Eliot Coleman.

ORC staff contributed to the MSc Course for Biological Agriculture at the University of Barcelona ([www.ub.edu/agroecologia/masterae](http://www.ub.edu/agroecologia/masterae)) with lectures on policy support for and on the profitability of organic farming systems. They have also contributed to the Scottish Agricultural College's distance learning MSc and PG-Dip course on organic farming covering marketing and policy topics ([www.sac.ac.uk/learning/courses/postgraduatetaught/mscorgfarm](http://www.sac.ac.uk/learning/courses/postgraduatetaught/mscorgfarm)).

### **3.4 Supporting the development of the organic sector through policy advocacy and communication**

(Team leader Prof. Nicolas Lampkin)

Our objective as defined in the ORC's Corporate Plan 2010-2012 is to engage with and influence policy-makers at local, national and international level in order to ensure that the potential of organic/agro-ecological approaches is recognised in climate change, food security, biodiversity, animal health/welfare, food quality/health and agri-environmental/rural development policy debates and that appropriate policies are developed. The public benefit from our policy and communication work therefore derives from the advancement of education, in particular relating to sustainable agricultural production methods, food security and environmental protection, including climate change mitigation. Our policy engagement is primarily at three levels – within the organic community, with other NGOs and the agricultural industry and with governmental agencies and committees, both in the UK and at European level.

*Supporting the development of the organic movement*

Facilitating the development of organic producer groups continues to be an activity, though at a reduced level compared with previous years. Roger Hitchings continues to provide support to the Organic Growers Alliance, and Lawrence Woodward has maintained his role as a Director/Board member of Organic Arable and Organic Seed Producers. Nicolas Lampkin continued to serve as a Director/Board member of the Welsh meat levy company Hybu Cig Cymru/Meat Promotion Wales for part of the year, representing organic sector interests. As a Director of the Institute of Organic Training and Advice, Nicolas Lampkin has also taken forward negotiations on the proposed merger of IOTA with ORC. We have continued exploring the potential for better relationships between the major organic charities (Soil Association, Garden Organic and ORC), with new joint initiatives with the Soil Association emerging.

At European level, we are involved with policy work through the International Federation of Organic Agriculture Movements (IFOAM) EU group, addressing research priorities (through TP Organics – see below), CAP Reform and organic regulation issues. We are represented both in the IFOAM EU group (with Lawrence Woodward as a deputy UK representative), and in the forum of UK IFOAM members (represented by Nicolas Lampkin) that started meeting regularly in 2009. We have maintained a low level engagement with the Food Quality and Health (represented by Lawrence

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Woodward), although opportunities for a more dynamic engagement have emerged as a result of new project funding and will be taken forward in 2012. Our involvement with the European Consortium for Organic Plant Breeding (ECOPB, represented by Thomas Doring) has developed significantly, with an ECOPB international event hosted by ORC in September 2011.

Engagement with the European technology platform for organic food and farming (TP Organics [www.tporganics.org](http://www.tporganics.org)) has been of particular significance. Susanne Padel has continued to actively support the initiative including making presentations at EU level events and engagement in the debate over future EU research funding for agriculture within the new Horizon 2020 framework currently under discussion.

*Working with other agricultural and environmental organisations*

ORC continues to engage with a number of other organisations on relevant issues, with particular emphasis on GMOs and climate change continuing in 2011. On genetic modification, we have continued to support GM Freeze (represented by Bruce Pearce) as well as influence the debate through the development of alternative breeding and agro-ecological approaches in our research (see above). On climate change, we continue to work with the IFOAM/FAO-sponsored Round Table on Organic Farming and Climate Change (represented by Laurence Smith) and to participate in the delivery of the English agricultural industry greenhouse gas action plan (represented by N Lampkin).

*Working with government in the UK and internationally*

ORC continued to be actively engaged with a number of government advisory committees. The EU Commission's expert group to provide technical advice on organic production (EGTOP) includes four ORC staff: Nicolas Lampkin as a permanent member and Susanne Padel, Bruce Pearce and Roger Hitchings as 'pool' members to be invited to serve on sub-groups when required. The group has been working actively in 2011, with Nicolas Lampkin rapporteuring a sub-group on feed additives, the conclusions of which are featured in draft EU regulations tabled for approval in 2012.

Nicolas Lampkin continued as a member of the Welsh Government's Food and Drink Advisory Partnership and Chair of its Organic Strategy Group, although the Welsh Government decided to close these groups down in October 2011. He has also been an active member of the Natural England/Defra agri-environment stakeholders group, which has been reflecting on future directions for agri-environment policy (including organic farming support) in England.

*Communication with the wider public*

As a research organisation primarily, we do not see our role as a campaigning or membership organisation engaging directly with the wider public. We rely primarily on the ORC Bulletin, our website and increasingly social network media to make information available on a regular basis. The new format, quarterly, printed Bulletin has been well received, as has the monthly e-bulletin launched in September 2011.

However, we remain concerned to make information more widely available, particularly where the media debate has become partial or poorly informed. Through the Bulletin, website, press releases and other means we have attempted to balance debates on key issues, though there is increasing evidence of a co-ordinated lobbying campaign to promote GM and undermine organic/agro-ecological alternatives. We continue to support the EU-funded consumer information campaign, match-funded by industry partners and led by Sustain and the Organic Trade Board, which began to undertake significant activities in 2011. ORC is continuing to support the delivery of the programme through providing advice on research evidence for claims made in support of the 'Why I Love Organic' theme.

### **3.5 Developing our own resources to support our work**

During 2011, some limited capital improvements and repairs to buildings were carried out, but significant developments were put on hold while we carried out a review of longer term aspirations for our land holdings and buildings. As a result, an action plan has been agreed with the farm tenant.

which should see increased ORC research activity on the Elm Farm site, and a site development plan will be initiated in 2012

Further work is needed to improve our IT systems and in particular broadband access. During 2011, new opportunities to solve current issues emerged, and these will be progressed with the active participation of the local community in 2012

### **3.6 Future aims and objectives**

The aims and objectives outlined in the report are drawn from the 2010-2012 Corporate Plan. A new Corporate Plan for 2012-2016 has been developed during 2011. Core to this plan is a revised mission statement, which states that

*The Organic Research Centre is a research organisation committed to*

- *developing sustainable land management and food production systems based on IFOAM organic and agro-ecological principles,*
- *disseminating knowledge to current and future farmers/land managers (knowledge networks) and other related businesses,*
- *compiling evidence on systems performance, and*
- *informing public debate through dissemination of knowledge to policy makers and opinion leaders, and through them the wider public*

*in order to ensure the health and wellbeing of soil, plant, animal, people and the environment*

The Organic Research Centre continues to lead in the fields of research, development and advice for organic agriculture, with the public benefits that that entails. For more than 30 years, it has played a central role in the development of policy and standards for organic farming and food within the UK, EU and internationally. The Centre's alliance of practice and policy, on-farm and desk research and consultancy and advice is unique. We will continue to develop this approach, with an increased emphasis on working in partnership with other organisations.

## **4 Factfile**

### **4.1 Funding**

#### **4.1.1 New grants/contracts**

Organic farm incomes in England and Wales  
Defra-funded research project led by Aberystwyth University, 2010-2012. Value to ORC £6k

Use and efficiency of public support measures addressing organic farming in the EU. DG Agriculture-funded research project led by von Thuenen Institute, Braunschweig, 2010-2011. Value to ORC £36k

The potential for extending economic farm-level benchmarking to environmental and other aspects of farm performance. Defra-funded research project with 5 partners led by ORC, 2010-2011. Value to ORC £9k

Evaluation des Bereichs Forschung und Entwicklung im Bundesprogramm Ökologischer Landbau. Bundesanstalt fuer Landwirtschaft und Ernährung, Bonn funded research evaluation project led by INTERVAL GmbH, Berlin, 2011-2012. Value to ORC £87k

Greenhouse Gas Platform. Data synthesis, modelling and management. Defra-funded research project led by ADAS, 2010-2015. Value to ORC £206k

Sustainable organic and low input dairying (SOLID). EU-funded research project led by Aberystwyth University with 26 partners, 2011-2016. Value to ORC £395k

Improved contribution of local feed to support 100% organic feed supply to pigs and poultry (ICOPP). Defra-funded for UK work as part of the Core Organic II programme, led by Aarhus University, Denmark. 2011-2014. Value to ORC £48k

Reduced tillage and green manures for sustainable organic cropping systems (TILMAN-ORG). Defra-funded for UK work as part of the Core Organic II programme, led by FiBL, Switzerland, 2011-2014. Value to ORC £40k

#### **4.1.2 Continuing statutory funders**

Defra (LINK projects)  
Natural England (OCIS England to March 2011)  
Welsh Government (Organic Centre Wales, OCIS Wales, Farming Connect)  
European Commission (Research projects)

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#### **4.1.3 Individual donors/supporters**

I Alexander, F Astor, R Baddeley, C M Clarkson Webb, P Conford, R A Crowder, Mrs De Wart, R Ewbank, A M Fright, J & A Gear, E Goff, P Kearney, W Kendall, Dr & Mrs Kunz, T Latter, B Panvel, W & L Pope, R A Rowlands, Mr Sandwith, S Sarikhan, R Tandy, Mrs Thatcher, R Unwin

#### **4.1.4 Trusts and companies**

David Alston Suffolk Ltd, Ashden Trust, Bielenberg Trust, Birthday Trust, Cuthbert Horn Trust, Doves Farm Foods, Paget Trust, Partridge Foundation, Polden-Puckham Charitable Foundation, Pye Family Trust, RIBA University of Reading, Triodos Bank

### **4.2 Human resources**

#### **4.2.1 New staff**

Pam Bijak, Administrative Officer  
Anja Vieweger, Researcher  
Katharine Leach, Senior Livestock Researcher

#### **4.2.2 Staff leaving**

Bob Winfield, Education officer (retired)

#### **4.2.3 Interns, work-experience students and volunteers**

**Research** Anne Boisdard, France, Alban Cholvy, France, Canelle Clement, France, David and Balazs Kovacs, Lucie Legroux, France, Erika Lieder, Germany, Sophie Lewis, UK, Polly McAdam, USA, Martina Niggi, Switzerland, Katrin Otto, Germany, Sarah Waterfield, UK,

**Library** Bob Newby, Robert Hotchkis, Corinne Sreeves

#### **4.2.4 Postgraduate students** (co-supervised by ORC)

**PhD** Robert Brown, University of Reading, Alexa Varah, University of Reading, Kevin McCormack, SAC Edinburgh, Laura Hathaway-Jenkins, Cranfield University, Sascha Kirchner, University of Helsinki, Finland

**MSc** Samuel Knapp, (Germany) John Innes Centre

### **4.2.5 Project Partners**

**Research UK** Aberystwyth University (IBERS and Organic Centre Wales), ADAS, Agri-Food and Biosciences Institute (AFBI), Centre for Ecology and Hydrology, Centre for Environmental Data Archival, Cranfield University, Duchy College, FAI Farms, Garden Organic, James Hutton Institute, John Innes Centre, Met Office, NIAB/TAG, National Physical Laboratory, Rothamsted Research, Rural Business Research, Scottish Agricultural College, University of Aberdeen, University of East Anglia, University of

Gloucester (Countryside and Community Research Institute), University of Nottingham, University of Reading, Warwick University

**Industry** Abacus Organic Services Ltd, Bernard Matthews Foods Ltd, Bluebell Farms Ltd, Bread Matters Ltd, British Oat and Barley Millers Association (BOBMA), Calon Wen, Causey Park Farms Ltd, CPB Twyford Ltd, Crisping Malting Group Ltd, DairyCo, Doves Farm Foods Ltd, Duchy Home Farm, DuPont (UK), East Haydon Farm, EBLEX, Farmeco Ltd, Fen End farm, Garfords, Grange Farm, GBSeeds, Halo Foods Ltd, HGCA, Institute of Organic Training and Advice (IOTA), John Deere, J E Wardle and Sons, Lavenham Lodge, LEAF, Letheringsett Watermill, Mole Valley Feed Solutions, New Houses Farm, Nairns Oatcakes, Nickerson-Advanta Ltd, Norton Organic Grain Ltd, Oat Services Ltd, Organic Milk Suppliers Co-operative (OMSCo), Organic Arable, Organic Farmers & Growers Ltd, Organic Seed Producers Ltd, Panary Ltd, Phytatec, Poplar Farm, RAGT Seeds Ltd, Rushall Farms, SAC Commercial Ltd, Scottish Organic Producers Association, Senova Ltd, Shipton Mill Ltd, Soil Association Certification Ltd, Soil Association Ltd (Charity), Stormy Hall Seeds, South Elmham Hall, Tillet and Hague Technology, W & H Marriage & Sons Ltd, Wakelyns Agroforestry, Whitehall Farm, Wimpole Hall farm

**The participatory research engagement of many individual producers is particularly appreciated as is the participation of consumers in choice experiments**

#### **Overseas partners and affiliates**

Agencia Estatal Consejo Superior de Investigaciones Cientificas (ES), Agricultural Research Institute of the Hungarian Academy of Sciences (HU), Agrifood Research (MTT, FI), Agricultural Dairy Cooperative of Anogea (Proodos, GR), Agroscope Reckenholz-Tanikon Research Station (CH), Agrovegetal (ES), Arcoiris (IT), Andalusian Federation of Associations of pure-bred Goat (Cabrandalucia, ES), Aristotelio Panepistimio Thessalonikis (GR), Associazione Italiana per l'Agricoltura Biologica (AIAB, IT), College of the Atlantic (Maine, USA), Coordination Nationale des Organisations Paysannes du Mali (Mali), Czech University of Life Sciences, Prague (CZ), Commission of the European Communities – Directorate General Joint Research Centre (JRC, ES), Ecological Plant Breeding (EU), Ege University, Izmir (TK), Escola Superior Agraria de Coimbra (PT), FIBL - Research Institute of Organic Agriculture (CH), Gautier Semences (FR), Getreidezuchtung Darzau (DE), ILVO- Eigen vermogen van het Instituut voor Landbouw en Visserijonderzoek (BE), Instituto de Agricultura Sostenible (ES), Institute for Ethical and Environmental Certification (ICEA,IT), Institut

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National de la Recherche Agronomique (INRA, FR), INRA Transfert (FR), Institute technique de l'Agriculture Biologique (FR), INTERVAL GmbH (D), Institute of Food and Research Economics (DK), Institute for Marketecology (IMO, CH), International Committee for Animal Recording (ICAR, IT), Institutul National de Cercetare-dezvoltare Pentru Biologie si Nutritie Animala (RO), Instituto de Tecnologia Quimica e Biologica (PT), International Center for Agricultural Research in the Dry Areas (INT), International Centre for Research in Organic Food Systems, International Federation of Organic Agriculture Movements EU Group, Brussels (EU), Johann Heinrich von Thunen-Institute (DE), Juven Luomu Ltd (FI), Leibniz-zentrum fur Agrarlandschaftsforschung (ZALF) e V (DE), Lacto Solomonescu (RO), Lithuanian Institute of Agrarian Economics (LI), Louis Bolk Instituut, Driebergen (NL), Mediterranean Agronomic Institute, Bari (IT), Mekelle University (Ethiopia), Murphy-Bokern Konzepte (D), Polytechnic University of Marche (IT), RISØ National Laboratory for Sustainable Energy (DK), Saatzucht Donau (AT), Scuola Superiore Sant'Anna, Pisa (IT), Swedish University of Agricultural Sciences (SE), Technical University of Munich (DE), Thiese Dairy Co (DK), University of Aarhus (DK), University of Applied Sciences (D), Universiteit Gent (BE), University of Helsinki (FI), University of Hohenheim (DE), University of Kassel (DE), Università Politecnica delle Marche (IT), University of Perugia (IT), University of Natural Resources and Applied Life Sciences (BOKU), Vienna (AT), Universitat de Barcelona (ES), Wageningen UR, (NL), Wim Govaerts & Co CVBA (BE),

### 4.3 Outputs

#### 4.3.1 Publications

**4 issues (103-106) of the ORC Bulletin were published during the year, including many articles from ORC staff which are not itemized in the following list of publications**

ADAS, AEA, AHDB, AIC, CLA, FWAG, LEAF, NFU, NIAB/TAG, ORC, RASE (2011) *Meeting the Challenge - Agriculture Industry GHG Action Plan*, Stoneleigh

**Doring TF** (2011) Potential and limitations of plant virus epidemiology lessons from the Potato virus Y pathosystem In Santala J & Valkonen JPT (eds) *Abstracts of the 18th Triennial Conference of the European Association for Potato Research* 24-29 July 2011, Oulu, Finland, p34

**Doring TF, Crowley O, Wolfe M** (2011) Against the grain *Organic Farming* 107 42-43

**Doring TF, Kirchner SM, Skorupski P, Hardie M** (2011) Spectral sensitivity of the green photoreceptor of winged pea aphids *Physiological Entomology* 36 392-396

**Doring TF, Pautasso M, Finckh MR, Wolfe MS** (2011) Concepts of plant health – reviewing and challenging the foundations of plant protection *Plant Pathology* 61 1-15

**Doring TF, Chittka L** (2011) How human are insects, and does it matter? *Formosan Entomologist* 31 85-99

**Doring TF** (2011) Organic seed and the conservation of plant genetic resources – a call for vigilance 17<sup>th</sup> IFOAM Organic World Congress Organic Seed Preconference Heuksalim Institute, Cheongwon-gun, Korea, 26-27 September 2011 pp 195-197

**Doring TF, Kovacs G, Wolfe MS, Murphy K** (2011) Evolutionary plant breeding in cereals– into a new era *Sustainability* 3 1944-1971

**Fleming D, Chamberlin S** (2011) Tradable Energy Quotas a policy framework for peak oil and climate change [www.teqs.net](http://www.teqs.net)

**Gerrard CL, Smith LG, Padel S, Pearce B, Hitchings R, Measures M, Cooper, N** (2011) *OCIS Public Goods Tool development Report* for Defra, Organic Research Centre, Newbury

**Hathaway-Jenkins LJ, Sakrabani R, Pearce B, Whitmore AP, RJ Godwin** (2011) A comparison of soil and water properties in organic and conventional farming systems in England *Soil Use and Management* 27 1-10

**Hathaway-Jenkins LJ** (2011) *The effect of organic farming on soil physical properties, infiltration and workability* EngD Thesis, Cranfield University, Bedford

**Kirchner SM, Doring TF, Hiltunen LH, Virtanen E, Valkonen JPT** (2011) Information theory-based model selection for determining the main vector and period of transmission of Potato virus Y *Annals of Applied Biology* 159 414-427

**Kirchner SM, Hiltunen LH, Ketola J, Kankaala A, Virtanen E, Doring TF, Valkonen J** (2011) Efficacy of straw mulch, insecticides, mineral oil, and birch extract in controlling Potato virus Y in Finnish seed potato production In Santala J, Valkonen JPT (eds) *Abstracts of the 18th Triennial Conference of the European Association for Potato Research* 24-29 July 2011, Oulu, Finland, p 156

**Lampkin N, Measures M, Padel S** (2011) *2011/12 Organic Farm Management Handbook* Organic Research Centre, Newbury

**Lampkin N** (2011) Relevance of OECD agri-environmental measures for PES In Ottaviani D, Scialabba, N el-H (eds) *Payments for Ecosystem Services and Food Security* Food and Agriculture Organisation, Rome pp 45-67

**Lampkin N, Bailey A, Lang B, Wilson, P, Williams A, Sanders D, Fowler S, Gerrard C, Moakes S, Mortimer S, Nicholas P, Padel S** (2011) The potential for extending economic farm-level benchmarking to environmental and other

**PROGRESSIVE FARMING TRUST LIMITED**  
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- aspects of farm performance Unpublished report to Defra Organic Research Centre, Newbury
- Moakes S, **Lampkin N** (2011) Organic Farm Incomes in England and Wales 2009/2010 Aberystwyth University and Organic Research Centre, Aberystwyth and Newbury
- Naspetti S, **Lampkin N**, Nicholas P, Stolze M, Zanolli R (2011) Organic supply chain collaboration a case study in eight EU countries *Journal of Food Products Marketing* 17 141-162
- Odefey L, Berner A, Offermann F, **Gerrard C**, **Padel S**, **Lampkin N** (2011) Organic farming implications for costs of production and provisioning of environmental services Unpublished deliverable 7.3 of FACEPA project
- Padel S** (2011) Can certification encourage organic operators to become better organic operators? In Neuhoﬀ D et al (Eds) *Organic is Life* Proceedings IFOAM World Congress, Korea IFOAM, Bonn
- Padel S**, Zander K (2011) Communicating with customers *Organic Farming* Spring (106) pp 29-31
- Padel S**, **Pearce B**, Cuoco E, Schlueter M, Niggli U, Schmid O, Willer H, Huber M, Halberg N, Micheloni C (2011) Technology Platform Organics knowledge generation and exchange in organic food and farming research In Neuhoﬀ D et al (eds) *Organic is Life Knowledge for tomorrow*, ISOFA, Bonn pp 330-333
- Padel S**, **Lampkin N** (2011) Introduction to the concepts and principles of organic farming In Kolling A (ed) *Organic food and farming A system approach to meet the sustainability challenge* IFOAM EU Group Brussels, pp1-2
- Padel S**, **Lampkin N** (2011) European organic farming policy and CAP reform In *Organic is Life IFOAM Organic World Congress South Korea*
- Padel S**, Schaack D, Willer H (2011) The organic market in Europe In Willer H, Kilcher L (eds) *The World of Organic Agriculture, Statistics and Emerging Trends 2011* IFOAM, Bonn and FiBL, Frick, pp156-160
- Padel S**, Niggli U, **Pearce B**, Schlueter M, Schmid O, Cuoco E, Willer H, Huber M, Halberg N, Micheloni C (2010) *TP Organics implementation action plan for organic food and farming research* IFOAM EU Group, Brussels
- Schader C, **Lampkin N**, Stolze M (2011) Ist die Schweizer Forderung des biologischen Landbaus uber Flächenbeiträge volkswirtschaftlich sinnvoll? In Leithold, G et al (eds) *Es geht ums Ganze Forschen in Dialog von Wissenschaft und Praxis* Beiträge zur 11. Wissenschaftstagung Ökologischer Landbau, Justus-Liebig-Universität, Giessen, 16-18 March 2011 Band 2 Tierproduktion und Soziökonomie Verlag Dr Koster, Berlin pp308-311
- Smith L**, **Padel S**, **Pearce B**, **Lampkin N**, **Gerrard C**, **Woodward L**, Fowler S, Measures M (2011) Assessing the public goods provided by organic agriculture lessons learned from practice In Neuhoﬀ D et al (eds) *Organic is Life Knowledge for tomorrow*, ISOFA, Bonn, 2 56-62
- Smith J** (2011) Meeting report the role and potential of organic farming in delivering functional biodiversity and ecosystem services *British Ecological Society Bulletin*, August
- Smith J**, **Wolfe M**, **Woodward L**, **Pearce B**, **Lampkin N** (2011) *Organic farming and biodiversity a review of the literature* Organic Centre Wales, Aberystwyth
- Smith L**, **Padel S**, **Pearce B** (2011) *Soil carbon sequestration and organic farming a review of current evidence* Organic Centre Wales, Aberystwyth
- Zander K, Hamm U, Freyer B, Gossinger K, Naspetti S, **Padel S**, Stolz H, Stolze M, Zanolli R (2011) Consumer concerns regarding additional ethical attributes of organic food In Neuhoﬀ D et al, (eds) *Organic is Life Knowledge for tomorrow*, ISOFA, Bonn, 2 22-25

#### 4.3.2 Events organised

- Organic Producer Conference (January 2011)
- Eco-agroforestry workshop *Trees on Farms Integrating agriculture and forestry* (March 2011)
- Greenhouse Gas Platform workshop *End User Requirements* (March 2011)
- ORC/BES conference *Functional biodiversity on organic farms* (May 2011)
- ORC Research Open Day (June 2011)
- National organic farming policy evaluation workshop (June 2011)
- Farm Woodland Forum Annual Conference (June 2011)
- ORC Organic and Local Food Festival, Elm Farm (July 2011)
- ORC Participatory Research Network launch (July 2011)
- Greenhouse Gas Platform Northern Ireland Stakeholder workshop (July 2011)
- ECO-PB international workshop on seed regulation (September 2011)
- Farming Systems Assessment Methodology project economic indicators workshop (September 2011)
- UK Policy Forum, Elm Farm (October 2011)
- UK stakeholder workshop for Certcost project (October 2011)

#### 4.3.3 Events contributed to

- Biofach Congress, Nurnberg, Germany (February 2011)
- Discussion meeting on reducing greenhouse gas emissions from agriculture, The Royal Society (February 2011)
- Soil Association Conference, Manchester (February 2011)

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Greenhouse Gas Action Plan Launch, Palace of Westminster (April 2011)  
 Cereals 2011 (May 2011)  
 OF&G Organic Cereals Event, Cambridgeshire (July 2011)  
 18th Triennial Conference of the European Association for Potato Research Oulu, Finland (July 2011)  
 Government Policies for the Promotion of Organic Agriculture - Focus on the Asian Pacific Region, South Korea (September 2011)  
 IFOAM Organic World Congress, South Korea (September 2011)  
 Third Scientific Conference of ISO FAR, South Korea (September 2011)  
 Soil Association Horticultural Symposium, Bristol (October 2011)  
 Selling organic Building Partnerships (October 2011)  
 Organic Centre Wales conference (October 2011)

**4 3.4 Directorships, Memberships of Boards and Government Committees**

**Doring, T** Fellow, Royal Entomological Society  
**Hitchings, R** Pool member, European Commission Expert Group for Technical Advice on Organic Production  
**Hitchings, R** Member, Welsh Government Horticulture Strategy Group  
**Hitchings, R** Secretary, Organic Growers Alliance  
**Lampkin, N** Permanent member, European Commission Expert Group for Technical Advice on Organic Production  
**Lampkin, N** Member, Welsh Government Food and Drink Advisory Partnership  
**Lampkin, N** Chair, Welsh Government Organic Strategy Group

**Lampkin, N** Member, Defra/Natural England Agri-environment Stakeholders Group  
**Lampkin, N** Director, Hybu Cig Cymru  
**Lampkin, N** Director, Institute of Organic Training and Advice  
**Lampkin, N** Member, Agricultural Industry Greenhouse Gas Action Plan Steering Group  
**Padel, S** Member, Steering Group, Better Organic Business Links Programme, Organic Centre Wales  
**Padel, S** Member, Steering Committee of the EU Technology Platform 'TP organics'  
**Pearce, B** Member, Royal Horticultural Society Science and Horticultural Advice Committee  
**Pearce, B** Director and Member of Management Committee, GM Freeze  
**Pearce, B** Pool Member, European Commission Expert Group for Technical Advice on Organic Production  
**Pearce, B** Member IFOAM EU Poultry Expert Group  
**Smith, J** Member, Farm Woodland Forum Executive Committee  
**Smith, L** Member, Parliamentary Renewable and Sustainable Energy Group  
**Smith, L** Member, Round Table for Organic Agriculture and Climate Change  
**Smith, L** Member, Greenhouse Gas Action Plan for England Steering Group  
**Woodward, L** Director, Future Sustainability Ltd  
**Woodward, L** Director, Organic Arable  
**Woodward, L** Director, Organic Seed Producers  
**Wolfe, M** Hon member, British Society for Plant Pathology  
**Wolfe, M** Director, East Anglia Food Link

**5 Review of financial position: Year ended 31<sup>st</sup> October 2011**

At £1,119,197, income generated from donations and grants, investments and charitable activities was 6% lower than the preceding year (£1,189,635) Both voluntary income and investment income were reduced, in large part due to the recession, with the total income from these sources down by 31% at £139,306 (following a 21% fall the previous year) In contrast, income from other sources was almost unchanged at £979,891 (2010 £986,573), representing 88% of total incoming resources in 2011 (83% in 2010)

Expenditure at £1,190,997 was down 13% compared with 2010 (£1,368,880) This reflected the reductions in administrative/support costs following a period of staff restructuring the previous year Overall expenditure on charitable activities fell by 9% to £1,172,995 (2010 £1,290,488) Of this, expenditure on research projects fell by 2% to £977,344 (2010 £995,124), with staff costs increasing by 10% to £623,227 (2010 £566,301) This increase in part reflected costs of additional staff required to meet new project commitments However, fundraising and publicity costs were down significantly to £6,412 (2010 £64,159), in part due to staff departures without replacement

Despite the expenditure reductions achieved, the further loss of voluntary income (which covers a range of core-funded projects, still led to a loss for the year, albeit lower than the previous year The trading deficit (net outgoing resources) fell to £71,800 (2010 £179,245) Investment assets fell in



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value by £6,746, compared with an increase in 2010 of £22,418. As a result, the net overall loss for the year (net movement in funds) was £78,546 (2010: £156,827)

This deficit was not consistent with the small trading surplus budgeted for the year, due to lower income from farm rental, voluntary donations and research income than expected

Investments in tangible fixed assets at £26,586 (2010: £32,463) was more than offset by depreciation of £50,169 (2010: £32,533) resulting in their net book value, calculated on an historic cost basis, falling to £2,246,860 (2010: £2,270,443). The decision of the Pye Trust to forgive a loan of £75,000 for the building refurbishment project (£50,000 in 2010 and the £25,000 in 2011) was a very welcome retrospective contribution to the cost of the refurbishment work completed in 2009.

As a result of the deficit for the year, total net assets fell to £1,985,751 (2010: £2,064,297). With investments maintained at a similar level to the previous year, the main change apart from the fall in the value of tangible fixed assets was a further reduction in current assets to £202,916 (2010: £258,846), with an increase in current debtors offsetting a larger fall in the value of cash at bank and in hand. There was a slight fall in creditors falling due within one year to £387,994 (2010: £388,833), although the amount of this represented by deferred income due to pre-financing of EU-funded projects increased to £219,714 (2010: £146,000).

Despite successes obtaining new project funding, the outlook for 2012 remains challenging. The budget for 2012 foresees a reduction in research and project funding income as some projects come to an end. The loss of governmental advisory contracts in England and Wales is also having a significant impact on our work and financial position. However, prospects for an overall increase in voluntary donations are good, and we continue to make significant efforts on bidding for new projects. Therefore although a lower proportion of funding is guaranteed at the start of the financial year, we are making every effort to achieve a break-even trading result in 2012.

### **5.1 Investment powers, policy and performance**

Investment powers, policy and performance are incorporated into the Memorandum and articles of association. This permits the Members of Council to invest the monies of the Trust not immediately required for its purposes in, or upon such investments, securities or property as may be thought fit, but so that monies subject, or representing property subject, to the jurisdiction of the Charity Commissioners for England and Wales, shall only be invested in such securities, and with such sanction, if any, as may, for the time being, be prescribed by law.

During the year, the investment income including interest received totalled £11,198 (2010: £16,348). Investment income was affected both by the economic downturn and by asset sales required in 2010 to finance the deficit.

The company has indicated to its advisors areas of investment which are not thought appropriate or are in conflict with its aims.

### **5.2 Reserves policy**

The company, with due regard to normal practice in similar charities, has set a target of day-to-day reserves (investment assets less net current liabilities) at least equivalent to 120 days of expenditure which the Trustees feel is a prudent level. However, this was not achieved in 2010 and, as a result of the deficit in 2011, our day-to-day reserves fell further to £88,891 (2010: £143,854). This represents only 7.5% of expenditure (2010: 10.5%), significantly below the 33% target set. The level of free reserves (day-to-day reserves less long-term liabilities (Triodos Bank mortgage £350,000) and restricted funds (£43,173 (2010: £0))) the charity held at the year end was negative £304,282 (2010: negative £206,146).

The Council Members consider that the day-to-day reserves are not sufficient to ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. While the risk of a sudden drop in income may be low, due to the three-five year terms of most of the research contracts, the trustees and executive director are acutely conscious of the need to address this problem.

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particularly as the still higher activity levels anticipated in future years will require even higher reserves to meet the 33% target and to repay the longer term liabilities

In addition to implementing further core cost-reduction measures in 2012 in order to avoid a further trading deficit, the Council has initiated a project to identify means by which capital value might be released from our fixed assets in order to meet long term liabilities and restore day-to-day reserves

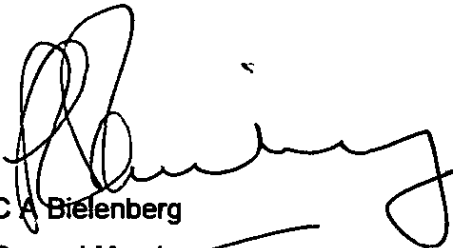
### **5.3 Risk factors**

The trustees have given due consideration to the major risks to which the Charity is exposed and holds a register of these. This is reviewed annually as part of the annual business plan. The charity has taken all reasonable steps to mitigate these risks. Risk assessment and management processes are in operation on an on-going basis through the organisation and cover all aspects of financial and non-financial performance.

### **5.4 Disclosure of information to auditors**

Each of the trustees has confirmed that there is no information (as defined by Section 418 of the Companies Act 2006) of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies



C A Bielenberg  
Council Member

Dated: 22<sup>nd</sup> May 2012

**PROGRESSIVE FARMING TRUST LIMITED**  
**TRADING AS - ORGANIC RESEARCH CENTRE - ELM FARM**  
**STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES**

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The Members of Council, who are also the directors of Progressive Farming Trust Limited for the purpose of company law, are responsible for preparing the Council Members' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Members of Council to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year

In preparing these accounts, the Members of Council are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- <sup>1</sup> make judgements and estimates that are reasonable and prudent, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

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**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF PROGRESSIVE FARMING TRUST LIMITED**

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We have audited the accounts of Progressive Farming Trust Limited for the year ended 31 October 2011 set out on pages 28 to 39. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Members of Council and auditors**

As explained more fully in the statement of council members' responsibilities, the Members of Council, who are also the directors of Progressive Farming Trust Limited for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Members of Council, and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Council Members' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on accounts**

In our opinion the accounts

- give a true and fair view of the state of the charitable company's affairs as at 31 October 2011 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Council Members' Report for the financial year for which the accounts are prepared is consistent with the accounts.

**PROGRESSIVE FARMING TRUST LIMITED  
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INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF PROGRESSIVE FARMING TRUST LIMITED**

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**(CONTINUED)**

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Mr Mark Cummins FCCA (Senior Statutory Auditor)  
for and on behalf of Russell New Limited**

**Statutory Auditors**

The Courtyard  
Shoreham Road  
Upper Beeding  
Steyning  
West Sussex  
BN44 3TN

Dated 29 May 2012

**PROGRESSIVE FARMING TRUST LIMITED**  
**TRADING AS - ORGANIC RESEARCH CENTRE - ELM FARM**  
**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2011 £	Total 2010 £
<b>Incoming resources</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income		128,108	-	-	<b>128,108</b>	186,714
Investment income	2	11,198	-	-	<b>11,198</b>	16,348
		<u>139,306</u>	<u>-</u>	<u>-</u>	<b>139,306</b>	203,062
<b>Incoming resources from charitable a</b>	<b>3b</b>	<b>78,793</b>	<b>-</b>	<b>901,098</b>	<b>979,891</b>	986,573
<b>Total incoming resources</b>	<b>3a</b>	<b>218,099</b>	<b>-</b>	<b>901,098</b>	<b>1,119,197</b>	1,189,635
<b>Resources expended</b>						
<b>Cost of generating funds</b>						
Fundraising and publicity costs		6,412	-	-	<b>6,412</b>	64,159
<b>Net incoming resources available</b>		<b>211,687</b>	<b>-</b>	<b>901,098</b>	<b>1,112,785</b>	1,125,476
<b>Charitable activities</b>						
Farm		2,622	-	-	<b>2,622</b>	12,327
Research and projects		211,380	3,459	762,505	<b>977,344</b>	995,124
Advisory		69,994	-	107,030	<b>177,024</b>	227,239
Education and publications		1,430	-	14,575	<b>16,005</b>	55,798
<b>Total charitable expenditure</b>		<b>285,426</b>	<b>3,459</b>	<b>884,110</b>	<b>1,172,995</b>	1,290,488
<b>Governance costs</b>		<b>11,590</b>	<b>-</b>	<b>-</b>	<b>11,590</b>	14,233
<b>Total resources expended</b>		<b>303,428</b>	<b>3,459</b>	<b>884,110</b>	<b>1,190,997</b>	1,368,880
<b>Net (outgoing)/incoming resources before transfers</b>						
		( 85,329)	( 3,459)	16,988	<b>( 71,800)</b>	( 179,245)
Gross transfers between funds	14	( 26,185)	-	26,185	<b>-</b>	-
<b>Net (outgoing)/incoming resources</b>		<b>( 111,514)</b>	<b>( 3,459)</b>	<b>43,173</b>	<b>( 71,800)</b>	( 179,245)
Other recognised gains and losses	8	( 6,746)	-	-	<b>( 6,746)</b>	22,418
<b>Net movement in funds</b>		<b>( 118,260)</b>	<b>( 3,459)</b>	<b>43,173</b>	<b>( 78,546)</b>	( 156,827)
Funds balances at 1 November 2010		<u>1,961,301</u>	<u>102,996</u>	<u>-</u>	<b>2,064,297</b>	2,221,124
<b>Funds balances at 31 October 2011</b>	<b>16</b>	<b>1,843,041</b>	<b>99,537</b>	<b>43,173</b>	<b>1,985,751</b>	2,064,297

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006

All activities of the charity are classed as continuing

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**SUMMARY INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

	2011 £	2010 £
Gross income	1,119,197	1,189,635
Gain on disposal of investment assets held by income funds	<u>-</u>	<u>2,938</u>
Total income	1,119,197	1,192,573
 Total expenditure from income funds	 1,190,997	 1,368,880
Net income for the year	<u>( 71,800)</u>	<u>( 176,307)</u>

**STATEMENT OF RECOGNISED GAINS AND LOSSES**

Net income for the year	( 71,800)	( 176,307)
Unrealised losses/gains on investments held by income funds	<u>( 6,746)</u>	<u>19,480</u>
	<u>( 78,546)</u>	<u>( 156,827)</u>

**PROGRESSIVE FARMING TRUST LIMITED**  
**TRADING AS - ORGANIC RESEARCH CENTRE - ELM FARM**  
**BALANCE SHEET**

**AS AT 31 OCTOBER 2011**

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Tangible assets	7	2,246,860	2,270,443
Investments	8	<u>273,969</u>	<u>273,841</u>
		2,520,829	2,544,284
<b>Current assets</b>			
Stock		7,186	4,805
Debtors	9	190,820	162,354
Cash at bank and in hand		<u>4,910</u>	<u>91,687</u>
		202,916	258,846
<b>Creditors amounts falling due within one year</b>	10	<u>( 387,994)</u>	<u>( 388,833)</u>
<b>Net current liabilities</b>		<u>( 185,078)</u>	<u>( 129,987)</u>
<b>Total assets less current liabilities</b>		2,335,751	2,414,297
<b>Creditors amounts falling due after more than 1 year</b>	11	<u>350,000</u>	<u>350,000</u>
<b>Net assets</b>		<u>1,985,751</u>	<u>2,064,297</u>
Restricted funds	14	43,173	-
Designated funds	15	99,537	102,996
Unrestricted funds		<u>1,843,041</u>	<u>1,961,301</u>
		<u>1,985,751</u>	<u>2,064,297</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standards for Smaller Entities (effective April 2008)

The accounts were approved by the Board on 13 March 2012

  
C.A. Bierberg  
Council member

  
A Jedwell  
Council member

Company Registration No. 1513190



**PROGRESSIVE FARMING TRUST LIMITED**  
**TRADING AS - ORGANIC RESEARCH CENTRE - ELM FARM**  
**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

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**1 Accounting policies**

**1.1 Basis of preparation**

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets

The accounts have been prepared in accordance with the Statement of Recommended Accounting Practice Accounting and Reporting by Charities (SORP 2005), issued in March 2005, UK Accounting Standards and the Charities Act 2006

**1.2 Incoming resources**

Grants and donations are included in the Statement of Financial Activities as they are received, except when the donor specifies the period for which the donation is given is more than one year. In this case the donation is allocated to periods in which the money is to be used

Activities in furtherance of the charity's activities are disclosed in greater detail in the notes to the accounts and are accounted for in the period in which the service is provided

Investment income is accounted for in the period in which the charity is entitled to receipt

**1.3 Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered

The majority of costs are directly attributable to specific activities. Support costs are apportioned on an income basis, excluding donations which are weighted towards fundraising costs

Costs of generating funds comprise those costs directly attributable to fundraising and publicity

Governance costs comprise the costs of complying with constitutional and statutory requirements, such as the cost of board meetings, preparing statutory accounts and satisfying public accountability

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Freehold land is not depreciated

Freehold buildings	2% on cost
Research equipment	20% reducing balance
Fixtures, fittings & equipment	33% on cost
Motor vehicles	33% on cost

**1.5 Investments**

Fixed asset quoted investments are stated at market value. Unquoted purchased investments are stated at cost and unquoted gifted investments at par

**1.6 Stock**

Stock is valued at the lower of cost and net realisable value

**PROGRESSIVE FARMING TRUST LIMITED**  
**TRADING AS - ORGANIC RESEARCH CENTRE - ELM FARM**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

**1 Accounting Policies (continued)**

**1.7 Pensions**

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

**1.8 Foreign currency translation**

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net incoming/outgoing resources.

**1.9 Fund accounting**

Funds held by the charity are either

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees
- Designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**2 Investment income**

	<b>2011</b>	2010
	<b>£</b>	£
Investment income	<b>11,020</b>	13,365
Interest received	<b>178</b>	2,983
	<b><u>11,198</u></b>	<u>16,348</u>

**PROGRESSIVE FARMING TRUST LIMITED**  
**TRADING AS - ORGANIC RESEARCH CENTRE - ELM FARM**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

**3a Incoming resources**

	<b>Total 2011 £</b>	<b>Total 2010 £</b>
Pye Family Trust	120,000	160,000
Ashden Trust	20,000	20,000
Sheeprove Trust	-	10,000
DEFRA	484,009	444,388
Natural England	61,695	86,931
Organic Centre Wales	25,650	47,627
College of the Atlantic	24,235	31,498
Other income	92,217	108,172
Investment income	11,020	16,111
Bank interest	178	236
Farm rental income	16,148	42,700
European Commission	251,020	86,658
M Langman - Bequest	-	55,100
Farm and Food Society	-	53,500
Other donations	13,025	26,714
	<b>1,119,197</b>	<b>1,189,635</b>

**3b. Incoming resources from charitable activities**

	<b>Unrestricted funds £</b>	<b>Designated funds £</b>	<b>Restricted funds £</b>	<b>Total 2011 £</b>	<b>Total 2010 £</b>
Estate income	25,910	-	-	25,910	50,274
Research and projects	12,314	-	771,192	783,506	727,183
Advisory	40,569	-	102,754	143,323	168,022
Education and publications	-	-	27,152	27,152	41,094
	<b>78,793</b>	<b>-</b>	<b>901,098</b>	<b>979,891</b>	<b>986,573</b>

**PROGRESSIVE FARMING TRUST LIMITED**  
**TRADING AS - ORGANIC RESEARCH CENTRE - ELM FARM**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

**4 Total resources expended**

	Staff costs	Depreciation	Other costs	Total 2011	Total 2010
	£	£	£	£	£
<b>Costs of generating funds</b>					
<u>Fundraising and publicity costs</u>					
Activities undertaken directly	2,176	-	1,881	<b>4,057</b>	
Support costs	1,427	107	821	<b>2,355</b>	64,159
	<u>3,603</u>	<u>107</u>	<u>2,702</u>	<b>6,412</b>	64,159
<b>Charitable activities</b>					
<u>Farm</u>					
Support costs	-	-	2,622	<b>2,622</b>	12,327
<u>Research and projects</u>					
Activities undertaken directly	422,879	30,006	296,908	<b>749,793</b>	674,063
Support costs	137,929	10,343	79,280	<b>227,552</b>	321,061
Total	<u>560,808</u>	<u>40,349</u>	<u>376,188</u>	<b>977,344</b>	995,124
<u>Advisory</u>					
Activities undertaken directly	28,080	7,151	100,167	<b>135,398</b>	143,766
Support costs	25,231	1,892	14,503	<b>41,626</b>	83,473
Total	<u>53,311</u>	<u>9,043</u>	<u>114,670</u>	<b>177,024</b>	227,239
<u>Education and publications</u>					
Activities undertaken directly	725	312	7,082	<b>8,119</b>	35,370
Support costs	4,780	358	2,748	<b>7,886</b>	20,428
Total	<u>5,505</u>	<u>670</u>	<u>9,830</u>	<b>16,005</b>	55,798
Total Charitable activities	<u>619,624</u>	<u>50,062</u>	<u>503,309</u>	<b>1,172,995</b>	1,290,488
<b>Governance costs</b>	-	-	11,590	<b>11,590</b>	14,233
Total resources expended	<u>623,227</u>	<u>50,169</u>	<u>517,601</u>	<b>1,190,997</b>	1,368,880

Governance costs include payments to the auditors of £6,000 (2010 £5,750) for audit fees and £2,300 (2010 £350) for other services

**PROGRESSIVE FARMING TRUST LIMITED**  
**TRADING AS - ORGANIC RESEARCH CENTRE - ELM FARM**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

**5 Employees**

**Number of Employees**

The average monthly number of employees during the year was

	<b>2011</b>	<b>2010</b>
	<b>Number</b>	<b>Number</b>
Administration	7	6
Research	15	10
Consultants	1	2
	<u>23</u>	<u>18</u>

**Employment costs**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Wages and salaries	545,312	489,722
Social security costs	53,528	59,572
Other pension & life insurance costs	24,387	17,007
	<u>623,227</u>	<u>566,301</u>

The number of employees whose annual emoluments were £60,000 or more were

	<b>2011</b>	<b>2010</b>
	<b>Number</b>	<b>Number</b>
£60,000 - £70,000	<u>1</u>	<u>2</u>

Contributions totalling £4,230 (2010 £8,681) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000

**6 Taxation**

The company has no liability for taxation due to its charitable status

**PROGRESSIVE FARMING TRUST LIMITED**  
**TRADING AS - ORGANIC RESEARCH CENTRE - ELM FARM**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

**7 Tangible fixed assets**

	Freehold land and buildings £	Research equipment £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 November 2010	2,376,601	43,807	240,575	12,470	2,673,453
Additions	13,680	240	12,666	-	26,586
Disposals	-	-	-	-	-
<b>At 31 October 2011</b>	<b>2,390,281</b>	<b>44,047</b>	<b>253,241</b>	<b>12,470</b>	<b>2,700,039</b>
<b>Depreciation</b>					
At 1 November 2010	136,727	36,808	217,005	12,470	403,010
On disposal	-	-	-	-	-
Charge for the year	32,646	1,862	15,661	-	50,169
<b>At 31 October 2011</b>	<b>169,373</b>	<b>38,670</b>	<b>232,666</b>	<b>12,470</b>	<b>453,179</b>
<b>Net book value</b>					
<b>At 31 October 2011</b>	<b>2,220,908</b>	<b>5,377</b>	<b>20,576</b>	<b>-</b>	<b>2,246,860</b>
At 31 October 2010	2,239,874	6,999	23,570	-	2,270,443

Included within Freehold land and buildings is land with an historical cost of £750,000 which is not depreciated

**8 Fixed asset investments**

	Unlisted investments £	Listed investments £	Total £
Market value at 1 November 2010	12,626	261,215	273,841
Acquisitions/disposals at opening book value	( 10,000)	-	( 10,000)
Change in value in year	-	10,128	10,128
<b>Market value at 31 October 2011</b>	<b>2,626</b>	<b>271,343</b>	<b>273,969</b>
<b>Historical cost</b>			
At 31 October 2011	2,626	248,388	251,014
At 31 October 2010	12,626	248,388	261,014

The following investments represent more than 5% of the total market value of the listed investments held by the charity

Global Growth Income Fund £247,230

Losses on investment assets totalling £6,746 as shown in the Statement on Financial Activities are detailed as follows

Realised loss on disposal of investment in Organic Farm Foods £5,846

Unrealised loss in value of investments held at the year end £900

**PROGRESSIVE FARMING TRUST LIMITED**  
**TRADING AS - ORGANIC RESEARCH CENTRE - ELM FARM**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

**9 Debtors**

	2011 £	2010 £
Trade debtors	118,495	124,112
Other debtors	61,634	32,093
Prepayments	10,691	6,149
	<u>190,820</u>	<u>162,354</u>

**10 Creditors. amounts falling due within one year**

	2011 £	2010 £
Bank overdraft	35,624	54,715
Trade creditors	76,187	89,814
Pye loan	-	25,000
Other creditors	17,575	12,430
Accrual	38,894	60,874
Deferred income	219,714	146,000
	<u>387,994</u>	<u>388,833</u>

**11 Creditors: amounts falling due after more than one year**

	2011 £	2010 £
Bank loan repayable July 2014	350,000	350,000
	<u>350,000</u>	<u>350,000</u>
<b>Loan maturity analysis</b>		
Debt due in one year or less	-	25,000
In more than one year but not more than two years	-	-
In more than two years but not more than five years	350,000	350,000
	<u>350,000</u>	<u>375,000</u>

The bank loan and overdraft is secured by way of legal charge dated 29 June 2009 over the freehold land and buildings known as Elm Farm, Hamstead Marshall, Newbury, RG20 0HR

**PROGRESSIVE FARMING TRUST LIMITED**  
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**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

**12 Pension and other post-retirement benefit commitments**

Defined contribution	2,011 £	2,010 £
Contributions payable by the company for the year	<u>20,757</u>	<u>17,007</u>

At the year end there were no contributions payable outstanding

**13 Share capital**

The company is limited by guarantee and does not have any share capital with no one member having overall control. In the event of the company being wound up, the maximum contribution payable by each member is £1.

**14 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes

	Balance at 01-Nov-10 £	Movement in funds			Balance at 31-Oct-11 £
		Incoming resources £	Resources expended £	Transfers £	
Ashden Trust Agroforestry	-	24,410	39,131	14,721	-
Defra Legume Link	-	218,465	199,053	( 19,412)	-
Defra Wheat breeding Link	-	135,478	115,176	-	20,302
Defra Greenhouse gas data	-	73,576	66,176	-	7,400
Natural England OCIS	-	61,695	61,695	-	-
EU DG Research SOLIBAM	-	69,076	69,076	-	-
EU DG Research Certcost	-	40,872	40,872	-	-
EU DG Research SOLID	-	35,910	35,910	-	-
EU DG Agri Policy evaluation	-	36,309	38,584	2,275	-
German BOeL evaluation	-	61,578	58,578	-	3,000
Organic Centre Wales	-	25,650	25,650	-	-
Other projects	-	118,079	134,209	28,601	12,471
	-	<u>901,098</u>	<u>884,110</u>	<u>26,185</u>	<u>43,173</u>

The Ashden Trust gave funds supported the employment of an Agro-ecology researcher. As planned, a transfer from unrestricted fund has been made in respect of match funding for this position.

Research contracts or partner subcontracts financed by Defra, Natural England, Organic Centre Wales, the EU, the German government or by private Trusts are all restricted to the area of research in which they are commissioned (as detailed in the Council Members' report). For the Legume LINK project, the transfer offsets deficits in previous years. For the Defra Wheat breeding LINK and Greenhouse gas data projects as well as the German BOeL evaluation and another project, the surplus restricted resources have been retained to meet future commitments.

Other research, advisory, education and development projects are also restricted.



**PROGRESSIVE FARMING TRUST LIMITED**  
**TRADING AS - ORGANIC RESEARCH CENTRE - ELM FARM**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 OCTOBER 2011**

**15 Designated funds**

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes

	Balance at	Movement in funds			Balance at
	01-Nov-10	Incoming	Resources	Transfers	31-Oct-11
	£	resources	expended	£	£
M Langman - Bequest	51,722	-	1,600	-	50,122
Farm and Food Society	51,274	-	1,859	-	49,415
	<u>102,996</u>	<u>-</u>	<u>3,459</u>	<u>-</u>	<u>99,537</u>

These funds have been designated to support work on conceptual and scientific aspects of food quality and health in the case of the M Langman bequest, and on farm animal welfare in the case of the Farm and Food Society in recognition of communications between the individuals concerned and the Director and Trustees of the Progressive Farming Trust

**16 Analysis of net assets between funds**

	Unrestricted	Designated	Restricted	Total
	£	£	£	£
Fund balances at 31 October 2011 are represented by				
Tangible fixed assets	2,246,861	-	-	<b>2,246,861</b>
Investments	273,970	-	-	<b>273,970</b>
Current assets	60,204	99,537	43,173	<b>202,914</b>
Creditors				
Amounts falling due within one year	( 387,994)	-	-	<b>( 387,994)</b>
Amounts falling due after more than one year	( 350,000)	-	-	<b>( 350,000)</b>
	<u>1,843,041</u>	<u>99,537</u>	<u>43,173</u>	<u><b>1,985,751</b></u>

**17 Related parties**

J Longfield, a trustee, is also a co-ordinator of Sustain. During the year the charity paid subscription and project fees totalling £880 (2010 £1,640) to Sustain.

C Bielenberg and A Bielenberg are associated with the Bielenberg Family Trust which donated £2,417 towards costs of translating a German-language document.

D Wilson is Farm Manager at Duchy Home Farm, which participates in, but does not benefit financially from, a number of research projects.

No other trustee was remunerated other than for out of pocket expenses.