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**SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING**  
(A company limited by guarantee)

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**TRUSTEES REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 2007**

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# SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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# SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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## LEGAL AND ADMINISTRATIVE INFORMATION

For the year ended 31 March 2007

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### **Trustees**

David Barling  
Peta Cottee (re-elected 22/11/06)  
Kath Dalmeny (resigned 30/06/06)  
Anne Dolamore, Chair  
Jeremy Faull  
Joe Harvey, Treasurer  
Vicki Hird  
Harry Huyton (elected 22/11/06)  
Patrick Mulvany  
Mike Rayner (re-elected 22/11/06)  
Patti Rundall  
Paul Sander-Jackson (resigned 22/11/06)  
Robin Simpson  
Jim Sumberg  
Rachel Sutton (re-elected 22/11/06)  
Bill Vorley (re-elected 22/11/06)

### **Company Registered Number**

02673194

### **Charity Registered Number**

1018643

### **Registered Office**

94 White Lion Street, London, N1 9PF, UK

### **Company Secretary and Co-ordinator**

Jeanette Longfield

### **Auditors**

haysmacintyre, Fairfax House, 15 Fulwood Place, London WC1V 6AY

### **Bankers**

The Co-operative Bank Plc, PO Box 101, 1 Balloon Street, Manchester, M60 4EP

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# SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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## TRUSTEES' REPORT For the year ended 31 March 2007

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The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the financial statements of Sustain: The alliance for better food and farming (the company) for the year ended 31 March 2007. The Trustees confirm that the annual report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" revised in 2005.

### HOW WE WORK AND WHAT WE DO

Sustain represents around 100 national public interest organisations working at international, national, regional and local level. It advocates food and agriculture policies and practices that enhance the health and welfare of people and animals, improve the working and living environment, promote equity and enrich society and culture.

### STRUCTURE AND GOVERNANCE

#### Constitution

The company, which is limited by guarantee and therefore governed by its Memorandum and Articles of Association, is also a registered charity.

#### Governance

Sustain is governed by its membership, which is open to national organisations which do not distribute profits to private shareholders and which therefore operate in the public interest. Members must be wholly or partly interested in food or farming issues and support the general aims and work of the alliance. Sustain's membership meets at least twice a year in general session (one of these meetings is the Annual General Meeting), and members also attend a range of specialist policy and project working party meetings (see Review of the Year below), all of which are chaired by a Sustain Council member.

The Council members are elected by the membership (and a third of the Council must stand down each year) to form a governing body of 15 Trustees. All Trustees declare any relevant financial interests and these are publicly available. The Council of Trustees meets quarterly to guide the work of the alliance, subject to approval by the members. As the Trustees are drawn from Sustain's membership, all of whom are third sector organisations, they are already familiar with the structure of and governance in this sector. Induction and training is therefore informal

By the 2006 AGM two Trustees had stood down, four existing Trustees were re-elected, and one new member was elected, leaving one vacancy, which may be filled by co-option, pending next year's elections. One of the Trustees leaving the Council was Kath Dalmeny, who resigned this position prior to applying for the post of Deputy Co-ordinator. This post was advertised in the normal way and, from among a very high calibre group of applicants that were interviewed, Kath was outstanding.

- Strategic review

Each year Sustain's staff and Trustees meet for a full-day review of our aims and activities, to assess the extent to which changes need to be made and agree appropriate action. This year, for example, discussions led us to refine our definitions of sustainable food. This is not only helping us to implement our range of projects, but also develop policies for Sustain as an organisation, for example on catering for meetings and on sustainable travel.

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2007

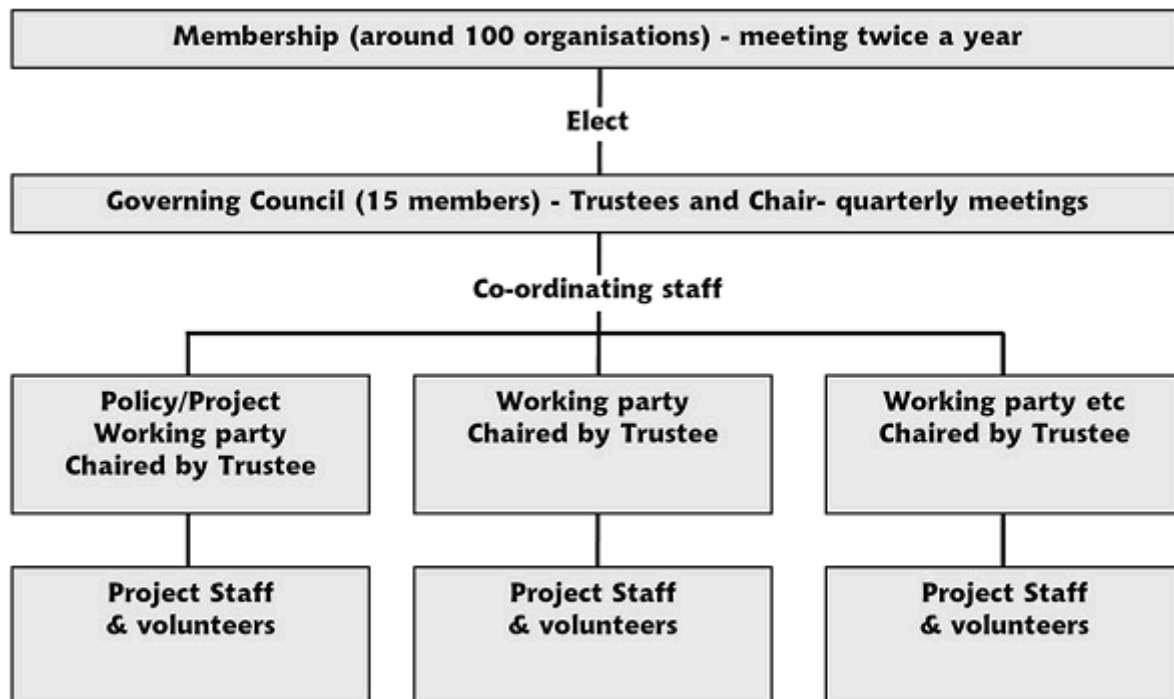
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- Related party transaction

During the year our relationship with the UK Food Group (UKFG) changed and became closer (see under "Review of the Year and Future Prospects"), so it is relevant to note that Sustain's Co-ordinator, Jeanette Longfield, is a member of UKFG's Management Committee, and Rachel Sutton, the UKFG Co-ordinator, is a Trustee on Sustain's Council.

#### Organisational structure

The diagram below is a schematic representation of Sustain's structure and does not indicate actual numbers of policy/project working parties or staff.



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#### Finance and administration

Sustain continues to retain the services of two high quality and good value consultants, Gavin Dupee and Quoc-anh Tran who, respectively, provide excellent Information Technology and finance and administrative services. This year, for example, the Sustain website has been totally redesigned to incorporate a number of new features. A 'content management system' has been added to give all staff access to edit their web content. The Food Access Network and Sauce-Toolkit databases have been re-launched with greatly improved usability, speed and online administration systems. An RSS news feed provides Sustain's breaking news stories directly to users' news readers, with the system already receiving 500 requests a day. A redeveloped publications system protects our PDFs from direct download, collects user information and encourages donations at every point of the order system. Donation levels have already risen, and continue to grow every week. The site is now visited by over 20,000 unique users a week, a figure that continues to rise.

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2007

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#### Volunteers

Sustain also continues to recruit high quality volunteers to undertake a range of worthwhile tasks in all areas of work. Not only does Sustain get excellent value from its volunteers, but they continue to be able to use the experience they gain at Sustain to go onto obtain good jobs or pursue their research.

#### Funding

Sustain would like to thank the following funders for their financial support for our work:

British Heart Foundation  
City Bridge Trust (formerly the Bridgehouse Trust)  
Department of Health  
Department for Environment Food and Rural Affairs (various, including Environment Action Fund)  
Esmée Fairbairn Foundation  
European Regional Development Fund  
Food Standards Agency  
Government Office for London (various)  
Government Office for the South West  
Herefordshire Rivers Leader +  
Joseph Rowntree Charitable Trust  
London Development Agency  
London Sustainability Exchange  
Marmot Charitable Trust  
Tudor Trust

#### ACHIEVEMENTS AND PERFORMANCE AND FUTURE PROSPECTS

Sustain has continued to make good progress across a wide range of food and farming policy issues and campaigns, and this year attracted a number of awards. Kath Dalmeny, who was appointed Deputy Co-ordinator in July 2006, was recognised for her special achievements in food policy in her previous role at the Food Commission, by the Caroline Walker Trust in November. Sustain's Co-ordinator, Jeanette Longfield, was awarded an MBE in the New Year's Honours List, and our esteemed former Chair, Tim Lang, was given a Lifetime Achievement Award by the Observer Food Monthly magazine in March 2007.

- **Children's Food Campaign**

This has been a busy year for campaign officer, Richard Watts, with the campaign's reputation, public profile and public support all growing (we were described as "slick and effective" by Marketing Week magazine), and we have made good progress on a number of fronts.

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2007

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#### New name and focus

The Children's Food Bill has been hugely successful in that three of its five clauses became government policy; new nutrition standards for school lunches, similar standards for vending machines, and changes to the school fruit and vegetable scheme. Good progress was being made with the other two clauses (on cooking skills in schools and on marketing) but the Bill ran out of time in Parliament in July.

Because of this success, the Bill would have had to change substantially if it were to have been reintroduced into Parliament again this year. It was agreed that, instead, we would focus our efforts on four key issues to improve children's diet and well-being, and pursue these in a variety of ways:

- Protecting children from junk food marketing (including TV adverts)
- Making the case for clear traffic-light food labelling, which everyone – including children – can understand.
- Monitoring the implementation of the new school food regime and campaigning for more funding for food in school
- Ensuring food skills are a compulsory part of the school curriculum for all pupils

The project was renamed the Children's Food Campaign, launched a new logo in December at a reception in the House of Lords, and has continued to grow in strength, attracting over 1000 more individual supporters (bringing the number to 12,000), major national organisation including Macmillan Cancer Support and the Prince's Trust, as well as a large number of new local organisations.

#### Food advertising and marketing

The most high profile aspect of this campaign continues to be on protecting children from junk food advertising and marketing. We were at the heart of successful efforts to persuade Ofcom – the broadcast regulator - to toughen their weak recommendations on junk food TV advertising and use the Food Standards Agency's nutrient profiling system to decide which food adverts were affected. Following an extensive consultation period, and considerably helped by campaign supporters' efforts – particularly a postcard campaign by the National Federation of Women's Institutes, and a legal challenge by the National Heart Forum - the new Ofcom rules will be implemented on 1 April 2007, which will give Britain the toughest set of rules in the world on junk food marketing to children.

However, the evidence shows that these rules are still too weak, so in the coming year we will increase our efforts to introduce a 9pm watershed for junk food TV adverts. In September Gordon Brown spoke of the need to do something about junk food advertising "before the watershed hour of 9". We hope he will stick to this pledge when he becomes Prime Minister. To encourage this, we have already launched, in February, the Television Advertising (Food) Bill which, if passed, would properly protect children from junk food TV advertising. The Bill was initially supported by Baroness Morgan of Drefelin, and then taken on by Baroness Thornton, and supported by more than 230 MPs.

At the same time as the debate about TV advertising has been proceeding, a parallel debate has been raging about how to restrict non-broadcast advertising, such as billboard posters, magazines, websites and so on. With the support of the British Heart Foundation, we are now beginning a major project to research, and report on, how a system of statutory regulation for non-broadcast advertising could be implemented.

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2007

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#### Food labelling

The campaign put itself in the middle of the debate on food labelling in early January by publishing research data to support the Food Standards Agency's traffic light labelling model. We found that almost half of adults cannot understand percentages which form the basis of the food industry's alternative 'percent of GDA' labels. We continue to believe the industry's 'percent of GDA' labelling system was designed only to give the appearance of action in the face of the current crisis in diet related ill-health, and at the same time, avoid using the red labels that might actually discourage people from eating junk food. However, some in the food industry are rising to the challenge, and are using the traffic light system as a spur to reformulating their products, as well as offering people easy to understand information.

#### School food

Years of campaigning by Sustain and others reached a crescendo with the Government's announcement on new standards for food in school in mid-May 2006. The announcement, following a long period of consultation by both Government and the new School Food Trust, bans low quality meat products, sweets, chocolate and salty snacks. Children will get "a minimum" of two portions of fruit and vegetables with every meal, while deep-fried food will be restricted to two portions per week. New menus were introduced in September 2006, with even tougher nutrient based standards being introduced in 2008 for primary schools and 2009 for secondary schools.

Although we are delighted that school food will improve substantially as a result of the new laws, we are concerned about some potential loopholes (such as permitting artificial sweeteners in some drinks), and we are not convinced that Government is investing enough money to fund the improved menus. We are therefore planning to monitor the implementation of the new rules, and press for changes if necessary.

#### Cooking in the curriculum

Among this encouraging progress, we were deeply disappointed that the Government has not yet made cookery and other food skills a compulsory part of the national curriculum for 11 to 14 year olds. Although food technology classes should now include much more practical food and cookery teaching, and every child can have free cookery lessons if they wish, they remain voluntary and therefore likely to exclude many schools.

We submitted a detailed response to the Department for Education and Skills and the Qualifications and Curriculum Authority on why we believe that it is important for all children to learn to cook. We also coordinated a letter to Alan Johnson from 50 organisations that led to a meeting with the official in charge of the school curriculum. We intend to pursue this issue with what is likely to be a new Education Secretary, once Gordon Brown becomes Prime Minister in summer 2007.

The campaign continues to be grateful to the large number of organisations that provide financial support, and these are listed in the financial part of this report. We are particularly grateful to the Joseph Rowntree Charitable Trust for extending and increasing its funding for the campaign for 2007-08.



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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2007

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- **Eat Somerset**

Dan Keech secured funding for the Eat Somerset project in early 2006 from the Esmée Fairbairn Foundation and Friends of the Earth. Eat Somerset, run by Sustain with support from Somerset Food Links, aims to increase trade between Somerset producers and local independent retailers in Somerset and adjacent areas including Bath and Bristol. Opportunities for local food in public sector institutions will also be explored. Before Dan left Sustain in June 2006, he initiated some valuable contacts, and also helped ensure that the project is linked to a New Economics Foundation initiative – Real Steps Towards Sustainable Local Food Systems – on which Dan now works! Project activity began in earnest in August when Kate Bowie rejoined Sustain on a part-time basis, and Nicky Saunter of Somerset Food Links joined the project.

#### Work with independent retailers

Following several months of negotiation local products were to be offered to customers of the Booker Cash and Carry store in Taunton. The co-operative producer group, Source, was to deliver a range of products direct to the Booker customers who are mainly independent retailers and caterers. In mid-March, however, Source decided that it was not ready to take part in this initiative for a number of reasons, so this aspect of the project is on hold. Instead Nicky and Kate will introduce Booker to local products on a producer-by-producer basis, to build on Booker's enthusiasm and the opportunity this presents to get local food to a wider market.

Other independent retailers in the delivery range of Source (the area between Taunton, Bridgwater, Watchet and Wiveliscombe) have also been contacted and invited to join the project. Out of a total of 56 stores, seven are particularly keen on exploring opportunities for stocking more local produce. In addition, key producers, processors and distributors in the local food system are being identified and a sample interviewed, to understand where opportunities and obstacles lie for further developing sustainable local food chains.

#### Sustainability principles

Sustainability principles have been approved by the Eat Somerset working party, and are available on the Sustain website. The principles outline the interaction between all aspects of sustainability, for example encouraging practices that protect and promote wildlife and minimise energy-intensive inputs; minimise fuel consumption, food packaging and waste; promote health and well-being amongst communities; celebrate food culture, and support local jobs, livelihoods and economies.

#### Public procurement

At the end of January 2007, Eat Somerset secured additional funding from Government Office South West (GOSW). During February and March, Kate contacted a wide range of public-sector organisations in Bath and North East Somerset, presenting the case for sustainable food procurement and discussing steps they can take to introduce more sustainable food into their catering services. A report has been submitted to GOSW identifying opportunities for further work.

#### What next

It is likely that the focus of project will move from Somerset, to the Bath and North East Somerset (B&NES) area and Bristol, given the higher level of interest in this region and Kate's location in Bath. A range of local food delivery mechanisms and promotional techniques will be tested and a meet-the-suppliers event is being planned for summer 2007. Kate is also involved in local food partnerships in B&NES, Bristol and North Somerset. The B&NES partnership is developing a local food project proposal to present to Rural Renaissance for funding. If funding is secured, project work will continue and expand on the work of Eat Somerset.

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2007

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- **Food Access Network, UK**

Formerly the Food Poverty Project, 2006 proved a successful year for the renamed Food Access Network – UK. The project entered its second year of a three year funding agreement with the Department of Health as well as securing funding from the Food Standards Agency (FSA) to run a pilot project bringing together community food projects from across the UK, entitled UK Liaison.

As a result of the funding from the FSA, Lisa Wilson joined the project in May 2006 to work alongside Claire Milne to develop the network and co-ordinate the first two UK Liaison events in Birmingham in July and Cardiff in November. As a result of these events, stronger links are developing between the project and its partners in Scotland, Wales, Northern Ireland and Ireland. Lisa was also involved in the successful completion of our part of a consultancy project for the FSA, on how best the Agency should link with community food projects. We await the outcome of this project, and also the long-awaited Low Income Diet and Nutrition Survey, with great interest, and the latter is expected in summer 2007.

The project newsletter has continued to be published on a quarterly basis and has been both redesigned and renamed *FANMail* to coincide with renaming the project. In addition all network members were contacted to update the database (which now has over 250 projects) and a paying membership system was reintroduced. These changes are being well received and membership is rising steadily. In addition, as a part of the development of the Sustain website, a new web based database is being designed, which is expected to be online by spring 2007.

The project's submission to the Competition Commission Groceries Market Enquiry was well received and specifically mentioned in the Commission's first 'Emerging Thinking' report published in January 2007. The project has maintained links with the Breaking the Armlock coalition, and continues to be concerned about the impact of growing retailer concentration on the ability of low income groups – particularly those without cars – to reach a decent range of food shops. The project also continues to engage in a range of consultation exercises, for example by the National Institute of Health and Clinical Excellence, on how to reduce health inequalities.

During the year a new partnership with another Sustain project - London Food Link – was formed to create the London Food Access Forum. The forum meets quarterly to encourage food access projects in London to explore issues of common concern, and share experiences. Its success has meant there are now plans to develop similar groups in other parts of England. In addition, the project is developing work on how to improve food access for older people, having forged links with Age Concern England, and plans to interview older people about their views on this issue.

Claire Milne left the project in October 2006, but it is hoped that, following encouraging discussions, the FSA will renew their agreement for the UK Liaison project for 2007 allowing the project to retain a full-time officer and take on additional part-time staff for the UK Liaison work. Events are already planned for Newcastle in Spring 2007 and in Glasgow in the summer. In the autumn, depending on the success of a funding application to the Big Lottery, the Food Access Network may also be reviving some work on community mapping, in association with the Campaign to Protect Rural England, one of the lead partners in the bid.

- **Food and Mental Health**

Despite the substantial and positive media coverage that greeted the publication, in January 2006, of *Changing diets, changing minds: How food affects mental health and behaviour*, and the continuing public interest, policy makers remain resistant to change. The Food Standards Agency (FSA)'s Scientific Committee on Nutrition, for example, has been asked twice during the year by Sustain to examine the issue, but continues to postpone any discussion, and an FSA-funded research project on the effects of diet on children's behaviour was inconclusive. Similarly, a positive meeting with Mental Health Minister, Rosie Winterton, was not followed by any government action.

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2007

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However, project officer Courtney Van de Weyer, has continued to stay abreast of the still accumulating evidence, circulating this to a network of researchers and organisations that offer diet-related advice to people experiencing mental health problems. Courtney also spoke at a number of events and responded positively to numerous requests for articles, throughout the year, which helped to keep the issue on the public agenda. In addition, the project contributed to a number of consultation exercises, including by the National Institute of Health and Clinical Excellence on dementia, bipolar disorder, and Attention Deficit Hyperactivity Disorder. More positively, the summary of published responses to the European Commission's Green Paper on Mental Health in Europe – to which the project responded - specifically mentions the importance of a healthy diet.

There was also a very enthusiastic response to our own consultation on whether to co-ordinate a bid to the Big Lottery's Well-Being programme to promote the benefits of growing and eating your own food, for mental health and well-being. Despite the widespread support for and participation in the bid– named Cultivating Well-Being – it was not successful (although we are pleased to note that some participants in the Sustain bid received funding via other routes).

The coming year looks promising, however, and the Parliamentary Food and Health Forum will be holding an inquiry into the links between food, mental health and behaviour, and Courtney is among the range of international expert speakers who have been invited to give evidence. We continue to be grateful to the Tudor Trust for their financial support for this project.

- **Food Industry Sustainability Strategy**

As Sustain's Co-ordinator, Jeanette Longfield was invited to sit on the strategic steering group, Chaired by Food Minister, Lord Rooker, to take an holistic view of Defra's Food Industry Sustainability Strategy (FISS). Jeanette was also a member of the group assessing how best to save water - one of the six "champions" groups, looking at specific issues in the FISS (the other five were energy, waste, transport, corporate social responsibility and ethical trading. Each "champions" group met several time and produced a report and, towards the end of the year, these were scheduled to be discussed by the strategic steering group. It is likely that a further Defra consultation on the resulting recommendations will be held in early summer 2007.

- **Food Standards Agency**

Jeanette Longfield continues to attend a number of FSA meetings, including the twice yearly Consumer Stakeholder meetings with the Chief Executive. These continue to provide an opportunity to remind the Agency of its obligation to incorporate sustainable development into its policies and practices, and there are some positive signs. The Agency agreed, for example, that it would be appropriate to review its policy on fish, which currently recommends that people eat at least two portions a week, with one being oily fish, but without referring to the critically endangered state of many fish stocks. Unfortunately, the consultation exercise has been delayed until later in 2007.

However, the Agency did take a positive step with one aspect of its catering policy. Encouraged by Sustain, among others, (see Bottled water vs tap water below) the FSA has now abandoned the environmentally damaging practice of providing bottled water, and is now providing chilled and filtered tap water for its staff and visitors.

During the year Jeanette also convened a small group of organisations concerned about the uncertain future of the Public Analyst service, on which much food law enforcement depends. The issue will be discussed by the FSA in early summer, and it is hoped that a positive way forward can be found.

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2007

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- **Good Food on the Public Plate**

The success of this project (formerly the London Hospital Food Project) secured it another two years of funding, from DEFRA's Rural Enterprise Scheme and the City Bridge Trust (formerly the Bridge House Trust). Originally focused solely around four London hospitals, the project is now also working with schools and care homes across London and the South East. The project reached its target of twenty hospitals, five care homes and five schools participating in the work well ahead of schedule. Levels of involvement are at varying stages but the degree of interest and enthusiasm shown is very positive across the board. The project's new name, 'Good Food on the Public Plate' (GFPP) reflects its geographical expansion and the range of public sector caterers involved.

This expansion was reflected in the funding and allowed us to recruit a second project officer, Mathew Castle, to join Emma Hockridge. Unfortunately, Mat left Sustain at the end of March, so a new project officer will be recruited for the final year of this stage of the project.

During the year the project officers spoke at a number of important conferences and events including the National Sustainable Public Procurement conference. We also carried out a project for the Government Office for London (in partnership with East Anglia Food Link) to set up buyers and suppliers groups for local authorities. As a result, we will be focusing on helping people include sustainability clauses in catering contracts as they come up for renewal.

Work with the National Association of Care Caterers' continues, and the Association's sustainable food group is now part of the GFPP project. Funding is currently being sought to appoint a project co-ordinator to work with care providers on a national scale helping them devise action plans and find local suppliers. GFPP is also acting as one of the lead projects for the South East food group partnership, as well the London Public Sector Food procurement initiative, and the London Centre of Excellence on Sustainability.

Throughout the year a range of promotional events were held in schools and hospitals, including in London, Portsmouth and Birmingham. These included farmers markets in schools, participating in British Food Fortnight in autumn 2006 and holding cookery demonstrations. In the coming year another programme of visits and events will be arranged, including farm visits and training seminars for catering staff and others.

Training for caterers continues to be an important issue, and in summer 2007 we are planning to start work with Greenwich Cooperative Development Agency to develop a training programme for public sector caterers. The project is funded by the London Development Agency, as part of the London Mayor's food strategy, and GFPP's role will probably be recruiting hospital and care home staff, and developing sustainability elements in the training.

During the year we have continued to produce a regular e-newsletter (sent to around 600 subscribers), drawing attention to significant developments in sustainable public sector procurement. We also circulate, in association with the National Farmers Union, a regular e-bulletin for those farming in and around the London area. As well as spreading information, in the coming year we will be working with the Soil Association to revive the national group of public procurement professionals formed to share experiences, and devise ways to accelerate progress. The first meeting should be held in early summer 2007.

Against the background of this successful project development, project officer Emma Hockridge also continued her Nuffield Farming Scholarship programme to explore how growing "exotic" produce in the UK could provide employment opportunities for ethnic minority groups, and enhance sustainability by reducing long distance imports. In the second year of this prestigious two year scheme Emma has visited China, Australia and, for her final trip, the Gambia.

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2007

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- **London Food Link**

London Food Link went from strength to strength in the second year of its three year funding from DEFRA's Environmental Action Fund and the European Regional Development Fund.

#### Restaurants

The success of working with the King's Cross restaurant, Konstam, helping the owner to buy ingredients from within the area covered by the London tube network, was celebrated in a TV series - The Urban Chef - on BBC2 at the start of June 2006. This was perhaps a springboard for the success of work on restaurants later in the year.

Based on research undertaken during the year by project officer Ben Reynolds, in Spring 2007 London Food Link (LFL) published *One Planet Dining: London's growing market for eating out sustainably*. The report provides a snapshot of current practices and attitudes around sustainability in the restaurant, hotel and catering sectors in London. It features many examples of good practice showing how restaurants around the capital have incorporated sustainability including Leon, Acorn House and, of course, Konstam. The report also explores ways to stimulate a more sustainable food system, and the people and organisations best placed to make this come about. The report shows that many of London's restaurants are missing out on a booming market for local and ethical food, and those who are already using sustainable ingredients could do more to communicate this effectively to their customers.

LFL will be able to build on the recommendations in this report in the new Greener Food project, funded by the London Development Agency and co-ordinated by London Sustainability Exchange. Charlotte Jarman joined the LFL team in February 2007 to work full-time for two years to support London restaurants, cafés and take-aways in becoming more sustainable. Greener Food offers participating businesses an environmental audit of their operation, covering energy and water use, managing waste and recycling, and creating sustainable food supply chains. Each business will receive a tailor-made action plan setting out recommendations for improving practice in these areas. LFL is working on the food element of the project, helping the businesses to identify and purchase more sustainable ingredients.

As part of this work, LFL launched Ethical Eats in March 2007 to bring together London's leading ethical eateries for the first time to discuss how to make the sector more sustainable. Representatives of restaurants including Leon, Moshi Moshi, and Sausage & Mash Café met with Sustain, the Marine Stewardship Council and other environmental organisations to discuss how to tackle the slippery issue of sustainable fish. The first meeting received widespread press coverage, and Ethical Eats is already scheduled to meet again in June for a "meet the producer" event.

And hotels are also getting in on the sustainability act. As a result of LFL involvement, a sustainable food category was introduced for the first time into the Considerate Hoteliers award. The 2006 winners, announced at a gala event at The Dorchester at the start of 2007, were One Aldwych, London, and Strattons, Norfolk, chosen not only for using local ingredients in their menus but also for communicating issues around sustainable food to their customers.

#### Multicultural communities

Spring 2007 also saw the publication of another LFL report: *Recipe for a Greener Curry: how London's ethnic business can celebrate sustainable food*. This ground-breaking report confirms that Black, Asian and Minority Ethnic (BAME) businesses are vital for the cultural and economic vibrancy food in London, and Britain. Yet it also shows that, like the rest of the food sector, many businesses have not yet grasped the market opportunities presented by our growing appetite for sustainable food.

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2007

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The report recommends that Government provides both money and a higher profile for measures to stimulate the supply of sustainable food from Small and Medium-sized Enterprises (SMEs) as well as the demand for sustainable food, including from schools, hospitals and other public sector caterers. As well as calling for Government action, *Recipe for a Greener Curry* gives well-deserved publicity to the current “green” entrepreneurs in the BAME food sector, and also aims to inspire others to build on their achievements.

As well as researching and writing the report, project officer Zeenat Anjari has been working with London Business Support Agencies (BSAs) to ensure that LFL’s advice on sustainability is incorporated into all publicly-funded programmes that support London food manufacturers. Advice has included: writing website material for Anila’s Sauces, a manufacturer of curry sauces and pickles, to promote their sustainable purchasing; identifying a free range chicken supplier from LFL’s database that could be used at fast food chain, Chicken Cottage; and suggesting suppliers for a new product range for By Chaat House, a manufacturer of premium Indian snacks.

*Recipe for a Greener Curry* was given pre-publication publicity at the World Food Exhibition in November 2006 and Zeenat ran a workshop on opportunities for BAME businesses to use sustainable food. The report was officially launched at the March 2007 International Food Exhibition where Zeenat presented a seminar focusing on consumer trends in sustainable food. Zeenat has also attended and spoken at a wide range of meetings arranged by business support agencies and food companies in London and in Bradford.

Her work on regionalising the food supply chain in West London, thus getting local food into many small, independent ethnic food businesses, has led to Hounslow Council developing a sustainable market officer post at Western International Market (WIM). In association with East Anglia Food Links, collaboration between wholesalers at New Spitalfields Market and growers in the east of England is under way to provide more locally grown produce to the ethnic food businesses of East London.

#### London Food Strategy

London’s Mayor, Ken Livingstone, launched his Food Strategy in May 2006. This represented the culmination of months of research, preparation and consultation, undertaken last year for the London Development Agency (LDA) by LFL. Since the launch, London Food, an advisory body to the LDA, has been working on an implementation plan which is due to be launched in Summer 2007. This will outline how the LDA plans to spend their budget of around £3million over the next two years. Although progress has been slower than hoped, LFL is looking forward to engaging in the process of translating the strategy into action.

#### Olympics

A new area for LFL is its work with the London Organising Committee of the Olympic (and Paralympic) Games (LOCOG), to develop a sustainable food policy. This work will dovetail with our new research into the opportunities for sustainable food at the 2012 games, which will be done in conjunction with the New Economics Foundation and the Soil Association in summer 2007. The project is funded by Triodos Bank, and a joint Triodos and Soil Association event was held in January, called *Can the Olympics get conscious about consumption?* The project report will explore the benefits that could be achieved if food played its part in making London 2012 the greenest Olympics yet.

#### Networking and promotion

Networking meetings continued throughout the year, with two very well attended events for LFL’s membership as a whole, plus several London Food Access Forum events – run with Sustain’s Food Access Network – to bring together those members running food access projects.

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2007

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The Jellied Eel, LFL's newsletter, was widely distributed during London Sustainability Weeks in summer 2006, which incorporated a range of public events raising awareness of London's impact on the environment and what can be done to reduce it. In autumn 2006, London Libraries Development Agency ran a promotion on food and drink books: *An Appetite for Reading*. As part of this promotion they put copies of The Jellied Eel, in most London libraries, so the newsletter's readership continues to expand.

News of LFL's work to improve the sustainability of London's food and farming system is also spreading internationally, with project officer Ben Reynolds invited to speak in South Korea in October. Links have also been made with similar initiatives in cities such as Toronto, Canada, Amsterdam in the Netherlands and Gothenberg in Sweden.

- **Orchards project**

In August 2006, Ida Fabrizio was employed as the new part-time project officer for the Leader+ Orchards Co-operation Project. Funded until December 2007 by Leader+, a European rural regeneration programme, the orchards project is working with six areas - Mid Kent, Somerset Levels and Moors, Cumbrian Fells and Dales, North West Devon, Teignbridge and Herefordshire Rivers. The aim is to conserve and bring into sustainable management traditional orchards in these six locations.

After an initial period of making contacts, attending events and gathering local project information during the height of the apple season in October, the first national network meeting was organised and held in London on 27th November 2006. It was a very successful and well attended meeting, with many issues raised such as: the significance of biodiversity in orchards; the importance of getting young people active and involved in keeping orchard traditions alive; and an acknowledgement of the value of the multifunctional nature of orchards.

At the beginning of 2007 Ida produced the first Leader+ Orchard Co-operation Newsletter, including reports of visits to and interviews with orchard projects in participating Leader+ groups across England, as well as information from inspiring projects in Welsh Leader+ areas. Since the start of the project, Ida has also been taking and collecting photos on all her orchard project visits and events, for posting on a group photo sharing website.

Work on a good practice guide, due to be published in December 2007, has already begun, with a draft structure circulated to the network for comment. As well as working on this publication, Ida will be spending the next few months making site visits to projects to investigate case studies for the guide as well as obtaining useful advice and information from the orchard project co-ordinators, and a second network meeting will be organised in the summer.

- **Organic Action Plan**

Emma Hockridge continued to represent Sustain on the Organic Action Plan Steering Group (OAPSG) throughout the year. Although, in 2006, sales of organic food increased by 30% to £1.6bn, and there was a 56% increase in producer applications for the Soil Association, there were some worrying signs that government commitment to organic production was waning. Some senior ministerial statements were less than helpful, and discussions over the respective remits of the OAPSG, the Advisory Committee on Organic Standards (ACOS) and the Sustainable Food and Farming Strategy bogged down more rapid progress.

However, it has now been agreed that Sir Don Curry will chair twice yearly OAPG meetings to discuss what action needs to be taken to harness the contribution organic farming and food could make to implementing DEFRA's commitments to one planet living.

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2007

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Catherine Fookes remains Sustain's representative, on a consultancy basis, on the Advisory Committee on Organic Standards (ACOS) which discussed a number of controversial issues throughout the year, including prohibiting the use of Genetic Modification (GM) in organic systems, and the certification of organic fish farms.

- **Sustainable agriculture**

Kath Dalmeny joined Sustain in July 2006, as Deputy Co-ordinator, not only to help develop Sustain as a whole, but also to reinvigorate Sustain's work on sustainable agriculture. Throughout the year Kath has been consulting extensively with Sustain's membership, including through specially convened meetings and one-to-one discussions with a number of experts in this complex area. Common Agricultural Policy reform continues to be both an obstacle to and an opportunity for significant changes in agriculture.

At the same time as focusing on the supply – or lack - of sustainable agricultural products, Kath is also exploring how demand for sustainable food could be stimulated. A potentially positive approach, which Sustain is exploring with a range of partners, is "sustainability scoring" i.e. measuring food products against a range of sustainability criteria – such as health, animal welfare and environmental impact – and assessing how this information might be both used by food companies to improve their products, and put on labels to help people make more sustainable food choices.

Kath is also drawing together a range of evidence showing not only how current food and agriculture systems are contributing significantly to global warming, but also how changes to agriculture – in particular – could help reduce our impact on climate change. It is important that any such changes do not damage society's poorest groups, and in November Kath convened a significant meeting for the Department for International Development. The aim was to examine how to avoid conflict between the need to support both economic development in poor countries – by encouraging agricultural exports – and the need to tackle climate change, by supporting UK producers and avoiding air-freighted produce. The environment and development groups invited to participate found the meeting very helpful, and further work will clearly be needed in this delicate area.

- **Other developments**

- Agri-Food Network

A Network meeting was held in July 2006 to discuss *Private governance of food supply chains: Who benefits, who pays?* Speakers included Bill Pritchard, from the University of Sydney, Richard Baines, from the Royal Agricultural College, and Sustain Trustee, Bill Vorley, and notes from the thought-provoking discussion are on Sustain's website, along with the papers from this and previous meetings. This was the last such meeting organised by Sustain, for the time being, with the secretariat now moving to the co-hosts, City University.

- Bottled water vs tap water

Sustain attracted some excellent media coverage in early January 2007 for a new report *Have you bottled it? How drinking tap water can help save you and the planet.* Researched and written by a French intern, Lucie Wanctin, the report highlighted the environmental impact of the energy consumed and waste caused by producing, transporting and disposing of bottled water. While being properly hydrated is important for our health, tap water in the UK is very high quality, and many blind taste tests show most people cannot tell the difference between bottled water and tap water.

In the coming year, we will be working with other organisations who are concerned about this issue to ensure that tap water once again becomes the norm for drinking. We are particularly concerned that many government departments and agencies are wasting tax payers' money on bottled water, as well as failing to follow government's own guidance on sustainability.



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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2007

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- Healthy and Fair Trade Schools

Kath Dalmeny successfully obtained a contract for Sustain from Young Co-operatives to assess the implications of the new school food standards for fair trade food and drink products sold in schools by young co-operative entrepreneurs. Many of the products currently sold by young co-operatives – such as fair trade chocolate – will fall foul of the new rules, so Sustain needed to make recommendations for new, healthy and fair trade products that could be located and marketed to children. Kath recruited and managed a very good consultant, Hannah Williams, to undertake this contract, which was completed to a high standard in Spring 2007. Following in-depth research, and consultations with young people both as sellers and potential customers, and with suppliers of healthy and fair trade products, Sustain's report recommended, among other things, that fair trade fruit boxes, smoothies and breakfast promotions looked to be promising sales avenues. Fair trade companies also need to provide a wider product range, with smaller packs suitable for children's snacks.

- Sustainable fish – the Taking Stock group

During the year Sustain took on the secretariat for a growing network of organisations tackling issues around sustainable fish production and consumption. The initial meeting, organised by Forum for the Future and the National Consumer Council, was entitled Taking Stock, and the name stuck. Stimulating meetings were held in July and November 2006, and March 2007, leading to productive links with the Greener Food project and Ethical Eats network run by London Food Link (see above). We aim to keep this vital issue high on the public agenda in the coming year, not least with the delayed publication of the Food Standards Agency's consultation on fish consumption for health and sustainability, expected in autumn 2007.

- UK Food Group

In October Sustain's Council agreed that, for a modest fee, Sustain would provide book-keeping services for the UK Food Group (UKFG), a longstanding Sustain observer organisation, which acts as a sister network, focusing on global food and farming issues. The arrangement will include receiving grants on the Group's behalf, and administering expenses. This had been requested by the UKFG as its previous office and financial arrangements with Christian Aid had come to an end, due to lack of office space. The UKFG is now based in the same office as Sustain, which facilitates useful co-operation between our two networks.

### FINANCIAL REVIEW

The fund balance carried forward at 31st March 2007 was £262,963 (2006: £222,530) on unrestricted general reserves. The restricted reserves on continuing projects was £43,460 at 31st March 2007 (2006: £19,957). The full Statement of Financial Activities is set out on page 20 of these accounts.

### Reserves policy

In accordance with guidelines issued by the Charity Commissioners, the Trustees have adopted a reserves policy which should ensure that:

Excluding those funds represented by fixed assets, general reserves do not exceed more than six months anticipated expenditure. This is equivalent to £282,208, based on current costs. At present, free funds amount to £262,686. There are adequate funds to ensure that the charity is able to meet all current and known future liabilities. The level of reserves is considered and reviewed at regular intervals by the Council.

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2007

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#### Investment policy

Under the memorandum and articles of association, the charity has the power to invest the moneys of the Company not immediately required for the furtherance of its objects in or upon such investments, securities or property as may be thought fit, subject nevertheless to such condition (as any) and such consents (if any) as may for the time being be imposed or required by law. At the present time the Trustee's policy is to maintain such monies on deposits earning a market rate of interest.

#### Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems are in place to mitigate our exposure to the major risks.

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company and charity law require the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to;

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees are aware at the time the report is approved:

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

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## **SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING**

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### **TRUSTEES' REPORT (continued) For the year ended 31 March 2007**

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#### **AUDITORS**

The auditors, haysmacintyre are willing to be re-appointed in accordance with section 385 of the Companies Act 1985 under the name of haysmacintyre.

#### **APPROVAL**

This report was approved by the Trustees on 19 July 2007 and signed on its behalf, by:

**Anne Dolamore**  
Chair of the Council of Trustees

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# SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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We have audited the financial statements of Sustain: The Alliance for better food and farming for the year ended 31 March 2007 which comprise the Statement of Financial Activities (incorporating, the Income and Expenditure account), the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

The responsibilities of the Trustees (who are also the directors of Sustain: The Alliance for better food and farming for the purposes of Company Law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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#### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller charities, of the state of the charitable company's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the trustees' report is consistent with the financial statements.

haysmacintyre  
Chartered Accountants & Registered Auditors  
Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

### STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account) For the year ended 31 March 2007

	Note	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
<b>INCOMING RESOURCES</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	18,371	18,371	6,078
Activities to generate funds		-	600	600	-
Investment income		-	2,576	2,576	4,030
<i>Incoming resources from charitable activity</i>					
Health and Welfare	3	449,069	157,735	606,804	437,851
<b>TOTAL INCOMING RESOURCES</b>		<u>449,069</u>	<u>179,282</u>	<u>628,351</u>	<u>447,959</u>
<b>RESOURCES EXPENDED</b>					
<i>Costs of generating funds:</i>					
Fund raising costs	5	-	9,024	9,024	8,657
<i>Charitable expenditure:</i>					
Health and Welfare		432,166	108,677	540,843	513,962
<i>Governance</i>	6	-	14,548	14,548	10,033
<b>TOTAL RESOURCES EXPENDED</b>		<u>432,166</u>	<u>132,249</u>	<u>564,415</u>	<u>532,652</u>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>					
		16,903	47,033	63,936	(84,693)
Transfers between Funds	12	6,600	(6,600)	-	-
<b>NET INCOME / (EXPENDITURE) AFTER TRANSFERS</b>		23,503	40,433	63,936	(84,693)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>					
		23,503	40,433	63,936	(84,693)
TOTAL FUNDS AT 1 APRIL 2006		<u>19,957</u>	<u>222,530</u>	<u>242,487</u>	<u>327,180</u>
<b>TOTAL FUNDS AT 31 MARCH 2007</b>		<u>43,460</u>	<u>262,963</u>	<u>306,423</u>	<u>242,487</u>

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

The notes on pages 22 to 30 form part of these financial statements.

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### BALANCE SHEET As at 31 March 2007

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	Note	£	2007 £	£	2006 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	9		277		719
<b>CURRENT ASSETS</b>					
Debtors	10	117,523		89,424	
Cash at bank		206,018		158,468	
		<hr/>		<hr/>	
		323,541		247,892	
<b>CREDITORS:</b> amounts falling due within one year	11	(17,395)		(6,124)	
		<hr/>		<hr/>	
			<b>306,146</b>		<b>241,768</b>
<b>NET ASSETS</b>	13		<b><u>306,423</u></b>		<b><u>242,487</u></b>
<b>CHARITY FUNDS</b>					
Restricted Funds	12		43,460		19,957
Unrestricted - General Funds	12		262,963		222,530
			<hr/>		<hr/>
			<b><u>306,423</u></b>		<b><u>242,487</u></b>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

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

**Anne Dolamore** - Chair

**Joe Harvey** - Treasurer

The notes on pages 22 to 30 form part of these financial statements.

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# SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2007

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### 1. ACCOUNTING POLICIES

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" revised in 2005, applicable accounting standards and the Companies Act 1985.

#### 1.2 Company status

The company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

#### 1.3 Fund accounting

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

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

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

#### 1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

#### 1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are allocated between the expenses headings on the basis of time spent

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and are allocated on the basis of staff cost.

Governance costs are those incurred in connection with enabling the Charity to comply with external regulation, constitutional and statutory requirements and in providing support to the Trustees in the discharge of their statutory duties.



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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2007

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005).

##### 1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office Equipment	-	25%	straight line
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##### 1.8 VAT

The charity is not registered for VAT. In common with many other similar registered charities, Sustain's expenses are inflated by VAT, which cannot be recovered.

##### 1.9 Tax status

The company is a registered charity and is not subject to corporation tax on its current activities.

#### 2. VOLUNTARY INCOME

	<b>Restricted Funds 2007 £</b>	<b>Unrestricted Funds 2007 £</b>	<b>Total Funds 2007 £</b>	<i>Total Funds 2006 £</i>
Donations	<u>-</u>	<u>18,371</u>	<u>18,371</u>	<u>6,078</u>

## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2007

#### 3. INCOMING RESOURCES FROM CHARITABLE ACTIVITY

##### - *Health and Welfare*

	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
City Bridge Trust (formerly Bridge House Trust)	30,000	-	30,000	-
British Heart Foundation	16,000	-	16,000	-
Department of Health	55,100	-	55,100	26,750
Department of Environment Food and Rural Affairs (DEFRA)	74,589	-	74,589	65,670
Environment Action Fund (DEFRA)	45,700	-	45,700	46,415
Esmée Fairbairn Foundation	49,987	-	49,987	-
European Regional Development Fund	46,470	-	46,470	17,193
Food Standards Agency	-	17,000	17,000	-
Government Office for London	12,000	-	12,000	-
Herefordshire Rivers Leader +	29,176	-	29,176	-
Joseph Rowntree Charitable Trust	32,500	-	32,500	32,500
Kings Fund	-	-	-	20,000
London Development Agency	-	-	-	52,799
London Sustainability Exchange	13,739	-	13,739	-
Marmot Charitable Trust	4,000	10,000	14,000	-
Mental Health Foundation	-	-	-	27,500
School Food Trust (Department for Education and Skills)	-	-	-	20,400
Tudor Trust	30,000	-	30,000	30,000
Government Office for the South West	-	7,000	7,000	-
Other grants and income	9,808	99,581	109,389	73,628
Sales and publications	-	1,536	1,536	8,626
Subscriptions and other income	-	4,853	4,853	4,790
Membership fees	-	17,765	17,765	11,580
<b>Total</b>	<b><u>449,069</u></b>	<b><u>157,735</u></b>	<b><u>606,804</u></b>	<b><u>437,851</u></b>

#### 4. RESOURCES EXPENDED

	Direct Staff Costs £	Other Direct Costs £	Support Costs £	2007 £	2006 £
<b>Charitable Expenditure</b>					
Health and Welfare	335,858	95,840	109,145	540,843	513,962
<b>Other Expenditure</b>					
Fundraising	7,203	-	1,821	9,024	8,657
Governance	4,802	6,810	2,936	14,548	10,033
<b>Total</b>	<b><u>347,863</u></b>	<b><u>102,650</u></b>	<b><u>113,902</u></b>	<b><u>564,415</u></b>	<b><u>532,652</u></b>

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2007

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#### ANALYSIS OF SUPPORT COSTS

	Health and Welfare	Fundraising	Governance	2007	2006
	£	£	£	£	£
Staff costs	42,704	713	1,149	44,566	37,296
Office costs	39,959	667	1,075	41,701	40,970
Other costs	26,482	441	712	27,635	24,108
Total	<u>109,145</u>	<u>1,821</u>	<u>2,936</u>	<u>113,902</u>	<u>102,374</u>

Support costs are costs of central management. These costs are apportioned to activities on a per capita basis.

#### 5. FUND RAISING COSTS

	Total Funds 2007 £	Total Funds 2006 £
Direct staff costs	7,203	6,993
Support costs	1,821	1,664
Total	<u>9,024</u>	<u>8,657</u>

#### 6. GOVERNANCE

	Total Funds 2007 £	Total Funds 2006 £
Direct staff costs	4,802	2,331
Auditors remuneration	6,810	5,887
Support costs	2,936	1,815
Total	<u>14,548</u>	<u>10,033</u>

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2007

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#### 7. NET INCOME / (EXPENDITURE)

This is stated after charging:

	2007 £	2006 £
Depreciation of tangible fixed assets: - owned by the charity	442	442
Auditors' remuneration - audit services	4,327	4,121
- other services	2,442	1,766
	<u>          </u>	<u>          </u>

During the year, no Trustees received any remuneration (2006 - £NIL).

During the year, no Trustees received any benefits in kind (2006 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2006 - £NIL).

#### 8. STAFF COSTS AND NUMBERS

Staff costs were as follows:

	2007 £	2006 £
Wages and salaries	355,653	274,046
Social security costs	36,776	28,564
	<u>          </u>	<u>          </u>
	<u>392,429</u>	<u>302,610</u>

The average number of full-time equivalent employees during the year was as follows:

	2007 No.	2006 No.
Health and Welfare	12	9
Governance	1	1
	<u>          </u>	<u>          </u>
	<u>13</u>	<u>10</u>

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

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**SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING**

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
For the year ended 31 March 2007

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**9. TANGIBLE FIXED ASSETS**

	<b>Furniture, fittings and equipment £</b>
<b>Cost</b>	
At 1 April 2006	30,047
Additions	-
	<hr/>
At 31 March 2007	<b><u>30,047</u></b>
<b>Depreciation</b>	
At 1 April 2006	29,328
Charge for the year	442
	<hr/>
At 31 March 2007	<b><u>29,770</u></b>
<b>Net book value</b>	
At 31 March 2007	<b><u>277</u></b>
<i>At 31 March 2006</i>	<u>719</u>

**10. DEBTORS**

	<b>2007 £</b>	<b>2006 £</b>
<b>Due within one year</b>		
Debtors	64,267	31,888
Prepayments	2,747	2,746
Grants Receivable	50,509	54,790
	<hr/>	<hr/>
	<b><u>117,523</u></b>	<b><u>89,424</u></b>

**11. CREDITORS:  
Amounts falling due within one year**

	<b>2007 £</b>	<b>2006 £</b>
Other creditors	5,104	202
Accruals	12,291	5,922
	<hr/>	<hr/>
	<b><u>17,395</u></b>	<b><u>6,124</u></b>

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2007

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#### 12. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>					
General Funds	<u>222,530</u>	<u>179,282</u>	<u>132,249</u>	<u>(6,600)</u>	<u>262,963</u>
<b>RESTRICTED FUNDS</b>					
	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
Childrens' Food Campaign	9,466	53,493	54,118	-	8,841
Eat Somerset	553	50,987	36,880	4,993	19,653
Food Access Network - UK	(5,238)	58,190	53,741	-	(789)
Food and Mental Health	16,513	30,150	34,315	-	12,348
Good Food on the Public Plate	-	120,589	118,916	-	1,673
London Food Link	(1,337)	106,484	110,738	1,607	(3,984)
Orchards	-	29,176	23,458	-	5,718
Subtotal	<u>19,957</u>	<u>449,069</u>	<u>432,166</u>	<u>6,600</u>	<u>43,460</u>
Total of Funds	<u>242,487</u>	<u>628,351</u>	<u>564,415</u>	<u>-</u>	<u>306,423</u>

Income, which is received for specific projects, is accounted for as restricted funds. Where funds are overspent a transfer is made from unrestricted funds. The balances on restricted funds as at 31 March 2007 arise from income received for specific projects on which some expenditure is still to be incurred in the coming financial year. Each of the projects is described in more detail:

#### **Children's Food Campaign**

The Campaign uses a number of methods, including Parliamentary processes, to protect children from junk food marketing, improve the quality of food and food labelling, and ensure all children receive a good food education and learn vital food skills in school.

#### **Eat Somerset**

This new project, which grew out of Sustainable Food Chains, aims to increase trade between sustainable producers in Somerset and local independent retailers in Somerset and adjacent areas including Bath and Bristol.

#### **Food Access Network - UK**

Formerly the Food Poverty Project, the Network continues to offer support to community food projects across the UK, and to explore ways to tackle the causes of poor access to healthy, sustainable food for people on low incomes. The carry forward balance is in deficit at the year end, but funds have been secured to recover the deficit.

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2007

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#### **Food and Mental Health**

This project continues to raise the profile of the evidence linking diet and mental health and behaviour, by facilitating information exchange, communicating through a range of media, and engaging in policy consultations.

#### **Good Food on the Public Plate**

Formerly the Hospital Food Project, and originally focused on four London hospitals, the project has now expanded to work also with schools and care homes across London and the South East to increase the proportion of sustainable food in the meals they serve.

#### **London Food Link**

Focused on the capital, this project works with the public, private and voluntary sectors to help them make positive choices for sustainable food in London, focusing particularly on London's rich cultural mix, and on the capital's world-renowned restaurant sector. The carry forward balance is in deficit at the year end, but funds have been secured to recover the deficit.

#### **Orchards project**

This new project is working with six areas - Mid Kent, Somerset Levels and Moors, Cumbrian Fells and Dales, North West Devon, Teignbridge and Herefordshire Rivers - to conserve and bring into sustainable management traditional orchards in these locations.

#### **SUMMARY OF FUNDS**

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
General Funds	222,530	179,282	132,249	(6,600)	262,963
Restricted Funds	19,957	449,069	432,166	6,600	43,460
Total of Funds	<u>242,487</u>	<u>628,351</u>	<u>564,415</u>	<u>-</u>	<u>306,423</u>

#### **13. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Tangible fixed assets	-	277	277	719
Current assets	49,460	274,081	323,541	247,892
Creditors due within one year	(6,000)	(11,395)	(17,395)	(6,124)
Total	<u>43,460</u>	<u>262,963</u>	<u>306,423</u>	<u>242,487</u>

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## SUSTAIN: THE ALLIANCE FOR BETTER FOOD AND FARMING

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### NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2007

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#### 14. SHARE CAPITAL

Sustain: The Alliance for Better Food & Farming is a company Limited by Guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

#### 15. RELATED PARTY TRANSACTIONS

In October Sustain's Council agreed that, for a modest fee, Sustain would provide book-keeping services for the UK Food Group (UKFG), a longstanding Sustain observer organisation, which acts as a sister network, focusing on global food and farming issues. The arrangement will include receiving grants on the Group's behalf, and administering expenses. This had been requested by the UKFG as its previous office and financial arrangements with Christian Aid had come to an end, due to lack of office space. The UKFG is now based in the same office as Sustain, which facilitates useful co-operation between our two networks.

This is relevant as Rachel Sutton, the UKFG Co-ordinator, is a Trustee on Sustain's Council and Sustain's Co-ordinator, Jeanette Longfield, is a member of UKFG's Management Committee. The management charge to cover book-keeping and administration costs in 2007 was £600.00.