



The Vegetarian Society of the United
Kingdom Limited

Group Annual Report and Financial
Statements

Year ended 31 March 2019

Charity Number 259358 (England and Wales)

Company Number 00959115 (England and Wales)

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

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THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

REPORT OF THE TRUSTEES

YEAR ENDED 31 MARCH 2019

The Board of Trustees presents its annual report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2019. This is prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Our charitable objects

1. The advancement of education of the public in the subject of vegetarianism, in particular by:
 - Promoting the vegetarian diet for the benefit of people, animals and the environment;
 - Informing the wider community on all aspects of vegetarianism.
2. The provision of exclusively charitable services to support and represent vegetarians.

Our vision

A world where everyone is vegetarian.

If we achieve our vision, research today shows some of the benefits we can all look forward to are:

- A healthier population, with fewer cancers, less diabetes, and improved resistance to stroke and heart disease
- A greater sense of wellbeing because people feel positive about the food they eat and the impact it has
- No animals raised for slaughter
- Animals living naturally alongside humans contributing positively to our eco systems
- Greater food stability and less food poverty as the world's resources are freed to be shared across its population
- A more sustainable food production system
- A reduction in pollution and environmental damage caused by food production

Our mission

Our mission is to inspire, educate and enable people to be vegetarian.

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Our approach

So we can deliver our mission, both nationally and internationally, we will need to do things differently.

- We want to be the first and obvious choice for anyone who is vegetarian. We want them to join us to receive support and to help us deliver change
- We want more people to know about us and the work we do, so we will need to improve our networks and broaden the range of people we work with, including meat-eaters
- We want to be respected so we will need to base our work on quality evidence and research
- We want to change attitudes, so we will need to use cutting edge research and thinking on how to do this
- We want to make a difference, so we will need to engage our supporters and partner organisations and utilise their passion and skills so that we can target bigger audiences.
- We will need to be a strong and sustainable organisation so that we can deliver our plan for the next five years

Our values

Our values guide us in everything we do and they are:

- A vegetarian diet is a positive choice that is kinder to animals, people and our planet.
- We recognise different people are vegetarian for different reasons
- We value all vegetarians equally, regardless of their motivation
- We behave respectfully towards people's choices and decisions
- We want everyone to be vegetarian and we will work with people regardless of their current diet
- We will be fair, open and transparent, and we will act with integrity
- We will not exploit people or animals in pursuit of our aims
- We will reduce our environmental impact
- We will pursue our charitable objects in a positive way

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PUBLIC BENEFIT

The trustees have taken account of the Charity Commission's general guidance on public benefit when reviewing the charity's aims, objectives and planning. We deliver public benefit in the work we do, for example:

- Enquiries and Advocacy service – we work with people to give information, to answer questions and to speak on their behalf with companies and providers of services
- Dietitian Service – we provide a free consultation with a qualified dietitian for people with dietary queries or for those needing specialist information
- Our website offers a wide range of information about following a vegetarian diet and lifestyle
- We offer resources and information leaflets to the public
- Our “Vegetarian Society Approved” trademark makes it easier for consumers to make an informed choice when buying vegetarian products
- We have a free recipe app for the public to download, which has over 300 vegetarian and vegan recipes
- Our annual flagship event, “National Vegetarian Week”, is all about helping the public gain a better understanding of vegetarianism and its benefits. National Vegetarian Week inspires wide participation from individuals and businesses
- Campaigns – we run campaigns which help people to follow a healthy vegetarian diet
- We provide free cookery courses for community groups and charities, helping them to learn new skills, try vegetarian and vegan food and continue to cook at home, introducing veggie dishes to their friends and family

STRATEGIC AIMS

Our strategic aims are delivered within six work programmes:

1. Inspiring vegetarians

More people will adopt a vegetarian lifestyle more people will reduce meat- eating and environmental groups will promote vegetarianism.

2. Information and skills

People will feel confident being vegetarian throughout their lives, and healthcare professionals will be confident in supporting them. Vegetarianism will be covered in the school curriculum and it will be possible to study cookery, food science and catering at any level and qualify without handling meat or slaughter by-products. Vegetarians will be supported and advised about nutrition.

3. Influencing provision

People who are not in a position to choose where they eat, such as those in hospitals, on aeroplanes, at events or in schools, will have a healthy vegetarian option. Food will be properly labelled.

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4. Increasing choices

Vegetarians will have quality choices as part of the mainstream offer to all consumers. We will work to increase the quantity and quality of vegetarian choices in pubs and restaurants, the range and quality of vegetarian food and drinks in supermarkets and shops, and at higher education institutions.

5. Engaging people

More people will become members or supporters, and will be actively involved in our work.

6. Organisational excellence

We will achieve organisational excellence and sustainability so we can continue to deliver our other aims.

ACHIEVEMENTS AND PERFORMANCE

In summary, last year we said our plans were:

Three veggie choices wherever you go by 2025	Ongoing	This is being delivered through the UK Food Plan – a project which has five strands: business, schools and education establishments, workplaces, hospitals and care homes, travel and holidays.
Launch new website	Complete	We now have one website which includes the Cookery School, the Vegetarian Society Approved trademark products, and our recipes. It has a fresh new design, and we are able to incorporate videos and podcasts.
National Vegetarian Week 2018	Complete	We ran a London Underground poster campaign, recipe videos and a grant funding programme which gave out £33,743 to 113 groups and enabled more than 13,000 people to take part in the week.
New resources around healthy eating and pregnancy	Ongoing	Research has been completed and user groups have reviewed the work. Resources are now being written and will be launched in 2019.
Membership recruitment	Ongoing	Since our new membership package was decided last year, we have started a recruitment drive with some success but we are not yet meeting our targets. Work is ongoing.
Develop new five year strategy	Complete	The new strategy is based on delivering the UK Food Plan and continuing those services which are most effective.

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The charity's major achievements and performance against its strategic objectives for the year are summarised below.

1. Inspiring vegetarians

This strategic aim is about getting people to go vegetarian and helping them to stay vegetarian. A large part of this work is about raising awareness of vegetarianism and helping people to think of veggie food as a normal option. Getting people to try veggie food and see the wide range of products and dishes available will form an important basis in completing the aim.

National Vegetarian Week (NVW) 2018

Getting communities involved – our grants programme enabled 113 community and voluntary groups to hold events across the country, including Ronald McDonald House at Alderhay Children's Hospital in Liverpool cooking a veggie meal for parents of children in hospital and homeless footballers enjoying a veggie meal in Cardiff. The Derbyshire Chinese Welfare Association was entertained by local restaurateurs and older people in Herriet Court Housing in Glasgow had a veggie breakfast and preferred the veggie sausages to meat ones, so a permanent change is now being considered.

Getting businesses involved – many businesses take part in the week independently by tweeting, putting on discounts and special offers, and launching new products and menus. This year we worked with 22 businesses to get 550 posters about NVW and their own products across the London Underground. It made a big splash and produced a lot of interest but businesses that took part did not see an increase in sales, so although it worked for us and we would like to do this again, it is unlikely that companies will be persuaded.

Getting the public involved – there was a lot of media interest, with NVW being mentioned in more than 470 press cuttings. Over 70 radio stations mentioned the week, including BBC Radio 2 (Steve Wright), BBC Radio 5 (Adrian Chiles) and BBC News 24. The NVW hashtag trended on social media and was in several well-known magazines including BBC Easy Cook, My Weekly, Closer, Weight Watchers and trade publications such as The Grocer. There was national newspaper coverage in The Times, The Express, The Mail on Sunday, The Telegraph and Metro. Coronation Street put up an NVW poster in Roy's café and it was on screen for several shots.

Christmas dinners

To encourage people to try veggie food and help them to overcome the idea that Christmas dinner is all about turkey or other meat, we piloted a community grants programme in November. This funded voluntary and community groups to cook a veggie meal for their Christmas meeting.

To fund this, we raised £2,432 from a 'Pledge a Veggie Spread' crowdfunding appeal which meant that 1,220 more people ate a veggie Christmas dinner.

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Eco Green Schools

We want children and young people to get used to eating vegetarian food and school is a good place to start. We have provided funding for 46 schools to take part in the Eco Green Schools environment scheme which has meant that, throughout the year, 18,400 children have learnt more about vegetarianism and are eating more veggie food.

Veggie boxes for new university students

In September, we worked with student vegetarian societies at universities in Huddersfield, Sheffield, Birmingham and York to give away 2,000 free boxes of Vegetarian Society Approved trademarked products. First-year students who have recently left home are in control of both their finances and choosing what they eat, often for the first time. The boxes showed them how easy it is to go veggie and how many veggie and vegan products are available.

Events

We are limited to the number of events and shows we can attend because of our staff size but getting out and about gives us a chance to meet people, learn about their concerns, answer their questions, and get them to try tasty food. This year, two of the shows we attended were the Liverpool Spring Festival, where we did a series of workshops and demos, and the Just V show in July, where we gave out goodie bags, talked about Vegetarian Society Approved trademarked products and demonstrated in the Oumph! Show kitchen.

Cookery School community cooking

Over the year, our cookery school has run 16 free courses for voluntary and community groups to learn skills, build confidence, try veggie and vegan food and continue to make it at home, introducing delicious veggie meals to friends and family. We have worked with groups such as the Sale Carers Association, Together Dementia Support, Edible Mach (Machynlleth) in Wales and a Women's Aid women's refuge centre.

In the news

As well as representing vegetarian and vegan view points in the wider world, we comment on relevant current affairs as part of normalising vegetarianism and helping to make it mainstream. We send out regular press releases, provide recipes and information, help with research for programmes and this year have appeared in press cuttings having a reach of 153 million, and on local and national radio as well as on TV. For example, Sam Platt, our Cookery School manager was on BBC Radio Wiltshire giving protein swaps for new veggies; Lynne Elliot, CEO, was on Talk Radio with James Whale discussing going vegetarian; and John Soonaye, Head of Communications, was interviewed on BBC News on TV about the rise in people eating veggie meals.

2. Information and skills

Providing robust evidence-based information that people can trust is essential when there is so little available around vegetarianism, particularly in the field of nutrition. Learning the skills to support being vegetarian is important in giving people the confidence to go and stay vegetarian.

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Information

Although we still produce a number of physical resources – booklets and leaflets - most of the information we provide is now accessed digitally through our website. This year, our website won an award for the best veggie resource from Veggie magazine, for the fourth year running.

While we are pleased that this means we are providing good content, the website looked very dated and was too old to enable us to change it easily and embed modern content such as video. We have spent a large amount of our resources, both financial and staff time, over the past year on creating a new website, which launched in March 2019. It is fresh and modern, staff can change it regularly and it includes information videos, podcasts, engagement activities and better-quality information resources. Over the next year, we will be building more content and developing the site further.

We took our Eatwell Guide to the National Association of Care Caterers Conference where we spoke about nutrition for older people.

We have produced a number of in-depth features this year on topics such as the Suffragists and their links to vegetarianism, nutritional summaries, free-range dairy and cheese, as well as creating an anti-flu Comfort Soup recipe and publishing the science behind it.

Alongside giving lifestyle information and interviews with celebrities such as chefs Jackie Kearney, Michael Bremner and Gaz Oakley, Olympian Edwin Moses and fitness guru Joe Wicks, we have provided information about vegetarian products, services and topics in the news.

We were awarded the Information Standard in 2017 and continue to work to this standard so that our information and resources can be used by health and social care professionals.

Practical skills

We have produced a number of in-house recipe videos this year which helps people improve their skills at home in a quick and simple way.

Vegetarian Society Cookery School

The home of veggie cooking, the aim of the school is to inspire people to have fun and learn new skills. Roughly half our home cook participants are meat eaters. This year the school has taken on five new tutors, including Danielle, a vegan patisserie chef and Marie Claire (Maz) who is Mauritian and specialises in Mauritian Street Food. New courses have included Vegan Junk Food, Master the Basics: Seitan, Master the Basics: Vegan Cheese, Mauritian Street Food, Gluten-Free Veggie and Vegan Dessert Guru.

The school struggles to meet its income targets but has continued to move in the right direction with only a small deficit this year of £14,376. A new marketing plan has been developed and next year we will be restructuring the school to take advantage of recent successes and make the final step to break even.

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Answering questions and representing vegetarians

Our enquiry and advocacy service had 772 new enquiries this year, with questions about where to buy products, problems with restaurant menus, difficulties with school dinners and understanding labelling. Some enquiries involved research, such as whether REPA straws made out of seashells are vegetarian (they are not) to whether Costa's Christmas toastie was veggie (it was not). Some enquiries involve advocacy, for example the flu vaccines which, this year, were not vegan although some were vegetarian. Many of the enquiries we receive are about individual health concerns and we run a Dietitian Service which means people can consult, for free, with a registered dietitian to get individual advice.

Restaurants saying dishes including Parmesan are vegetarian is still our biggest complaint.

Research

This year we carried out detailed research into vegetarian health and nutrition in preparation for producing more healthy-eating resources and a pregnancy guide.

We are funding a PhD student, Chris Newton, through the North West Universities Centre for Doctoral Training programme. Our student is vegan and specialises in Data Science so he is helping us make more practical use of existing research and his final PhD research project will be directly related to vegetarianism.

3. Influencing provision and 4. Increasing choices

When eating out, having more choice and the choices being of better quality was important to 80% of the members and supporters we surveyed in 2016. This has formed the basis for our next strategy as well as the work we have done this year.

Vegetarian Society Approved trademarks

We now have two Vegetarian Society Approved trademarks – vegetarian and vegan. The trademarks show that products meet our strict criteria around ingredients, standards and are produced without cross contamination. This enables shoppers to quickly and easily identify which products are suitable for them and gives them the confidence that products have been independently checked and are vegetarian and vegan.

The team has met its income targets and at the end of the year we licensed 14,461 products, of which 5,117 are vegan. We now have 625 clients and 322 of these produce vegan products. Some of our new clients have been Soreen, Perfettie Van Melle who make Fruitella sweets, The Food Doctor and Genius Gluten Free Bread.

Over the year we have worked with McDonalds as they developed their new veggie wrap and kids' Veggie Happy Meal; we also audited their new chain of 11 restaurants in Ireland.

Food awards

Sponsoring vegetarian categories in food awards is another way that we can raise the profile of vegetarian food and improve provision. This year we sponsored and judged the vegetarian categories in the Artisan Cheese Awards and the British Pie Awards.

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Training professionals

The Cookery School has reworked its Professional Chefs training course, updating it and including, for example, vegan patisserie. We also offer a Foundation Course which provides a great grounding for beginners. Carmel Proctor came on the Foundation Course this year and used it to help her learn the skills she needed to open her own café, Plant Vegan, in Formby, Merseyside. We now offer a scholarship programme for both courses, which means that chefs and aspiring chefs without a workplace to fund their study can still train. This year we have funded four places on our Professional Chef course and five places on our Young Chef course.

This year, the school launched a new service for professional caterers – the Quick Caterers' Veggie Training Course. This is a bespoke service where the school goes into a workplace and works with staff on their menu to help them develop vegetarian and vegan options. Our first customers were Barnsley College, who said they had benefited greatly.

Training for waiting staff in food outlets

This year the Research and Information team has put a lot of time into producing a module of digital training for waiting staff. This involved more work than we expected because, after completing the first draft, tester feedback indicated that we were on the wrong track and we had to start again. We now have a module that has tested very well with users. It will be launched in summer 2019 and will help staff understand what vegetarian and vegan customers can eat and what they should avoid on the menu.

5. Engaging people

Just under half of our members and supporters said they valued the feeling of being in a vegetarian community that contact with us provides. We want to build that community so the organisation can be sustainable, so that we understand what people want and that we are doing the work they feel is important.

Members and supporters

Last year we increased our annual membership fee for the first time in 25 years, from £21 to £36 and we were very concerned that this might cause people to leave. However, following a strong communication campaign, the feedback we received was positive and our retention rate remains at an excellent 98.9%. This is reassuring and suggests we are meeting existing members' needs and expectations.

However, we are not recruiting new members at the rate we need to. This may in part be due to the general financial situation, Brexit etc, but all recruitment drives we have tried over the year have only brought in new members in small numbers. We have a new recruitment plan for next year and will be targeting people for regular donations as well as membership.

We have also found it difficult to recruit large numbers of people to take part in our fundraising appeals and crowdfunding campaigns. For the last 10 years we have had sufficient reserves to fund our work and we have not needed to ask members and supporters to give us further financial support on top of their membership fees, but we now need to do so. The economic climate is not helpful and competition for donations is high. We are pleased that all appeals

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have had some support but are currently working on ways to get more people involved. We are grateful for the support of a major donor which has made so much possible this year.

Following the new GDPR regulations at the beginning of the year, our eNews subscription list dropped from 30,650 to 8,013 giving us a 26% retention rate. We also had a decrease in Facebook and Twitter followers in quarter two for the first time ever, which may have been due to a lack of confidence in those organisations, which were in the news at the time. In 2019 we will be focussing on lead generation to increase the number of eNews subscribers, recruiting regular donors and new membership recruitment initiatives.

This year we have invested in capacity to run more engagement activities. We now have a featured section on our website called 'What you can do'. We are running more polls, surveys and asking for more user-created content; for example, we asked people for their suggestions on the best veggie cook books for new veggies.

6. Organisational excellence

In order to serve our members and supporters in the best possible way, we must ensure that our governance and operations are excellent. We are a registered charity and a Company Limited by Guarantee. We are registered with the Fundraising Regulator. We retain the Information Standard accreditation again this year and continue to play an active role as a founding member of the Independent Cookery Schools Association.

We review our policies and procedures, and our trustees use a rolling work programme to ensure that we keep up to date on governance issues and work to deliver best practice.

Over the year we have invested in more fundraising staff, more administrative support and temporary research staff to work on healthy eating and website content.

We have invested in training across the organisation to develop a content strategy and in content design workshops. This has really paid off as we now have a new content process which is quicker and more efficient, and an overall increase in the quality and amount of content that we produce.

We have also invested in new equipment so we can film our own videos in house.

RESERVES

Reserves policy

It is the policy of the charity to hold reserves in order to cover the following:

- Freehold land, buildings and other equipment which are needed for operational purposes
- The risk of unforeseen emergency or other unexpected need for funds, e.g. an unexpected large repair bill or finding funding for an urgent project
- Unforeseen day-to-day operational costs, e.g. employing temporary staff to cover a long-term sick absence

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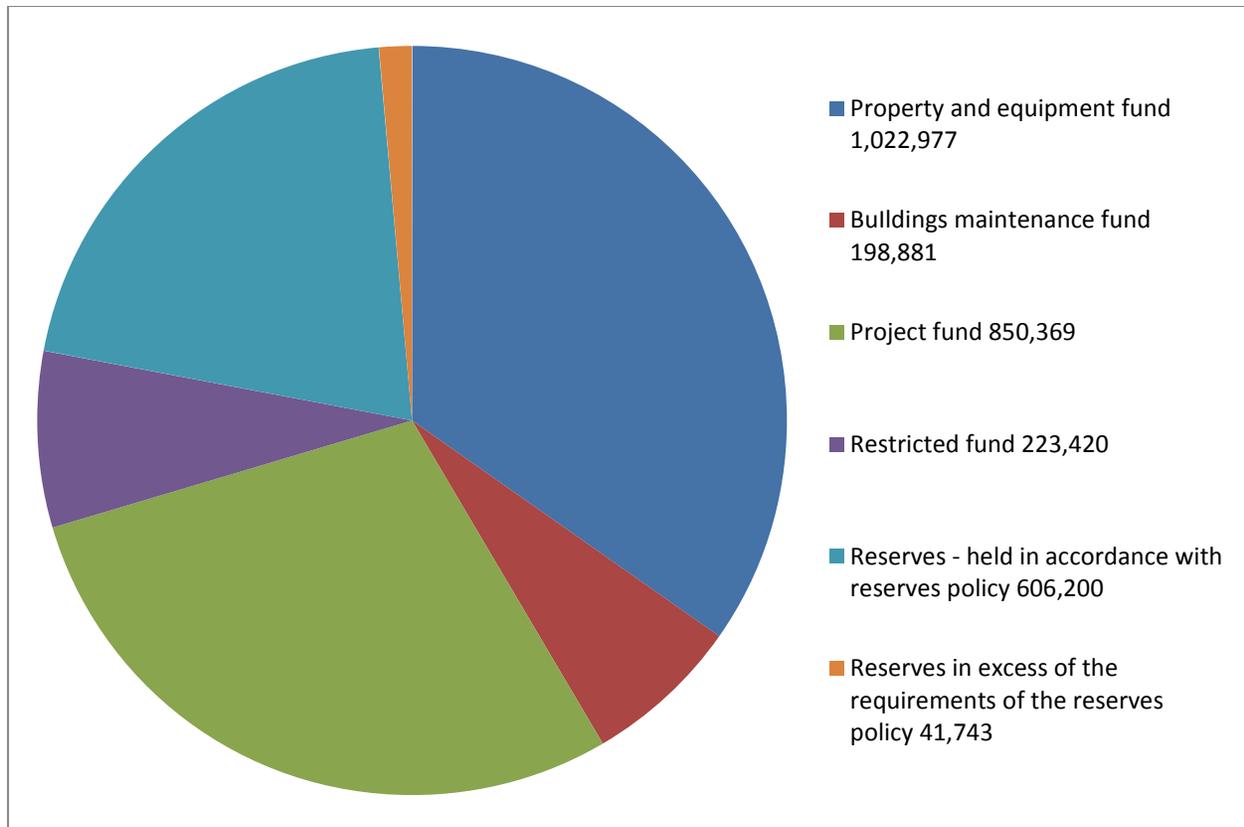
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- A decline in income sources caused by business plan targets not being met
- To ensure that key pieces of work (such as National Vegetarian Week and Christmas support) can be delivered for a period of several years

The trustees consider that maintaining reserves at a level that is equivalent to six month's total budgeted operating expenditure is sufficient to account for these eventualities, and that all other funds should be directed primarily towards charitable and educational expenditure within a reasonable timescale. Based on this, the trustees consider that the ideal level of reserves at 31 March 2019 would be £606,200.

Funds at 31 March 2019

The charity's total funds as at 31 March 2019 were £2,943,590 and were made up as follows:



In accordance with Charity Commission guidance, some of the charity's funds are defined as restricted or designated. **Restricted funds** are funds that have been received by a charity for a specific purpose, for example a donation received to be spent on a specific charitable purpose as defined by the donor. **Designated funds** are funds that have been earmarked for a particular project or use; in the case of the Vegetarian Society, designated funds consist of a property and

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equipment fund, a buildings maintenance fund and a project fund. Further information on the various funds held during the year is given in the notes to the accounts.

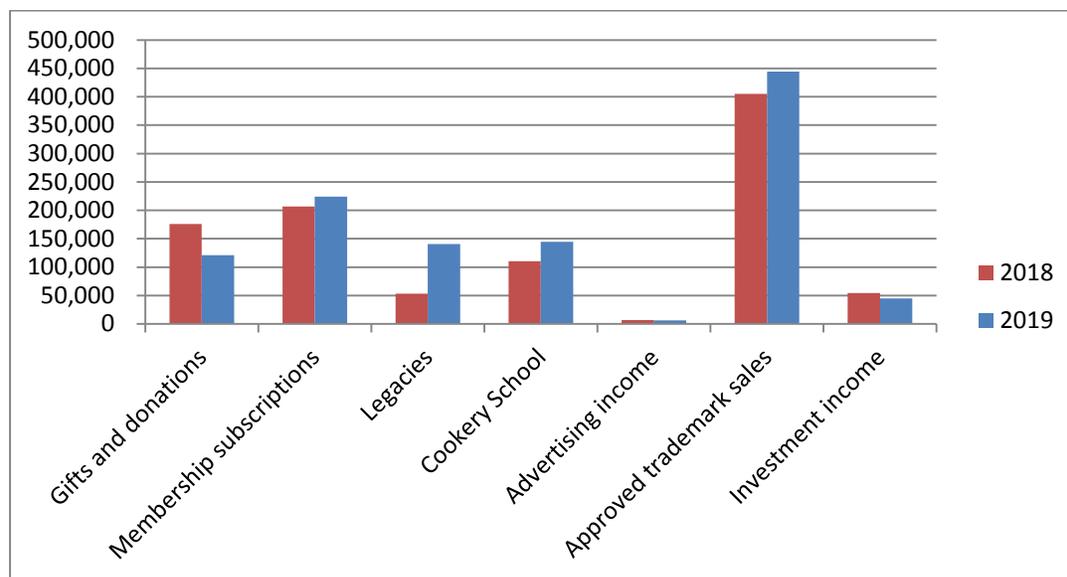
After deducting restricted and designated funds, £647,943 of reserves remain; this is £41,743 in excess of the requirement of the reserves policy to hold back £606,200 of funds.

FINANCIAL REVIEW

The Statement of Financial Activities reports a deficit for the year of £373,032 before investment gains and losses are taken into account; this compares to a deficit of £503,267 in the previous year. The reported deficits are planned and are largely due to reserves being spent on project work, as explained in the breakdown below.

The Charity Commission expects charities to spend its reserves in pursuing its objectives and they are only allowed to keep reasonable amounts back for contingencies. While we are keeping a prudent amount in reserve, we are planning to spend the rest on supporting people to go vegetarian and stay vegetarian. Because there are currently funds available, we have been in a position to invest £351,309 in the year into Council-approved projects that deliver the charity's objectives. At a time when such expenditure cannot be funded (either externally or through reserves), we would be able to curtail this expenditure at reasonably short notice if necessary. This means that, although we have reported a deficit of £373,032, only £21,723 is an unplanned deficit and in respect of our ongoing work. In 2019/20 and beyond, we would aim for ongoing work to be at least break-even in order to maximise the funds we have to deliver projects that really make a difference. In this respect, the financial contribution that our supporters make is an invaluable lifeline to us.

Income



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Income for the year ended 31 March 2019 amounted to £1,137,850 as compared to £1,018,537 in the previous year. Membership subscriptions, legacies, Cookery School income and Approved trademark sales have all reported an improvement on the previous year.

These items compensate for reductions in donations and investment income. In the previous year, an exceptional single donation exceeding £100,000 was received. Also, as we draw down on funds to finance projects, investment income will inevitably decrease.

Expenditure

Expenditure of £1,510,882 represents a 0.7% decrease compared to 2017/18 due to the launch of new initiatives such as a vegan trademark and a new lottery in the previous year.

GOING CONCERN

Trustees satisfy their duty to manage and safeguard the charity's assets by reviewing its financial position with reference to the business plan and finance reports, including monthly management accounts and quarterly exception reports. The business plan and associated budget for the next five years have been agreed and these set out how we will finance and deliver our strategy.

The charity currently has a sufficient reserve to invest in future income generation. For these reasons, together with the ability to discontinue project work at reasonably short notice if required to do so, the trustees consider that adequate resources are available to fund activities and provide a sustainable future. However, additional income will need to be secured to undertake large pieces of project work such as the UK Food Plan.

INVESTMENT POLICY AND PERFORMANCE

The present investment objective is to achieve the best overall return given the timescale of planned activities, within an agreed level of risk. The charity invests in accordance with a diversified risk classification. This reflects a willingness to take the level of risk required to satisfy the objectives attached to the invested capital. Therefore, an allocation towards equity markets is necessary. The associated risks of such a strategy have been considered by the Trustees, who understand in order to achieve a return higher than what could be achieved by prioritising the preservation of the investment's original value, short term fluctuations in value will be experienced.

The charity's ethical stance primarily revolves around screening out investments whose operations are in direct conflict with the nature and objectives of the Vegetarian Society, such as the production and sale of meat. The charity also excludes investment where there is concern in respect of animal testing. Apart from that, the charity does not restrict its fund managers as regards any particular category of investment, but it expects and encourages the fund managers to invest only in companies that have appropriate governance and social responsibility policies. The charity does allow its fund managers to invest in collectives, because they give the portfolio exposure to overseas investments whilst providing diversification, access to specialist areas and

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better growth prospects. It is accepted that some of the holdings in collectives may contain investments that would not be selected when buying direct equities, though the trustees believe, on the basis of advice received from Investment Managers, that they would constitute an insignificant proportion of the overall portfolio.

For investments with fund managers, the aim is to provide income to meet the immediate needs of the charity and growth of capital and income to mitigate the effects of inflation in the long term; this aim equates to a moderate investment risk. Currently, performance is compared to a composite benchmark that is made up as follows:

Asset class (with current allocation)	Performance compared against:
Cash (2.5%)	7 Day LIBOR
UK bonds (10.0%)	FTSE Govt. All Stock
Corporate bonds (7.0%)	iBoxx UK Corporate Bond
UK Equities (31.0%)	FTSE All Share (total return)
Overseas Equities (37.5%)	FTSE All World ex UK (total return)
Alternatives (7.0%)	IA Targeted Absolute Return
Property (5.0%)	IA Property

At the start of the financial year, approximately £1.9 million of our funds were invested with Brewin Dolphin. Because a sizeable amount of these funds were potentially earmarked for expenditure in the next two years, we were advised that it is no longer appropriate to hold them in our portfolio, which is meant for longer term investment. Therefore, it was agreed to withdraw £800,000 from the portfolio in October 2018 given the capital no longer had the necessary time horizon to weather the short term fluctuations in value that are to be expected when investing in equity markets. The majority of these funds was invested into an instant access account yielding 0.6% interest; the balance on this instant access account as at 31 March 2019 was £500,000.

The capital value of investments held with investment managers as at 31 March 2019 (including cash investments) was £980,174. Investments added £72,666 to the charity's funds in the year; this consisted of realised gains made on shares that were sold in the year of £62,399 and an increase in the market value of shares still held at the year-end of £10,267. Gross income yield on these investments for the year to 31 March 2019 came to 2.3% gross, compared to 2.3% in the year ended 31 March 2018.

Despite a flow of destabilising news, markets enjoyed a resurgence in the first quarter, with the capital value of investments held increasing by 5.71%. This was followed by a smaller increase of 1.46% in quarter two, though difficult conditions in the third quarter caused a decline that eliminated the gains made from April to September. Markets recovered well in quarter four resulting in an increase of 6.78% in the value of the charity's holding over the course of the year, which effectively matched the targets set by the benchmark, reporting a small underperformance of 0.14%.

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In addition to the instant access account noted above, £468,000 of the charity's shorter-term funds was directly invested in fixed term deposit accounts and notice accounts at 31 March 2019. With regards to these investments, the charity's priority is to hold funds with banks offering the best return but where rates are competitive, preference will be given to banks having formal ethical criteria. These investments yielded an average return of 1.31% in the year, compared to 1.19% in the previous financial year.

FUNDRAISING

The Vegetarian Society receives most of its voluntary income through gifts in wills, regular donations and single donations. Additionally, we support people raising money for our work through crowdfunding campaigns and seeking sponsorship for their own challenge events and activities. Several companies also make a donation to our work when a customer signs up to their services through a prescribed link.

All of the charity's fundraising activities are undertaken by our paid staff, who receive regular training and support in gaining professional qualifications with the Institute of Fundraising. We do not have any relationships with external professional fundraisers. We are registered voluntarily with the Fundraising Regulator and adhere to their Code of Fundraising Practice. We had no instances of non-compliance during the year and have received no direct complaints this year in respect of our fundraising activities.

RISK MANAGEMENT

The trustees are responsible for ensuring that the charity has a risk management process through which risks arising from existing operations and strategic developments are identified, evaluated and, where possible, action is taken. The trustees delegate the day-to-day management of risk to the Chief Executive.

The following risk procedures are carried out:

- Senior Management Team reviewed the risk register as part of their regular meetings, identifying new risks, reassessing likelihood and impact, and considering progress against mitigating actions on the register. The outcome of these reviews is reported to trustees on a quarterly basis
- The trustees annually review the key strategic risks that the charity faces, which is done by considering risks in the context of the following questions:
 1. Are you making the desired impact in support of your beneficiaries and can you evidence it?
 2. Are you managing the finances to ensure you continue to make an impact in the medium to long term?
 3. Are you meeting your legal, regulatory and donor compliance requirements and expectations?
 4. Are you able to respond effectively to any incident that could result in damage to your reputation?
 5. Are there any risks that are at the heart of what the charity stands for?

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6. Do you have the right people and culture in place? Are people well managed and is H.R. strong?
- The risk register identifies control procedures, monitoring processes and actions designed to minimise or manage any potential impact on the charity should any risks materialise

The principal risks that the charity currently faces are:

Not maintaining voluntary income at a level required to fund our planned charitable work

The charity is reliant on voluntary income which is subject to increased competition, market conditions and a lack of predictability in terms of the timing and amounts of donations and legacies. We are pleased the increase in the membership rate has not impacted on our retention rate, though recruitment rates are currently below our targets. We will be moving our focus in the coming year to help us to attract new members and donors.

Loss of key staff

We expect to have a high turnover of younger staff as they move on to other opportunities, as we are a small organisation. We accept that this risk is worth the influx of enthusiasm and hard work that these people bring. We invest in the training and development of all staff and we work hard to foster a working environment that values the contribution staff make and that celebrates their success. We have good recruitment procedures and exiting and handover policies so that we cope well with bringing on new staff when we need to.

Loss of business income

The possibility of an uncertain economic climate (exemplified by Brexit and its effect on trade deals) could potentially have a negative impact on our business income. We continue to make a targeted investment in marketing as well as finding ways to diversify our income sources, as outlined in the future plans section below.

For the first time in several years we have faced three reputational risks, all outside of our control:

Data hack into Typeform

In the summer there was a widely reported hacking of data from Typeform, which we use to conduct surveys. We were subjected to a minor breach of data from a survey we had conducted asking members and supporters to tell us about what they would like in a new website. We emailed everyone who was involved and we were able to tell each person what individual data about them had been taken. No banking details or full addresses were involved, just the answers and peoples' email addresses.

Alleged contamination of trademarked food

The Telegraph ran a story in June, which was widely picked up by other outlets, claiming some vegetarian and vegan products had been found to contain trace amounts of animal DNA. Products named included Sainsbury's' meat-free meatballs which carry the Vegetarian Society Approved trademark. We worked with Sainsbury's who, after extensive testing, could not find

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any trace of contamination. Prior to the publication of the article, we provided a statement to The Telegraph. We declined requests to go on the radio, as this could have made us the focus of the story. The following day, The Telegraph ran a further article raising concerns about our trademark process. This was not widely picked up. We contacted members, and supporters and trademark clients by email to reassure them about the situation. We also paid for advertising on social media to reassure a wider audience. The story faded from the headlines in a couple of days and we did not experience any negative outcomes.

McDonalds new veggie wrap

In January 2019, McDonalds launched a new veggie wrap. The media picked up stories of mistakes being made and vegetarians being served with meat. This was a very small percentage error in comparison to the amount of product sold. We responded to a small number of social media complaints about this and some direct email complaints. McDonalds developed new staff training and the mistakes significantly reduced.

CHARITY GOVERNANCE CODE

The charity has adopted the Charity Governance Code, and has applied all recommended standards to its work. The trustees conducted their first audit against the code in November 2018 and have committed to revisit their progress against the action plan on an annual basis. The following actions have been put in place as a result of the first audit:

- Trustees will receive training to refresh them on their public benefit duties
- An up-to-date scheme of delegation will be developed which sets out matters that trustees have delegated and matters reserved for the trustees
- Procurement policies will be reviewed and updated
- The criteria of the trustees' skills self-assessment will be reviewed
- Trustees will consider diversity in the context of recruitment to the board

PLANS FOR THE FUTURE

Next year we will begin a new five-year strategy and the focus will be on the work members and supporters said they wanted: improving quality and choice when eating away from home.

This has informed our main goal of the strategy:

Three veggie choices wherever you go by 2025

Our new strategic aims are:

1. Lead the way and be the hub of the vegetarian world
2. Inspire people to eat vegetarian food and become vegetarian
3. Provide information and training to increase knowledge and skills
4. Influence provision to increase quality and choice

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5. Organisational excellence and continuous improvement

The successful services and campaigns of the past five years that we will continue to deliver are:

- Vegetarian Society Approved vegetarian and vegan trademarks
- National Vegetarian Week
- Vegetarian Society Cookery School
- Enquiry and dietitian services
- Information and resources
- Membership and supporters scheme

We will be restructuring our Cookery School to take advantage of our success with new courses and new tutors, and to make us more financially viable.

We will continue to develop membership and supporter recruitment plans, focussing on lead generation and providing content to new people.

We will publish our Healthy Eating Guide and Pregnancy Guide.

We will develop new fundraising initiatives and apply to funding trusts and bodies for money for the UK Food Plan and other charitable work.

We will launch a module of digital training for catering waiting staff and will develop a second module for food preparation and food handling staff.

We will create our first digital cookery courses for the Cookery School.

We will deliver NVW 2019 with a focus on engagement of the public in activities, we hope to advertise with a TV ad and get celebrity supporters.

We will continue our community grants programmes, enabling community and voluntary groups to hold NVW events and Christmas Dinners where people can try and enjoy vegetarian and vegan food, often for the first time.

We will use some funding from our restricted legacy to deliver vegan meal plans for schools as part of the UK Food Plan

We will launch Default Veg in partnership with an organisation called CreatureKind as part of the workplace strand of the UK Food Plan.

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THANK YOU

The Vegetarian Society is a charity which relies on supporters, volunteers, members, corporate partners, fundraisers and cookery school students in order to inspire the vegetarian community and reach out to the increasing number of people interested in vegetarian food. The trustees would like to thank everyone who has donated their time, energy and funds, for making the work this year possible. We wouldn't be here without you.

We are very grateful to everyone who has left the Vegetarian Society a gift in their will or who is planning to do so. We really value this method of supporting the future of vegetarianism, and it ensures your legacy of compassion lives on. This year we have received legacies from the following supporters:

	£
The estate of John Cook	52,250
The estate of Rodney Harris	40,000
The estate of Krystyna Cieslinski	22,300
The estate of John McKeen	13,955
The estate of Ida Donsworth	5,000
The estate of John Sykes	2,754
The estate of Ron Akter	1,519

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Vegetarian Society is a charitable company limited by guarantee, incorporated on 29 July 1969 and registered as a charity on 9 September 1969. The charity is governed by its Memorandum and Articles of Association adopted on 29 July 1969 and last amended on 13 June 2015.

Directors and trustees

The directors of the charitable company are its trustees for the purpose of charity law. The trustees serving throughout the year and since the year end were as follows:

Dale Hoyland (Chair of Council)
Katharine Bagshaw
David Bennett
Cathryn Bradley (Deputy Chair)
Clare Crowther
Michael Harriott
Andrew Johnson (Treasurer)
Debbie Jones
Peter Morrall (resigned 15 September 2018)
Conn O'Neill (appointed 5 October 2018)

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The directors of the company are the company members and are, therefore the only people entitled to vote at General Meetings. The liability of the company members is limited to £10, being the amount that each company member undertakes to contribute to the assets of the charity in the event of the charity winding up.

None of the charity's trustees receive remuneration or benefit from their work with the charity.

Recruitment and appointment of trustees

The charity is governed by a board of up to 12 trustees. Trustees are responsible for directing the affairs of the charity, ensuring that it is solvent, well-run, and delivering the charitable outcomes for the benefit of the public for which it has been set up.

Further to an annual review of skills gaps and trustee places available, trustees will decide if they need to actively recruit board members. A recruitment process is in place with an application form and interview process. The recruitment process is designed to attract a diverse range of candidates that are reflective of the membership of the organisation and the wider vegetarian community, with the skills and experience the charity needs.

The board of trustees

The board of trustees (also known as Council) is legally responsible for directing the affairs of the charity. One third of trustees retire by rotation at each annual general meeting (in addition to trustees who have been appointed between AGMs). Six Council meetings were held during the year in which trustees reviewed and directed the charity's strategy, budget and performance.

Trustees did not operate any committees during the financial year because all strategic matters were dealt with directly by Council.

Trustee indemnity insurance was in force during the year to cover trustees against personal liability if legal claims are made against them, either by the charity or by a third party. Trustees are entitled to be insured against claims that may arise from their legitimate actions as trustees as long as they have acted honestly and reasonably.

Trustee induction and training

New trustees are given an induction to ensure that they are fully briefed on the charity's strategy and business plan, the Articles of Association, Charity Commission guidance on trustee responsibilities, code of conduct, policy manual and the role of Council. Governance skills are kept up to date by the use of professional subscriptions and training courses.

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Senior management team

The trustees delegate the day-to-day running of the charity to the Chief Executive and Senior Management Team. The Senior Management Team in post during the year were:

Lynne Elliot	Chief Executive Officer
Lance Bell	Head of Campaigns and Engagement
Vanessa Brown	Head of Business and Catering Services
Antony Byatt	Head of Finance
Fay Counts	Head of Fundraising and Membership
Jen Elford	Head of Research and Information
John Soonaye	Head of Communications

No employee received employee benefits (excluding employer pension costs) in excess of £60,000 in either 2017/18 or 2018/19.

The pay of senior management is reviewed annually in accordance with the charity's pay and reward policy. This policy means that an incremental pay increase is awarded to all staff (except those already at the top of their scale) as long as they have achieved the objectives that were set at the start of the year.

Pay scales for all staff are set with reference to local government pay scales, which are extensively used in the voluntary sector. They are a result of negotiation between trade unions (Unite, Unison and GMB) and the Local Government Association.

Related parties

No trustee or other person related to the charity had a personal interest in any contract or transaction entered into during the year.

The charity has one subsidiary, VSUK Trading Limited, which is currently being retained as a dormant company in order to accommodate any material non-primary purpose activities that may arise in the future.

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REPORT OF THE TRUSTEES

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REFERENCE AND ADMINISTRATIVE DETAILS

Charity Registration Number	259358 (England & Wales)
Company Registration Number	00959115 (England & Wales)
Registered Office	Parkdale Dunham Road Altrincham WA14 4QG
Charity's Bankers	The Co-operative Bank PLC 1 Balloon Street Manchester M60 4EP
Charity's Auditors	Slade & Cooper Green Fish Resource Centre 46-50 Oldham Street Manchester M4 1LE
Charity's Investment Advisors	Brewin Dolphin 1 The Avenue Spinningfields Square Manchester M3 3AP

The charity does not retain a single firm of solicitors, but contracts a firm with the relevant experience and expertise as and when circumstances require it.

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REPORT OF THE TRUSTEES

YEAR ENDED 31 MARCH 2019

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of FRS102 group company charity for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

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

Insofar as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is 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 auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime of the Companies Act 2006.

This report was approved by the Board of Trustees on 13 July 2019 and signed on its behalf by:

Dale Hoyland, Chair
Parkdale, Dunham Road, Altrincham, WA14 4QG

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED (CONTINUED)

Opinion

We have audited the financial statements of the Vegetarian Society of the United Kingdom Limited (the 'parent charitable company') and its subsidiaries for the year ended 31 March 2019, which comprise the Consolidated Statement of Financial Activities (including the income and expenditure account), the Balance Sheets of the group and the parent charitable company, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2019, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED (CONTINUED)

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Catherine Hall FCCA DChA
Senior Statutory Auditor

for and on behalf of
Slade & Cooper Limited
Statutory Auditors
Green Fish Resource Centre
46-50 Oldham Street
Manchester M4 1LE

Date:

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
INCOME:					
Donations and legacies	3	485,965	-	485,965	436,416
Charitable activities	4	150,895	-	150,895	117,721
Other trading activities	5	453,286	-	453,286	407,306
Investments	6	45,006	-	45,006	54,490
Other	7	2,698	-	2,698	2,604
Total income		1,137,850	-	1,137,850	1,018,537
EXPENDITURE:					
Raising funds	8	114,677	-	114,677	126,257
Charitable activities	9	1,326,961	69,244	1,396,205	1,395,547
Other		-	-	-	-
Total expenditure		1,441,638	69,244	1,510,882	1,521,804
Net income before gains / (losses) on investments		(303,788)	(69,244)	(373,032)	(503,267)
Net gains / (losses) on investments		72,666	-	72,666	19,434
Net income / (expenditure) and net movement in funds for the year		(231,122)	(69,244)	(300,366)	(483,833)
Transfers		(3,164)	3,164	-	-
		(234,286)	(66,080)	(300,366)	(483,833)
Reconciliation of funds:					
Total funds at 1 April 2018		2,954,456	289,500	3,243,956	3,727,789
Total funds at 31 March 2019		2,720,170	223,420	2,943,590	3,243,956

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

NOTE OF HISTORICAL COST SURPLUS / (DEFICIT)

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Net income / (expenditure) and net movement in funds for the year	(234,286)	(66,080)	(300,366)	(483,833)
Realisation of investment revaluation (losses) / gains of previous years	90,403	-	90,403	31,278
Historical cost surplus / (deficit) for the year	<u>(143,883)</u>	<u>(66,080)</u>	<u>(209,963)</u>	<u>(452,555)</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

	Notes	Group		Charity	
		2019 £	2018 £	2019 £	2018 £
FIXED ASSETS					
Intangible assets	16	-	-	-	-
Tangible assets	17	1,022,977	931,327	1,022,977	931,327
Investments	18	1,063,397	1,908,306	1,063,399	1,908,308
		2,086,374	2,839,633	2,086,376	2,839,635
CURRENT ASSETS					
Stock	20	16,669	17,505	16,669	17,505
Debtors	21	267,261	213,156	267,261	213,156
Investments	22	333,828	394,335	333,828	394,335
Cash at bank and in hand		657,842	154,955	657,842	154,955
		1,275,600	779,951	1,275,600	779,951
LIABILITIES:					
Creditors: amounts falling due in less than one year	23	(418,384)	(375,628)	(419,422)	(376,666)
Net current assets		857,216	404,323	856,178	403,285
Total assets less current liabilities		2,943,590	3,243,956	2,942,554	3,242,920
FUNDS:					
Restricted funds		223,420	289,500	223,420	289,500
UNRESTRICTED FUNDS:					
Designated funds		2,072,227	2,341,513	2,072,227	2,341,513
General fund		647,943	612,943	646,907	611,907
Total charity funds	25	2,943,590	3,243,956	2,942,554	3,242,920

These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

Approved by the trustees on 13 July 2019 and signed on their behalf by:

Andrew Johnson, Treasurer

The notes on pages 31 to 48 form part of the financial statements.

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Cash provided by / (used in) operating activities	(a)	(398,138)	(571,881)
Cash flows from investing activities			
Investment income		45,006	54,490
Purchase of tangible fixed assets		(122,508)	(9,735)
Purchase of investments		(347,470)	(339,306)
Proceeds from sale of tangible fixed assets		445	-
Proceeds from sale of investments		1,325,552	757,983
Cash provided by investing activities		901,025	463,432
Increase / (decrease) in cash and cash equivalents in the year		502,887	(108,449)
Cash and cash equivalents at the beginning of the year		154,955	263,404
Cash and cash equivalents at the end of the year		657,842	154,955

NOTES TO THE CASH FLOW STATEMENT

	2019 £	2018 £
(a) Reconciliation of net movement in funds to net cash outflow from operating activities		
Net movement in funds	(300,366)	(483,833)
Depreciation charge	30,413	27,401
Loss on disposal of fixed assets	-	233
(Gains) / losses on investments	(72,666)	(19,434)
Investment income	(45,006)	(54,490)
(Increase) / decrease in stock	836	2,807
(Increase) / decrease in debtors	(54,105)	(101,261)
Increase / (decrease) in creditors	42,756	56,696
	(398,138)	(571,881)
(b) Analysis of cash and cash equivalents at the end of the year		
Included in cash at bank and in hand	657,842	154,955

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) **Basis of preparation of group financial statements**

The Vegetarian Society is a public benefit entity. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2018) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) **Preparation of the accounts on a going concern basis**

The trustees consider that no material uncertainties exist about the charity's ability to continue as a going concern.

c) **Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiary, VSUK Trading Limited, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because advantage has been taken of the exemption afforded by section 408 of the Companies Act 2006.

d) **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds which have been earmarked for specific purposes as decided by the trustees; details of these funds are given in note 25.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

e) Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

- i. Donations and membership subscriptions are accounted for when they are received by the charity
- ii. Investment income is included when receivable
- iii. Incoming resources from trademark sales are accounted for evenly over the period of the licence
- iv. Incoming resources from the Cookery School, magazine advertising and sponsorship are accounted for as the charity earns the right to consideration by its performance

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

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

Incoming resources are stated net of VAT.

f) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised; more information about their contribution is given in the Trustees' annual report.

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

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

g) Resources expended

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

- i. Costs of raising funds comprise the costs associated with attracting voluntary income, investment income and the costs of trading for fundraising purposes, and their associated support costs
- ii. Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, and their associated support costs

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

h) Grant making activities

Grant making activities are payments made by the charity to institutions to enable them to further the purposes of the charity on its behalf. Such expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably, and includes associated support costs.

i) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include staff costs (e.g. salaries, training and recruitment), premises costs (e.g. maintenance, rates, insurance and utilities), administrative costs (e.g. printing, postage and telephone), IT costs and depreciation. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the basis of head count.

j) Operating leases

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

k) Taxation

The charity is exempt from UK Corporation Tax. However its subsidiary is not similarly exempt.

l) Intangible fixed assets

Intangible assets are included at cost and capitalised where the individual amount is over £250. Depreciation is calculated to write off the cost less estimated residual value of intangible fixed assets over their estimated useful life on the following basis:

Trademarks – 15% straight line

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

m) Depreciation and tangible fixed assets

Tangible fixed assets are included at cost or valuation and capitalised where the individual amount is more than £250.

Website costs are capitalised to the extent that they relate to income-generating activities.

Depreciation is calculated to write off the cost or revalued amount less any estimated residual value of fixed assets over their estimated useful life on the following basis:

Computer equipment – 33% straight line

Fixtures, fittings and equipment – 15% straight line

Buildings – 2% straight line

n) Fixed asset investments

Investments (other than cash investments) are stated in the balance sheet at market value. Profits / losses on investments which have been realised on disposal, together with interest and dividends are reflected in the surplus / deficit for the year on the income & expenditure account. Unrealised profits / losses are retained in the investment revaluation reserve on the balance sheet until such time as they are realised.

Cash investments that are due to mature in over one year from the balance sheet date are also shown under investments.

o) Stocks

Stocks are stated at the lower of cost and net realisable value.

p) Debtors

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

q) Current asset investments

Current asset investments include cash and other investments that are due to mature in less than one year or in more than three months from the balance sheet date.

r) Cash at bank and in hand

Cash at bank and in hand includes cash and other investments that are due to mature in three months or less from the balance sheet date.

s) Creditors and provisions

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

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

t) Pensions

The charity contributes to a group pension scheme on behalf of its employees. The pension charge represents the contributions payable by the charity in the year.

u) Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee registered in England and Wales, and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The registered address is disclosed on page 22.

3. INCOME FROM DONATIONS AND LEGACIES

	2019	2018
	£	£
Gifts and donations	121,228	175,984
Membership income	223,949	206,897
Legacies	140,788	53,535
	485,965	436,416

4. INCOME FROM CHARITABLE ACTIVITIES

	2019	2018
	£	£
Cookery school	144,773	110,733
Advertising income	6,122	6,988
	150,895	117,721

5. INCOME FROM OTHER TRADING ACTIVITIES

	2019	2018
	£	£
Approved trademark sales	451,673	405,057
Merchandise income	1,613	2,249
	453,286	407,306

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

6. INVESTMENT INCOME

	2019	2018
	£	£
Bank and building society interest	7,028	7,134
Dividends received	37,978	47,356
	45,006	54,490
	45,006	54,490

7. OTHER INCOME

	2019	2018
	£	£
Affinity products commission	2,698	2,604
	2,698	2,604
	2,698	2,604

8. EXPENDITURE ON RAISING FUNDS

	2019	2018
	£	£
Fundraising costs		
Staff costs	39,473	37,571
Direct fundraising costs	38,407	45,075
Support costs	26,187	27,704
	104,067	110,350
Merchandise		
Cost of merchandise sold	656	2,791
Investment management costs		
Fees for portfolio management	9,954	13,116
Total	114,677	126,257

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

9. EXPENDITURE ON CHARITABLE ACTIVITIES

	2019 £	2018 £
Approved trademark sales		
Staff costs	125,009	124,283
Marketing	39,693	30,879
IT costs	6,468	6,369
Legal and professional	11,398	55,433
Subscriptions	352	336
Support costs	99,953	102,923
	282,873	320,223
Cookery school		
Staff costs	85,473	80,594
Direct course costs	37,145	26,931
Delivery of charitable courses	21,129	8,964
Marketing	28,710	17,494
Repairs and consumables	3,986	4,266
IT costs	135	4,623
Depreciation	2,415	1,573
Finance charges	1,983	1,548
Sundry expenses	242	148
Support costs	59,972	59,666
	241,190	205,807
Education and campaigning		
Staff costs	284,846	267,572
Direct campaign and engagement costs	103,818	106,985
PR costs	11,226	9,918
IT costs	17,101	1,202
Support costs	172,716	150,872
	589,707	536,549
Membership services		
Staff costs	71,139	69,056
Magazine costs	36,657	40,037
Direct membership costs	7,630	38,095
Finance charges	544	839
Support costs	59,972	63,928
	175,942	211,955
Expert information and support		
Staff costs	57,895	36,319
YouGov survey	-	49,985
Direct research costs	16,612	13,400
Support costs	31,986	21,309
	106,493	121,013
Total	1,220,263	1,183,592

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

Analysis of grant-making activities:

Expenditure on charitable activities in respect of education and campaigning, as shown in note 9, includes the payment of grants to institutions as noted below:

	2018 £	2017 £
National Vegetarian Week	36,600	30,831
Eco Green Flag Awards	-	10,200
Christmas	2,600	
Related support costs	16,189	16,051
Total	55,389	57,082

Details of these activities are provided in the “achievements and performance” section of the Trustees’ Report.

10. ANALYSIS OF SUPPORT COSTS

	2019 £	2018 £
Staff costs	205,106	194,459
Premises expenses	58,399	60,931
Management and finance	66,499	57,629
Equipment and IT	50,761	44,976
Postage, telephone and stationery	17,940	18,788
Depreciation	28,014	26,061
Governance costs	24,067	23,558
	450,786	426,402

Allocated as follows:

Fundraising costs	26,187	27,704
Membership services	59,972	63,928
Approved trademark sales	99,953	102,923
Cookery School	59,972	59,666
Education and campaigning	172,716	150,872
Expert information and support	31,986	21,309
Total	450,786	426,402

11. ANALYSIS OF GOVERNANCE COSTS

	2019 £	2018 £
Staff costs relating to governance	13,758	13,054
Trustee costs	6,683	6,948
Audit fees	3,626	3,556
Legal and consultancy fees	-	-
Total	24,067	23,558

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

12. NET INCOMING / (EXPENDITURE) FOR THE YEAR

	2019	2018
	£	£
This is stated after charging:		
Depreciation of tangible assets	30,413	27,401
Amortisation of intangible assets	-	-
Loss on disposal of fixed assets	-	233
Payments under operating leases – fixtures, fittings and equipment	2,869	3,386
Auditors' remuneration	3,600	3,600
	882,699	822,908

13. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	2019	2018
	£	£
Wages and salaries	778,071	723,908
Social security costs	66,124	63,898
Employer's contribution to a defined contribution pension scheme	38,504	35,102
	882,699	822,908

Allocated as follows:

	2019	2018
	£	£
Expenditure on raising funds:		
Fundraising	39,473	37,571
Membership	71,139	69,056
Expenditure on charitable activities:		
Approved trademark sales	125,009	124,283
Cookery School	85,473	80,594
Education and campaigning	284,846	267,572
Expert information and support	57,895	36,319
Support and governance costs:		
Support	205,106	194,459
Governance	13,758	13,054
	882,699	822,908

No employee received employee benefits (excluding pension contributions) in excess of £60,000 in the year (2018 – nil).

The key management personnel of the charity comprise the trustees and the Senior Management Team, whose names are listed in the Trustees' Report. The total amount of remuneration paid to the Senior Management Team for the year (including employer's national insurance and pension costs) was £305,955 (2018 - £284,524).

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

14. STAFF NUMBERS

The average number of employees, analysed by function, was:

	2019 Number	2018 Number
Fundraising	1	1
Membership services	3	3
Education and campaigning	8	7
Expert information and support	1	1
Approved trademark sales	5	5
Cookery School	3	3
Management, finance and administration	7	7
	28	27

15. TRUSTEES' REMUNERATION AND EXPENSES

	2019 Number claiming	2018 Number claiming	2019 £	2018 £
Travel and subsistence	8	8	4,777	5,622

None of the members of the Board of Trustees received any remuneration during this year or last year.

16. INTANGIBLE FIXED ASSETS – GROUP AND COMPANY

	Trademarks £
Cost	
At 1 April 2018	27,508
Additions	-
At 31 March 2019	27,508
Amortisation	
At 1 April 2018	27,508
Charge for the year	-
At 31 March 2019	27,508
Net book value	
At 31 March 2019	-
At 31 March 2018	-

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

17. TANGIBLE FIXED ASSETS – GROUP AND COMPANY

	Freehold property £	Fixtures, Fittings & equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2018	1,000,000	145,358	135,220	1,280,578
Additions	-	32,177	90,331	122,508
Disposals	-	(22,565)	(93,913)	(116,478)
Revaluation	-	-	-	-
At 31 March 2019	<u>1,000,000</u>	<u>154,970</u>	<u>131,638</u>	<u>1,286,608</u>
Depreciation				
At 1 April 2018	101,333	121,577	126,341	349,251
Charge for the year	16,000	9,607	4,806	30,413
Disposals	-	(22,120)	(93,913)	(116,033)
Revaluation	-	-	-	-
At 31 March 2019	<u>117,333</u>	<u>109,064</u>	<u>37,234</u>	<u>263,631</u>
Net book value				
At 31 March 2019	<u>882,667</u>	<u>45,906</u>	<u>94,404</u>	<u>1,022,977</u>
At 31 March 2018	898,667	23,781	8,879	931,327

Included in the value of £882,667 above for freehold property are gross depreciable buildings at a value of £682,667.

All the assets are used by the charity.

18. INVESTMENTS – FIXED ASSETS

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Cost or valuation				
Market value at 1 April 2018	1,908,306	2,112,565	1,908,308	2,112,567
Additions	233,266	316,220	233,266	316,220
Transfer from current asset investments	100,598	-	100,598	-
Transfer to current asset investments	-	(100,000)	-	(100,000)
Disposals	(1,251,439)	(439,913)	(1,251,439)	(439,913)
Net investment gains / (losses)	72,666	19,434	72,666	19,434
Market value at 31 March 2019	<u>1,063,397</u>	<u>1,908,306</u>	<u>1,063,399</u>	<u>1,908,308</u>
Historical cost at 31 March 2019	<u>988,446</u>	<u>1,752,449</u>	<u>988,448</u>	<u>1,752,451</u>

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

Investments at market value are represented by:

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
UK fixed interest bonds and deposits	154,163	291,522	154,163	291,522
UK equities	290,586	741,681	290,586	741,681
Overseas fixed interest bonds and deposits	-	-	-	-
Overseas equities	322,535	579,143	322,535	579,143
Global collective investments	156,061	234,369	156,061	234,369
UK property investment trusts	39,454	61,591	39,454	61,591
Cash investments	100,598	-	100,598	-
Investment in trading subsidiary	-	-	2	2
	<u>1,063,397</u>	<u>1,908,306</u>	<u>1,063,399</u>	<u>1,908,308</u>

19. RESULTS FROM SUBSIDIARY'S TRADING ACTIVITIES

The charity has one wholly owned trading subsidiary VSUK (Trading) Limited, whose details at 31 March 2019 are as follows:

Name	Country of incorporation	Class of shares held	Percentage held by the company
VSUK Trading Limited	England	Ordinary	100

Until 1 April 2012, the activity of VSUK Trading Limited was the promotion of the Vegetarian Society's "Approved" trademark. These activities were transferred to the Vegetarian Society with effect from 1 April 2012, with VSUK Trading Limited being retained as a dormant subsidiary.

The Group Balance Sheet excludes £2 in relation to shares held in the subsidiary, VSUK Trading Limited.

20. STOCKS

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Goods for resale	<u>16,669</u>	<u>17,505</u>	<u>16,669</u>	<u>17,505</u>

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

21. DEBTORS

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Amounts falling due within one year:-				
Trade debtors	84,838	52,086	84,838	52,086
Prepayments	66,843	115,990	66,843	115,990
Accrued income	115,545	44,441	115,545	44,441
Other debtors	35	639	35	639
	<u>267,261</u>	<u>213,156</u>	<u>267,261</u>	<u>213,156</u>

22. INVESTMENTS – CURRENT ASSETS

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Cost at 1 April 2018	394,335	589,319	394,335	589,319
Additions	114,204	23,086	114,204	23,086
Transfer from fixed asset investments	-	100,000	-	100,000
Transfer to fixed asset investments	(100,598)	-	(100,598)	-
Disposals	(74,113)	(318,070)	(74,113)	(318,070)
Cost at 31 March 2019	<u>333,828</u>	<u>394,335</u>	<u>333,828</u>	<u>394,335</u>

Investments at market value are represented by:

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Bank deposits	<u>333,828</u>	<u>394,335</u>	<u>333,828</u>	<u>394,335</u>

23. CREDITORS

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Trade creditors	36,324	20,407	36,324	20,407
Social security and other taxes	26,994	26,560	26,994	26,560
Accruals	94,695	57,800	94,695	57,800
Deferred income	254,831	265,146	254,831	265,146
Other creditors	5,540	5,715	5,540	5,715
Amounts owed to group undertakings	-	-	1,038	1,038
	<u>418,384</u>	<u>375,628</u>	<u>419,422</u>	<u>376,666</u>

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

24. DEFERRED INCOME

	Group £	Charity £
Balance at 1 April 2018	265,146	265,146
Amount released to incoming resources	(265,146)	(265,146)
Amount deferred in the year	254,831	254,831
Balance at 31 March 2019	254,831	254,831

Deferred income comprises:

- Cookery school income invoiced or received in advance of the course
- Income received in advance of the publication or display of an advert
- Sponsorship money received in advance of the event to which it relates
- Approved trademark sales invoiced in respect of that proportion of the licence that relates to after the year end

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

25a. RECONCILIATION OF MOVEMENTS IN ACCUMULATED FUNDS – CURRENT YEAR

	At 1 April 2018	Incoming resources (incl gains)	Outgoing resources (incl losses)	Transfers	At 31 March 2019
	£	£	£	£	£
FUNDS:					
Restricted funds					
Supporting veganism (a)	288,275	-	(68,012)	3,157	223,420
Northern Ireland activities (b)	1,225	-	(1,232)	7	-
	<u>289,500</u>	<u>-</u>	<u>(69,244)</u>	<u>3,164</u>	<u>223,420</u>
UNRESTRICTED FUNDS:					
Designated funds					
Property and equipment fund	931,327	-	-	91,650	1,022,977
Buildings maintenance fund	208,853	-	(9,972)	-	198,881
Projects fund	1,201,333	-	(351,309)	345	850,369
Operational management fund	-	852,289	(911,254)	58,965	-
Cookery school subsidy fund	-	144,773	(159,149)	14,376	-
	<u>2,341,513</u>	<u>997,062</u>	<u>(1,431,684)</u>	<u>165,336</u>	<u>2,072,227</u>
General fund	612,943	213,454	(9,954)	(168,500)	647,943
	<u>2,954,456</u>	<u>1,210,516</u>	<u>(1,441,638)</u>	<u>(3,164)</u>	<u>2,720,170</u>
Total funds	<u><u>3,243,956</u></u>	<u><u>1,210,516</u></u>	<u><u>(1,510,882)</u></u>	<u><u>-</u></u>	<u><u>2,943,590</u></u>

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

25b. RECONCILIATION OF MOVEMENTS IN ACCUMULATED FUNDS – PREVIOUS YEAR

	At 1 April 2017	Incoming resources (incl gains)	Outgoing resources (incl losses)	Transfers	At 31 March 2018
	£	£	£	£	£
FUNDS:					
Restricted funds					
Supporting veganism (a)	379,025	-	(95,049)	4,299	288,275
Northern Ireland activities (b)	5,035	-	(3,875)	65	1,225
	<u>384,060</u>	<u>-</u>	<u>(98,924)</u>	<u>4,364</u>	<u>289,500</u>
UNRESTRICTED FUNDS:					
Designated funds					
Property and equipment fund	949,226	-	-	(17,899)	931,327
Buildings maintenance fund	220,983	-	(12,130)	-	208,853
Projects fund	1,522,177	-	(422,407)	101,563	1,201,333
Operational management fund	21,237	854,269	(842,673)	(32,833)	-
Cookery school subsidy fund	-	110,733	(132,554)	21,821	-
	<u>2,713,623</u>	<u>965,002</u>	<u>(1,409,764)</u>	<u>72,652</u>	<u>2,341,513</u>
General fund	630,106	72,969	(13,116)	(77,016)	612,943
	<u>3,343,729</u>	<u>1,037,971</u>	<u>(1,422,880)</u>	<u>(4,364)</u>	<u>2,954,456</u>
Total funds	<u>3,727,789</u>	<u>1,037,971</u>	<u>(1,521,804)</u>	<u>-</u>	<u>3,243,956</u>

Restricted funds

(a) The charity was bequeathed a legacy in 2013 with a value of £397,064. In accordance with a request in the will, this will be used to support veganism. £68,012 of this fund has been spent 2018/19, made up of:

- Funding expenditure to develop, register and market a vegan trademark
- 18 vegan cookery courses for services users of charitable groups
- Four scholarship places on professional diploma courses
- Two scholarship places on foundation leisure courses
- A funded Essential Vegan course for 13 students from Liverpool John Moores University
- Attending a school to provide training and support in planning vegan meals, menus and designing recipes

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

£130,053 of this fund was spent in previous years; this brings the total amount of expenditure from the fund to date to £198,065.

(b) The charity received a legacy of £10,159 in 2014 which must be used to further its objects in Northern Ireland. £1,232 of this was spent in 2018/19 - £1,032 to fund grants for events held in Northern Ireland during National Vegetarian Week and £200 to fund grants for events held in Northern Ireland for Christmas. £9,193 of this legacy was spent in the previous years, bringing the total amount spent from this fund to £10,425 (this is slightly higher than the amount received by the charity because accrued interest has been applied to the fund).

(c) Interest is being accrued on these funds at a rate equivalent to the average rate received on fixed term deposits during the year, which was 1.19% for the year ended 31 March 2019.

Designated funds

The property and equipment fund is a designated reserve representing the amount of the charity's funds that are locked up in freehold land and buildings and other fixed assets which are needed for operational purposes.

Buildings maintenance fund: a condition survey on Parkdale was received in February 2013. As a result, £270,000 was set aside to fund property maintenance between April 2014 and the end of 2022. £9,972 of this was used in the year; the remaining £198,881 will be required to keep the building in a good condition in future years, and so it is carried forward within this fund.

Project fund: funds have been designated to ensure that key pieces of work can be delivered over the next few years. The balance at 31 March 2019 represents an estimate of the funds required to finance the following:

- National Vegetarian Week for a further three years
- Christmas / New Year campaign work for a further three years
- Other project work that has been approved by trustees; details of this work is included under "Achievements and Performance" and "Plans for the Future"

The fund includes all project staff costs that will be required to deliver this work.

Operational management fund: the charity planned for its ongoing work to be financed by ongoing income. Ongoing income and expenditure is shown separately in this fund, with the resulting deficit for the year being funded by a transfer from reserves at the end of the year.

Cookery school subsidy fund: the charity planned for the cookery school to report a breakeven position for the financial year. A deficit (before the allocation of overheads) of £14,376 was reported and this was funded by a transfer from reserves at the end of the year.

General fund

As at 31 March 2019, the balance of reserves in the general fund amounts to £647,943, of which £606,200 is required to be retained to satisfy the requirements of the charity's reserves policy.

Included in the general fund is an investment revaluation reserve of £74,951 (2018 - £155,857). This represents the amount by which the market value of investments exceeds their cost.

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

26a. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	General Fund £	Designated Funds £	Restricted Funds £	Total £
Fixed assets	647,943	1,438,431	-	2,086,374
Cash at bank and in hand	-	434,422	223,420	657,842
Other net current assets	-	199,374	-	199,374
	647,943	2,072,227	223,420	2,943,590

26b. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS – PREVIOUS YEAR

	General Fund £	Designated Funds £	Restricted Funds £	Total £
Fixed assets	612,943	2,226,690	-	2,839,633
Cash at bank and in hand	-	-	154,955	154,955
Other net current liabilities	-	114,823	134,545	249,368
	612,943	2,341,513	289,500	3,243,956

27. OTHER FINANCIAL COMMITMENTS

	2019 £	2018 £
At 31 March 2019, the total of future minimum lease payments under non-cancellable operating leases was as follows:		
Fixtures, fittings and equipment		
Within 1 year	2,197	3,386
Within 2 to 5 years	2,933	1,455
More than 5 years	-	-
	-	-

28. CONTINGENT ASSETS

The Vegetarian Society is entitled to receive an income distribution from the estate of John Sykes until 2063, at which point the capital value of the estate will be distributed. Based on current values, the Vegetarian Society's entitlement to a capital distribution will be approximately £260,000. This income has not been recognised in the financial statements; because the capital payment occurs so far in the future, it is not considered possible to value the income that will be received with any degree of certainty.