



The Vegetarian Society of the United
Kingdom Limited

Group Annual Report and Financial
Statements

Year ended 31 March 2020

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 2020

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THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

REPORT OF THE TRUSTEES

YEAR ENDED 31 MARCH 2020

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 2020. 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.

Strategy and Business plan

In November 2018 trustees agreed a new five year strategy to cover the period of 2019 to 2024 and in March 2019, a business plan to deliver the strategy. These documents set out our mission, what we wish to achieve in the next five years (our aims and objectives) and how we will be able to deliver this work.

Our vision

Our vision is a world where everyone is vegetarian.

Our mission

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

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

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- 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

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:

- Our website offers a wide range of free information for all about a vegetarian diet and lifestyle, including health and nutrition information, recipes and food information
- Our Vegetarian Society Approved vegetarian and vegan trademarks makes it easier for consumers to make an informed choice when buying vegetarian and vegan products and to trust what they are buying
- We have a free recipe app for the public to download, which has over 500 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 inspire and support people to go and stay vegetarian.
- We provide free cookery courses for community groups and charities. This helps them to learn new skills, try vegetarian and vegan food, introducing veggie dishes to their friends and family
- We run a scholarship programme for aspiring chefs
- Representation – we speak out for vegetarians and vegans about issues that affect their lives, such as giving evidence to a House of Lords committee on food labelling
- 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

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ACHIEVEMENTS AND PERFORMANCE

In summary, last year we said our plans were:

Improving quality and choice for vegetarians when eating out	Ongoing	Three veggie choices wherever you go by 2025. This work will continue until 2025 and is delivered mainly through a project called the UK Food Plan
UK food Plan – Veggie meal plans for schools	Ongoing	We delivered a full term of recipe packs with instructions and demonstration videos to 29,000 schools in the UK
UK Food Plan – Default Veg	Ongoing	We launched the project to businesses, educational establishments and voluntary and community groups. At Christmas, it moved under the Eat to Beat Climate Change banner. It was put on hold during lockdown for COVID-19
Trademarks – expand the number of products and clients licensed to carry the trademarks	Ongoing	We have expanded to 17,863 products licensed and 617 clients
National Vegetarian Week 2019	Completed	One of our most successful years, we trended on twitter and had a TV ad which was seen by over 5 million viewers
Restructure Cookery School	Completed	We have recruited and inducted new staff
Membership and supporter recruitment – lead generation and giving more content to people	Ongoing	We have been running member recruitment and lead generation campaigns. We have received 6121 new sign ups throughout the year and produced more content
Healthy Eating Guide	Completed	We launched two guides, one vegetarian and one vegan
Pregnancy Guide	Delayed	This was due to be published in March but was delayed because of COVID-19
Fundraising initiatives and grants	Ongoing	We successfully applied for and received a grant for our schools work
Digital training for catering waiting staff	Completed	We launched our first module but unfortunately this is now on hold because of COVID-19
Digital courses for Cookery School	Completed	We launched our first course but then withdrew it for improvement and relaunched in February
Community grants programme	Completed	We gave a total of £31,913 grants to 104 groups for NVW and over 21,000 attended events.

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We have five strategic aims in our Strategy for 2019 to 2024 and each aim has a set of objectives. We will not work towards all of the objectives every year and some will be achieved before others. At the same time, our strategy sets out six services that have been successful and that we intend to continue running throughout the five years of the strategy.

Services we are committed to running:

1. Vegetarian Society Approved trademarks

The Vegetarian Society Approved vegetarian and vegan trademarks are a very important part of the impact we deliver. We check the ingredients and production processes of the products that are licensed to carry our trademarks.

Any product displaying the Vegetarian Society Approved vegetarian trademark has met these criteria:

- Free from any ingredient resulting from slaughter
- Only free-range eggs are used
- No cross-contamination during production
- GMO-free
- No animal testing carried out or commissioned

Any product displaying the Vegetarian Society Approved vegan trademark has met these criteria:

- Free from animal-derived ingredients
- No cross-contamination during production
- GMO-free
- No animal testing carried out or commissioned

Members of the public can trust that products carrying our Vegetarian Society Approved trademarks are suitable for them to buy and eat and this makes their lives easier and their shopping quicker.

2. Members and Regular Donation Scheme

Our members are at the heart of everything we do. Their financial support enables us to undertake work on their behalf but, equally importantly, they are a community which informs our understanding of what is important to vegetarians and vegans and where our impact needs to be.

Examples this year have been representing members' views in the House of Lords and encouraging people to get involved in the National Food Strategy.

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A proposal was put forward to the EU to ban terms associated with meat being used for vegetarian food, meaning companies could not call their products veggie sausages or burgers. It quickly became clear that this was very important to vegetarians. We submitted evidence from 1,225 members and supporters to the House of Lords select committee considering the issue and went to the hearing to speak on their behalf. We did TV and radio interviews throughout the day, making sure the coverage was carried widely across the media.

When we asked members and supporters if they would like to contribute to the National Food Strategy over 2,500 people replied. Key issues they raised were ensuring vegetarian cooking and nutrition is taught in schools, switching public sector food buying over to veggie food, ensuring labelling is better and there is more retail space for veggie food, moving farming subsidies from meat to veggie food, and changing advertising regulations around meat and fish as they have been for cigarettes and tobacco. We have reported all the responses to the consultation group.

3. National Vegetarian Week

Every May, National Vegetarian Week raises awareness of vegetarian food. It has been running for over 25 years. In that time more and more businesses, restaurants, chefs and media outlets have taken part and this has contributed to what is now a wide acceptance of vegetarian food as normal and mainstream. Trending on social media, and with the support of mainstream businesses and celebrities, means that the general public have become accustomed to vegetarian food and more open to trying it and eating it regularly.

4. High Quality Content for website and social media channels

The world is now increasingly digital and having high quality content is more important than ever. Equally, the rise in popularity of vegetarian and vegan food has meant there is a lot of digital content for people to see, some of it not reputable or trustworthy, particularly around diet and nutrition. Our content strategy states we want to be the BBC of the vegetarian world and this means high quality, evidence-based content that is reputable and trusted. We have invested more resources in the past few years in training staff, developing our website and developing our social media channels and are now able to reach more people with high quality content.

5. Vegetarian Society Cookery School

Our cookery school works with home cooks, professional chefs and voluntary and community groups to teach cooking skills and techniques and to inspire people to cook delicious vegetarian food. Over the years it has struggled to break even, but whatever the financial bottom line, the school is an important part of how we learn about food and what is important to vegetarians and how we are able to give people knowledge and skill, both face to face and digitally.

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This year, the school has demonstrated at events across the country, from a community cohesion day at Wellacre academy to RHS Tatton Flower Show, Nantwich Food festival, the Good Life Festival and Greenbelt Festival. We have inspired and raised awareness about how easy delicious veggie food can be.

We have worked with colleges and schools, taught at Salford Museum, worked with voluntary and community groups and trained professional chefs. We have worked with commercial outlets, including a regional local bakers' network, helping to improve the commercial offer for customers.

Our scholarship programmes and free courses have made learning accessible to all.

6. Enquiry Service (including Dietitian Service)

Throughout this year, the enquiry service has helped 753 individuals who asked for help about issues from eating out to food products wrongly labelled as vegetarian and poor service.

Some enquiries can be dealt with individually but some lead to information which is shared widely, both about diet and lifestyle. For example, our service discovered that some toilet paper is not vegetarian because of the glue used. REPA straws are not vegetarian because they are made from harvested animal shells and Brillo pads are not vegetarian because they contain animal tallow.

Our free dietitian service has given advice and support to 98 people, enabling them to continue to eat a vegetarian diet while dealing with other health issues.

Our performance against our strategic aims and objectives:

Strategic Aim One: Lead the way and be the hub of the vegetarian world

OBJECTIVES:

1.1 Update designs and materials in-line with new website including magazine, leaflets, headed paper

This is ongoing as the website develops.

1.2 Update content from old website to new website

Our new website launched in March 2019 and we have developed a rolling programme of updating pages as they have been moved across from the old website and in-line with new information, updated statistics and new content we are producing.

Feedback from the website has been really positive. It is now fit for purpose and we are able to use it to provide much better content.

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1.3 Deliver content strategy to deliver more content on more channels and in a wider range of formats, including videos and podcasts

Our content strategy and content training for staff means that we are now producing more and better quality content across the board. We have kept our members and followers up-to-date with topics relevant to vegetarians, produced practical support with cooking skills, recipes and health and nutritional information and created thought provoking long reads. We have provided information about vegetarian and vegan products and services and we have represented vegetarians and vegans in the media.

We polled our members on whether they thought there should be a meat tax. Their views were split down the middle so we produced articles from Christopher Snowden, Head of Lifestyle Economics at the Institute of Economic Affairs (against) and Marco Springmann, Senior Research on Environmental sustainability and Public Health at the University of Oxford (for). This provoked further discussion.

We debated whether veganism is good for vegetarianism and this provoked a very strong response from members predominantly agreeing that the rising tide of veganism raises all boats.

We had celebrity interviews with Prue Leith, Rose Elliot, and Joe Wicks.

We gathered the best of the supermarket Christmas offerings for vegetarians and vegans.

We regularly pass on information about new products and offer discounts, competitions and giveaways to members and supporters.

We make sure that vegetarians and vegans are in the media. This might be to raise awareness, for example during National Vegetarian Week. It might be to represent their views, for example, doing radio and TV interviews about the EU proposals to ban the words “sausages” and “burgers” for veggie products. Or it might be about products and services, for example, a radio interview about Pret buying out over 90 EAT outlets and planning to convert them to Veggie Prets.

Most of our content is now digital and is on our website and sent out to members and followers on social media and in newsletters. However, we have a number of members who don't access digital content and we are committed to producing a members' magazine for them, which includes a round-up of our major content, as well as news about the charity and the work we do. Unfortunately our spring 2020 members' magazine was printed just before lockdown, so the magazine made no mention of COVID-19, which seemed odd to those members that don't receive digital communications and we received some complaints.

The new website allows us to produce and include video content, such as our five videos on five ingredients for new vegetarians, and videos on our Food Box Project appeal webpage from food banks

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who have received the boxes. We recorded a podcast with Rose Elliot at Christmas and have also included podcasts as part of our information about the Just V show.

As the country went into lockdown because of COVID-19 we doubled the number of newsletters we produced, sending out two per week and including content relevant to the times, for example, where to buy veggie products online and how to cook nutritionally with store cupboard ingredients.

1.4 Increase social media following

This year, we have developed an Instagram channel and worked to increase all social media followers. At the end of the year we had 32,190 Instagram followers, 294,195 Facebook followers and 113,131 twitter followers.

Strategic Aim Two: Inspire people to eat vegetarian food and become vegetarian

OBJECTIVES:

2.1 Run National Vegetarian Week to raise awareness

National Vegetarian Week 2019 encouraged people to eat more veggie food. There were 50 veggie things to try throughout May. For the first time ever we had a TV ad on popular digital channels, such as Sky News, BT sport and the Food Network. The ad was seen by over five million people across the UK. We gave over 104 community groups a total of £31,913 in grants to run their own events. Around 21,000 people attended an event and sampled some delicious vegetarian food, from Yardley Recovery Hub in Birmingham, First Rathfriland Presbyterian Church in County Down, Northern Ireland, Randall Close Day centre in Battersea South London to Bryncynon Community Revival in Mid Glamorgan. The week trended on twitter and was mentioned in over 400 press items, including national and regional newspapers and national and local radio. Businesses up and down the country joined in. McDonalds offered a free Spicy Veggie Wrap on their phone app, which they later told us was their best ever promotion.

2.2 Update and expand recipe collection (including celebrity recipe of the month)

This work is ongoing as there are so many recipes and includes removing out of date recipes and adding photographs to older recipes without them and information about whether recipes can be frozen. We have adding copyrights and digital share functions to all recipes. We have commissioned new recipes and have recruited members to add “tried and tested” reviews to recipes. Over one hundred members and supporters have said they would like to test recipes but unfortunately this has now been delayed as food became difficult to get hold of during lockdown but we hope to resume soon. Problems with the

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website company and changes to the functionality of the website have meant that the ability to feature a celebrity recipe on the homepage of the recipe section has been delayed.

2.3 Recipe videos and digital cookery demos aimed at flexitarians and new vegetarians

Throughout the year we made a number of videos, including an Eat to Beat Climate Change Beetroot and Chilli Burger for World Vegetarian Day and a Jackfruit Bulgur Wheat Salad (from our cookbook). For 24 Hours in Farming Day in August we filmed picking ingredients at Spitalfields farm, then Mob Kitchen cooking them and Manchester Veg People picking fresh veg and our cookery school tutors talking about the veg and giving cooking and recipe tips.

2.4 Free courses for young people, vulnerable adults and community groups (mainly meat-eaters)

The Vegetarian Society Cookery School has delivered free group classes for 18 voluntary and community groups throughout the year, helping people to learn new skills and try vegetarian food. Groups have included Sefton Women's Aid, Together Dementia support, Headway head and brain injury charity, Sale and Trafford Young Carers group and Manchester Metropolitan University Students.

Much of our campaigning work contributes to strategic aim two of inspiring people to eat vegetarian food and go vegetarian. Three campaigns this year stand out: touring vegetable sculptures, our Eat to Beat Climate Change work and our university veggie boxes.

Giant Vegetables – An art collective wanted to partner with us to create giant vegetable sculptures that could travel round the country and raise awareness of climate change and the need to eat veggie food. The sculptures are made of recycled and reclaimed materials and started their tour at the Royal Hampton Court Flower Show. They travelled via Edible Machynlleth in Wales, to Bicester, on to the Friends Meeting House on Euston Road in London and London Spitalfields Farm and they have been resting over the winter at Manchester Metropolitan University in their café. They provoked much interest and discussion and helped us promote sign-ups to our newsletters.

Eat to Beat Climate Change – this slogan was developed for our membership recruitment work but has served to badge all our work this year around encouraging people to go veggie for environmental reasons. We have used it to ask workplaces to sign up to our default veg scheme and for individual pledges to change diet. We have sold t-shirts and celebrities have posted wearing them on social media, such as Chris Packham, and encouraging people to go veggie.

University Boxes – Last year we piloted this scheme and this year we sent out 2,000 boxes of veggie and vegan samples to 10 universities. The boxes contained lots of goodies, a booklet with discounts and special offers and information about going veggie. This is a great way to encourage students when they leave home, often for the first time, to think about their diet and the impact it has on the planet.

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Throughout the year we have been working on developing a new project to help inspire people to eat more vegetarian food and this was getting veggie food boxes into food banks. We began developing a partnership with the Trussell Trust and exploring the possibility of making food boxes, with all the ingredients and a recipe card for a nutritious veggie meal and donating them to food banks. This would enable people using food banks to learn about vegetarian food, develop their cooking skills and give them the ability to make cheap and nutritious veggie food in the future.

While we were still looking for sources of funding, the COVID-19 lockdown happened and the demand at food banks suddenly increased dramatically as people lost their jobs. We speeded up the development of the project and ran an appeal to raise money for the first boxes, which went out in March. The feedback has been great, food bank users like the recipes and have been really grateful to receive the food. Some have also said it is like receiving a gift, because someone has really thought about them and what they need and provided everything to make it easy.

Strategic Aim Three: Provide information and training to increase knowledge and skills

OBJECTIVES:

3.1 Update content from old website to new website – see above section 1.1

3.2 Deliver content strategy – see above section 1.2

3.3. Produce health and nutrition guides, including healthy eating guide and pregnancy guide

We produced two healthy eating guides, one vegetarian and one vegan, launched in January 2020 for the New Year and the campaign Veganuary.

The pregnancy guide got held up at the end of February when both the graphic designer and the content writer became unavailable because of COVID-19.

3.4 Increase sales of cookery courses for home cooks

We have not increased the sales of courses for home cooks this year. We have restructured the cookery school and had gaps in capacity as we have been recruiting. We have also had a lack of marketing capacity in the Communications team which has had a direct and trackable effect on sales. In March, following one of our most successful months ever in February, the school had to close because of COVID-19 and remains closed for the foreseeable future. Like most of the hospitality industry, working with food in small spaces will be challenging going forward and the shape of the school may have to change again in the future.

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However, we installed camera systems in the school last year and our plans for this year already included starting work on producing digital courses. So we are well placed to continue to teach people remotely using digital courses and live streaming during 2020. We may also put more resources into cooking demos at large outdoor events when these are held again.

3.5 Free courses for young people, vulnerable adults and community groups (mainly meat-eaters) – see section 2.4

Strategic Aim Four: Influence provision to increase quality and choice

OBJECTIVES:

4.1 UK Food Plan to deliver main goal

There are five strands to this work:

- Schools and educational establishments
- Businesses and caterers (the hospitality industry)
- Workplaces
- Hospitals and care homes
- Travel

Work this year has focussed on schools and workplaces.

We have sent our veggie meal resource pack to 29,000 schools. It contains recipes, instructions and demonstration videos for a whole term's worth of school dinners and we have started work on another term. We have developed lunch box ideas for children who bring packed lunches, including fun presentation ideas and launched in a colourful booklet. We have worked with 100 schools to help them get their Eco Green Schools award by increasing vegetarian awareness and meal options.

By encouraging workplaces to go veggie, we have visited Aviva's regional environmental days and launched a scheme where businesses can sign up to provide veggie food by default – meat or fish will only be served if specially requested by individuals. This project is now badged under our Eat to Beat Climate Change work but following the launch in January, it had to go on hold because of COVID-19. We hope to resume when workplaces are open again.

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4.2 Expand trademark sales

At the end of the financial year we had 17,863 products licensed to carry the Vegetarian Society Approved trademarks. Trademark sales exceeded targets. We recruited an extra Businesses and Sales Officer (and did not replace the Marketing Officer post when it became vacant). New clients included Baxter's Fray Bentos' first vegetarian pie, Muller yogurt, Beyond Meat, Bagel Nash and Seabrook Crisps. We were excited to work with McDonalds on the launch of their new veggie wrap at the beginning of the year and then later, their first ever veggie Happy Meal for Kids – a much requested, long awaited product that helps vegetarian children to join in with their friends.

4.3 Scholarship programme to train new chefs

We have developed a scholarship programme for aspiring chefs which includes funding, travel and accommodation expenses. This is a new programme and is depend on legacy funding. This year we have been able to fund places for four people. Unfortunately, three people had to go home in the middle of their training when lockdown happened and we hope to be able to have them back when the school reopens.

4.4 Increase sales of professional chefs training

We have not increased sales of professional chefs training this year and are now revising the course and considering splitting it into shorter sections.

4.5 Increase sales of bespoke onsite training for catering outlets

We have offered bespoke sessions for businesses including a session and some research for 40 bakers from a regional network for local bakeries.

4.6 Sell digital training courses for catering staff

Module one of a series of digital training courses for catering staff was completed this year and launched at the Restaurant Show in October 2019. There has been some interest and feedback has been positive but unfortunately only a small number of sales were finalised before the hospitality industry dropped off and then closed because of COVID-19. Sales are now paused.

Some of the general work we do towards our fourth strategic aim of increasing provision is to encourage producers, suppliers and caterers to expand their veggie offering. One example of how we do this is to sponsor the appropriate categories in food industry awards. This year we sponsored both the vegetarian and vegan categories for the British Pie Awards, forming part of the judging team and encouraging media coverage.

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Strategic Aim Five: Organisational excellence and continuous improvement

5.1 Increasing Individual Giving

Our future plans last year included developing membership recruitment, with an increased focus on lead generation. This means getting people involved in our work and making a relationship with them, particularly through our newsletters, before asking them to become members.

6,121 people have signed up to the newsletters through initiatives such as asking them to sign up to access our Christmas recipes (550 sign ups), as part National Vegetarian Week (1,194 sign-ups) to take part in competitions and giveaways (52 sign-ups for a BOSH! cookbook), at events, through our Giant Vegetable sculpture project (479 sign-ups) and in consultations and polls such as the National Food Strategy (738 sign-ups) on our website.

Converting leads generated to membership takes time and becomes more difficult if the economic climate is challenging. We have not met our conversion targets and continue to develop new approaches. We have recruited new members outside of our conversion journeys but not in the numbers we would like. We have tried several new initiatives this year, which included running print ads in the Guardian and digital advertising to new target groups with small amounts of success.

5.2 Increase income from fundraising sources

This year, we successfully applied for a grant of £13,545 for the Cyril Cordon Trust to fund our UK Food Plan schools work. We secured sponsorship money for National Vegetarian Week 2020 and from KOKO for our Vegan Bake Sale pack.

We developed affinity partnerships with Savoo, and Evergreen Insurance, which mean that when people use their services we get a donation.

During National Vegetarian Week, we trialled asking seven restaurants to make a donation when a particular dish was purchased and will look at rolling this out when capacity allows.

We ran a crowdfunding campaign to fund our first National Vegetarian Week ad which raised £751 from 46 supporters. This did not meet its target. However, we ran an appeal on Giving Tuesday in December, asking for £540 to fund a cookery class for survivors of domestic abuse and this reached target in two days with a total of £1,223 raised.

We have developed resources for the public to use to raise money for the Vegetarian Society. They were for Vegan Bake Sales and Clothes Swaps and were due to launch in the final quarter of the year but have been postponed because of COVID-19.

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Lottery income has fallen because of a lack of marketing capacity to attract new players.

5.3 Increase trademark sales and income – see section 4.2

5.4 Increase cookery school income

We were not successful in increasing cookery school income. Following a promising restructure of the school we recruited a new assistant manager but this did not work out and there was a gap in capacity until towards the end of the year. The lack of a marketing officer for much of the year also impacted on sales of courses. Things picked up when we recruitment to both posts and we had our biggest attendance numbers for many years in February 2020. This looked set to continue in the next few months but unfortunately the school had to close because of COVID-19 and remains closed for the foreseeable future.

We launched our first digital cookery course in the summer – the Essential Vegan. This was aimed to be a foundation course for beginners, teaching basic vegan cookery. After a short test run we withdrew it as we didn't feel it was up to the standard we could achieve for such an important course. In February 2020 we launched Easy Vegan Favourites Part 1, which is less ambitious and rather than being a seminal course on the basics, this course just aims to teach some useful basic recipes. This has been very well received and sales are good. This has been a good starting point for what is now an enforced (because of COVID-19) move to digital courses.

5.5 Increase sales of online catering training - see section 4.6

5.6 Follow best practice and quality assurance commitments

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.

We have continued to meet the Information Standard requirements for health and social care information.

We keep up to date with guidance and follow the NCVO best practice guidance in Campaigning and Lobbying. This includes the Charity Commission guidance on Campaigning and Political Activity. For example, we avoid emotionally manipulative images or content, and are transparent in our campaign objectives and methods.

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5.7. Continue commitment to staff training

We have a staff training budget which is used for individual staff to undertake training for their roles and this year we have also invested in management training for the senior management team and content training for all staff producing content.

Staff Recruitment and Induction

During the year a number of posts became vacant. We took the decision to recruit to the top of our pay scales and look for skills and experience to lift the overall expertise of the staff team. In retrospect this was a mistake because when making recruitment choices we prioritised this over attitude. This resulted in four members of staff leaving during their probationary period and one after but during their first year. This resulted in work not done, a drop in income and a drop in staff morale.

We reviewed all our practices, had management training and a management team away day where we produced an action plan to tackle staff morale, communication and recruitment and induction. We returned to the practise of recruiting for attitude. We have now successfully recruited to four of the posts. Staff have settled in well, staff morale has improved and our capacity has increased again. The remaining vacant post was due to go to interview just after lockdown, so that is currently on hold.

RESERVES

Reserves policy

The policy of the charity is that sufficient of the charity's reserves shall be retained so that, in the event of a decision to close down the charity, funds are available to meet redundancy costs and to arrange an orderly run-down of services over a period of twelve months. As at 31 March 2020, the amount of reserves required to be held is estimated to be £478,875.

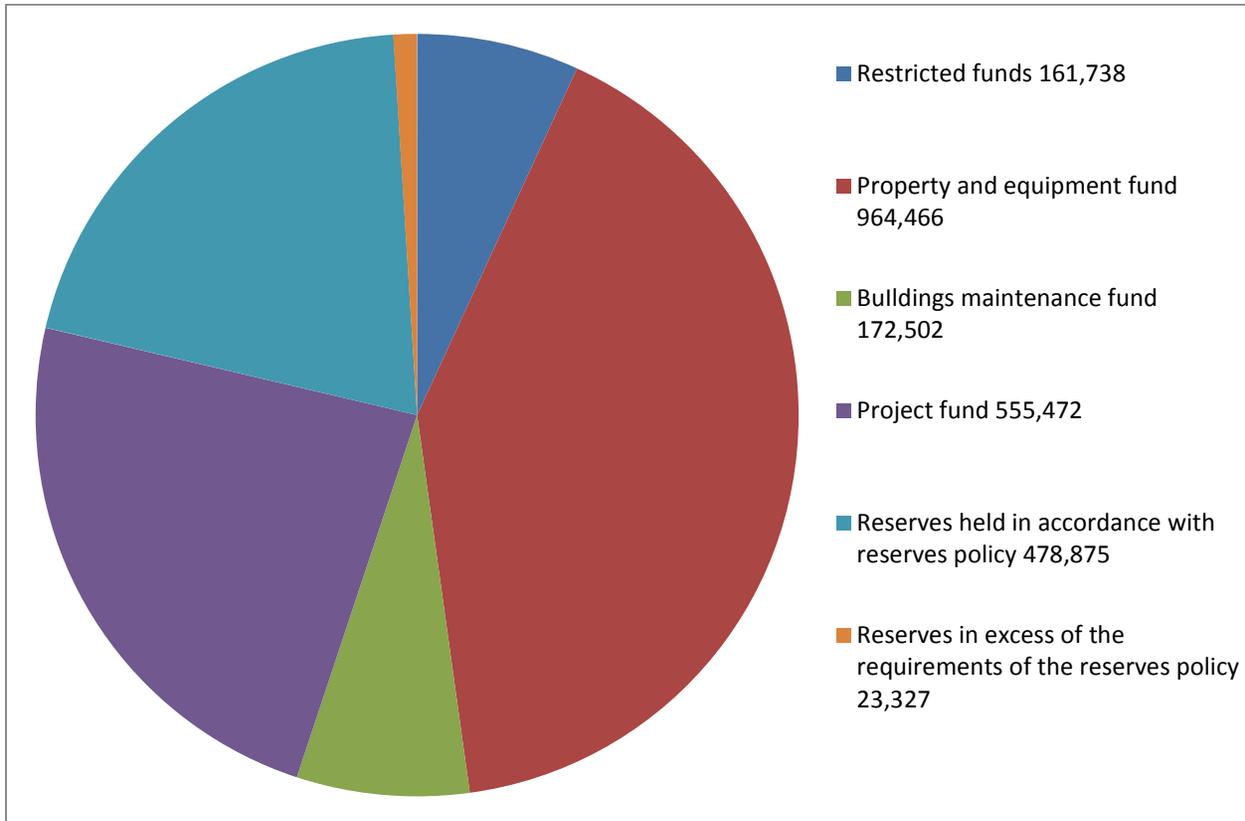
Funds at 31 March 2020

The charity's total funds as at 31 March 2020 were £2,536,380 and were made up as follows:

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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 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, £502,202 of reserves remain; this is £23,327 in excess of the requirement of the reserves policy to hold £478,875 in reserves as at 31 March 2020. This amount, together with any additional income received that is over that included in the business plan, will be spent to further the charity's objectives over a reasonable timescale, which will depend on the size and nature of the income source.

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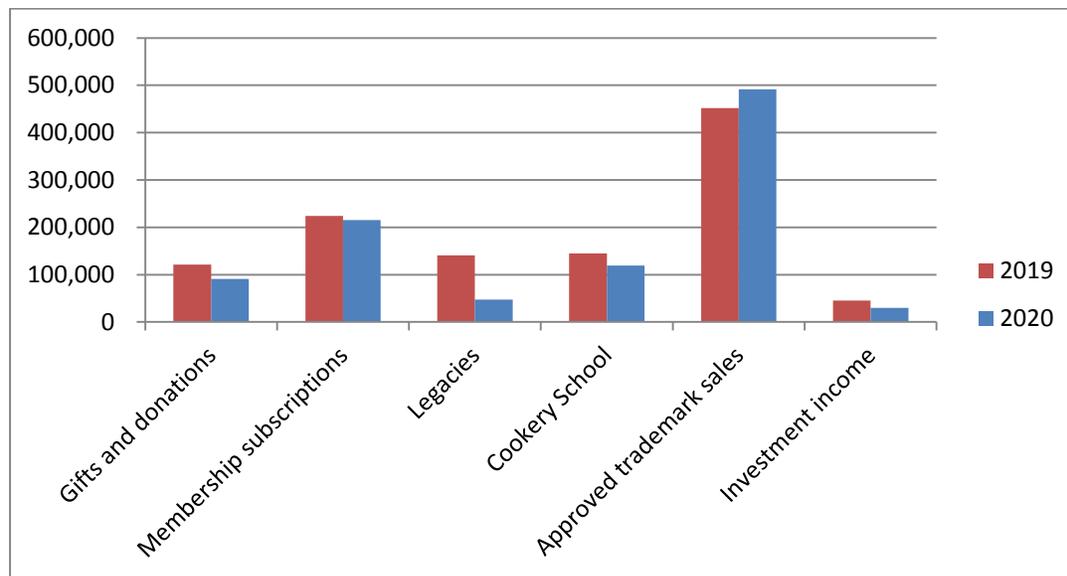
FINANCIAL REVIEW

The Statement of Financial Activities reported a deficit for the year of £538,801 before investment gains and losses are taken into account; this compares to a deficit of £373,032 in the previous year. The reported deficits are planned and are largely due to reserves being spent on project work.

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 £330,399 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.

The management accounts that are presented to trustees during the year also reported an ongoing deficit of £79,000. This has largely arisen as a result of reduced capacity in respect of marketing and fundraising; issues that have now been addressed and we would expect them to have a positive impact on income in the coming year, though acknowledge that COVID 19 could threaten this.

Income



Income for the year ended 31 March 2020 amounted to £1,019,942 as compared to £1,137,850 in the previous year. Legacy income is over £90,000 lower than in the previous year, and we have also lost a major donor. Although cookery school income is also down, it has been matched by a reduction in

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cookery school expenditure. The Vegetarian Society Approved trademark sales have reported an 8.8% increase because of the acquisition of new business.

Expenditure

Expenditure of £1,558,743 represents a 3.2% increase compared to 2018/19 which is mainly due to an investment in staff required to deliver our project work, to provide expert information and support and to fundraise. Investments have also been made in the areas of content and membership recruitment which also contributed to the increase.

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 set out how we will finance and deliver our strategy.

As with all other charities, our ability to achieve the targets that were set by our budget for 2020/21 has been significantly compromised by COVID-19. The biggest financial loss that we are currently suffering is as a result of the closure of the cookery school and we expect the closure to continue for some time. The flexible nature of our working means that we have been able to move cookery school staff onto producing general content around food and working on other projects such as the Food Box Project. The Marketing Officer is able to focus her attention on income streams that have the potential to expand, such as the lottery. We do not expect overall trademark income to be hit too badly; although some clients are struggling, it is clear that some have capitalised on current conditions and are performing better than ever. We have so far seen no marked decline in membership, but will need to keep this position closely monitored. We may receive more legacy income in the future.

We have had to stop some work, for example face to face teaching in the cookery school and our Default Veg project for workplaces. At the same time, we have developed new work, one example being food boxes for food banks. We ran an appeal for the boxes which raised over £38,000, our most successful appeal ever. So this work may increase our ability to raise funds in the coming year.

An updated forecast, based on the most up to date information, and incorporating a worst case scenario, has been prepared. Trustees consider that this forecast gives adequate assurance that reserves are sufficient to fund the charity's activities for a period of at least twelve months after the approval of the financial statements. Because our budget is split into ongoing work and project work, we have discontinued some planned project work to enable us to report this position of sustainability, and would be able to quickly discontinue further project work if necessary.

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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. 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. The charity does not restrict its fund managers as regards any 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 allows its fund managers to invest in collectives. They provide the portfolio exposure to overseas investments whilst providing diversification, access to specialist areas and 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, £962,799 of our funds were invested with Brewin Dolphin. A review of the Vegetarian Society's funds (including short to medium term cash flow requirements) took place at the September 2019 Council meeting. As a result, £200,000 of funds were returned from Brewin Dolphin in October 2019 in order to meet shorter term cash flow needs.

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In the first three quarters of the year, stock markets displayed a small but steady increase despite the volatility caused by such factors as trade negotiations between the USA and China, and ongoing Brexit negotiations. However, this was followed by a sharp decline in the last quarter (notably the last two weeks in March) that was caused by the coronavirus crisis, a decline that is likely to continue through the first half of 2020/21.

The capital value of investments held with investment managers as at 31 March 2020 (including cash investments) was £723,020. Investment performance was heavily dominated by the effect of the COVID-19 situation in the last month of the financial year. The value of shares held has reduced by £102,336 since 1 April 2019, meaning that, at 31 March 2020, shares held were worth £27,385 less than their original cost. This was partly compensated by the fact that shares sold by Brewin Dolphin in the year realised a historical gain of £53,927. It should also be borne in mind that, at the end of the first quarter in 2020/21, the value of share recovered to the extent that the market value once again exceeded cost by over £56,000.

Gross income yield on these investments for the year to 31 March 2020 came to 2.5% gross, compared to 2.3% in the year ended 31 March 2019. In terms of cumulative performance (ie capital and income combined), the Vegetarian Society has outperformed the benchmark for the year ended 31 March 2020 by 1.85%.

The charity's shorter-term funds are directly invested into deposit accounts in a way that strikes a balance between maximising the return and having funds available to fund expenditure when needed. An average amount of £483,649 was invested in fixed term and notice accounts in the year, yielding 1.55% in interest, which compares to a yield of 1.31% for the 12 months to 31 March 2019. In addition, an average amount of £351,585 has been held in an instant access account, earning interest of 0.6%; though the interest rate on this account reduced to 0.05% on 8 April 2020.

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, fundraising appeals 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 (affinity partnerships).

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.

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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?
 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 COVID-19 situation impacts significantly on the principal risks that the charity currently faces; an overview of these risks is noted below:

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

The charity is reliant on voluntary income to perform the work required to meet its objectives. Donations will be adversely affected by a general reduction in people's disposable income, and legacy income is likely to be subject to sizeable delays as executors continue to struggle in current conditions. We are pleased the retention rate of our membership is currently holding up, but this may not be the case further on in the year.

Reduced staff capacity

COVID-19 will have a profound and possibly long term effect on a large number of people, and we expect the charity to face challenges as a result. Our flexible working patterns have enabled us to move

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all staff to a full time home working situation with minimal disruption, and the flexible nature of our strategy has enabled us to shift the focus of our work to make it more relevant to the current circumstances of our stakeholders; this has enabled us to use our resources to the full and continue to deliver impactful work.

We currently have two pregnant staff, both in the same team and we realise that recruiting and induction new staff will be challenging and may not be possible. We may have to move existing staff round to cover some roles.

We have a large number of younger staff, which can bring a high turnover as they move on to other opportunities. This can cause problems as we are a small organisation, though 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.

Loss of business income

At the moment, we do not have a reliable way of predicting what impact COVID-19 will have on our business income, so regular monitoring and reporting becomes more important than ever.

Many of our trademark clients will find it extremely difficult to succeed or even survive in the coming months, although it does appear that some of our clients are doing better than ever. Some of our tried and tested ways of getting new business, for example attending trade shows, will not be possible and other methods will have to be explored.

Our cookery school was closed in March 2020 and will remain closed until we are confident it is possible to safely run courses again. In the meantime, the efforts of our cookery school team are being directed to content production, our food based charitable work and the production of online courses.

We will ensure that we continue to monitor our financial performance closely so that we can take corrective actions as early as is practical.

Permanent reduction in investment value

The market value of listed investments reduced significantly in March, and have the potential to reduce even further during the course of the 2020/21 financial year. Our investment strategy is to only hold longer term funds with investment managers, which means that the value of shares held has time to recover from any fall in value. However, reduced income elsewhere may lead us to need to withdraw funds sooner than expected, at which point any loss in value that has been suffered becomes permanent. Although this is largely out of our control, we are confident that our investment portfolio is being managed in such a way that the risk of losses is being mitigated as far as is possible.

Trademark Advertising

This year we have had two large trademark clients, McDonald and Fruitella who have put out press releases about new products, saying they are accredited by the Vegan Society', instead of the

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Vegetarian Society. We have put what systems we can in place to mitigate this happening again but it is largely out of our control. The consequences for us are the lost opportunity to publicise our trademarks and advertising a competitor rather than any detrimental publicity for ourselves.

CHARITY GOVERNANCE CODE

The charity has adopted the Charity Governance Code, and has applied all recommended standards to its work. An action plan has been drawn up to track progress against the code, and an annual review of this action plan is included in the trustees' work programme. The following progress was made in the year:

- Trustee received a presentation to refresh them on their public benefit duties
- An up-to-date scheme of delegation, which sets out matters that trustees have delegated and matters reserved for the trustees, was adopted
- The criteria of the trustees' skills self-assessment was reviewed
- An annual review of board effectiveness is now included on the trustees' work programme

The following actions are in place at 31 March 2020 and trustees intend to address them during the coming year:

- Trustees will consider diversity in the context of recruitment to the board
- Procurement policies will be reviewed and updated

PLANS FOR THE FUTURE

We are now in the second year of our five year strategy and although this gives us a clear direction to the work we want to deliver, our plans have to be flexible because at the time of writing we are still in lockdown for COVID-19.

The main goal of our strategy is:

Three veggie choices wherever you go by 2025

This is delivered through our project the UK Food Plan and involves five strands of work which are:

Schools and educational establishments
Businesses and caterers (the hospitality industry)
Work places
Hospitals and care homes
Travel

Opportunities to deliver this work are limited during lockdown but we hope to continue with it as soon as we can.

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Our strategy outlines successful services and campaigns that we will continue to deliver and these 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

The cookery school is currently closed because of lockdown and it is unlikely to be able to open quickly because of the physical practicalities of maintaining social distancing measures. This means that we plan to focus on developing the range of digital courses that we began to deliver in 2019 to 20 and we are looking at live streaming teaching.

At the end of the year, we speeded up development of a project to get vegetarian meal boxes into food banks in response to the lockdown and we plan to continue this during the next year.

We expect to be able to deliver NVW 2020. Before lockdown was announced we had already taken the decision not to run the community grants programme this year as we have now spent all our excess reserves. This means that the week will mostly be digital and in order to make up for the fact that we can't have events, we will focus on getting celebrity involvement.

We have plans to enable us to continue to run our enquiry service, dietitian, information and resources, trademarks and membership and supporters schemes as we usually do.

We will develop and deliver a food box project to get veggie meals with recipe cards into food banks across the UK, helping people to learn how to cook healthy and nutritious vegetarian food that is cheap.

We will publish a Pregnancy Guide and a Baby and Toddler nutritional resource.

We will develop a resource for young people considering going veggie.

We will review and update our information and resources webpages.

We will develop the recipe database.

We will increase the amount of content we produce and deliver, especially during lockdown, doubling the number of e newsletters we send out.

We will develop our ability to apply for funding from grants and trust funds and to raise income from other sources to fund projects such as the food box scheme for food banks.

We will develop more digital cookery courses and explore live streaming classes.

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We will need to put capacity and resources into making sure we are a going concern and a sustainable organisation following the economic impact of COVID-19.

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.

Fellowship

Trustees consider on an annual basis whether or not to elect to the status of Fellow a person whom they consider has rendered distinguished service to the vegetarian movement.

Further to an agreement at the September Council meeting, a presentation of a fellowship was made to Pamela Brown in recognition of her outstanding contribution to the Vegetarian Society and vegetarianism, through her teaching and demonstrating vegetarian cookery and her books, articles and recipes.

Legacies

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	18,159
The estate of Geoffrey Bennett	17,212
The estate of John Sykes	4,167
The estate of Freda Porter	2,619
The Philadelphia Bible Christian Church	2,028
The estate of Frank Saxby	1,000

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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 (resigned 21 September 2019)
Clare Crowther
Michael Harriott
Andrew Johnson (Treasurer)
Debbie Jones
Conn O'Neill (Deputy Chair)

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.

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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). Seven 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.

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
Sam Platt	Head of Cookery School (became part of the senior management team on 20 May 2019)
John Soonaye	Head of Communications

One employee received employee benefits (excluding employer pension costs) between £60,000 and £70,000 in 2019/20; no employee received employee benefits in excess of £60,000 in either 2018/19.

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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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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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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 16 August 2020 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 2020, 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 2020, 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 30, 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

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: *24th September 2020*

Slade & Cooper Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
INCOME:					
Donations and legacies	3	325,142	28,118	353,260	485,965
Charitable activities	4	139,038	-	139,038	150,895
Other trading activities	5	493,982	-	493,982	453,286
Investments	6	30,058	-	30,058	45,006
Other	7	3,604	-	3,604	2,698
Total income		991,824	28,118	1,019,942	1,137,850
EXPENDITURE:					
Raising funds	8	131,947	-	131,947	114,677
Charitable activities	9	1,334,565	92,231	1,426,796	1,396,205
Other		-	-	-	-
Total expenditure		1,466,512	92,231	1,558,743	1,510,882
Net income before gains / (losses) on investments		(474,688)	(64,113)	(538,801)	(373,032)
Net gains / (losses) on investments		(48,409)	-	(48,409)	72,666
Net income / (expenditure) and net movement in funds for the year		(523,097)	(64,113)	(587,210)	(300,366)
Transfers		(2,431)	2,431	-	-
Reconciliation of funds:		(525,528)	(61,682)	(587,210)	(300,366)
Total funds at 1 April 2019		2,720,170	223,420	2,943,590	3,243,956
Total funds at 31 March 2020		2,196,642	161,738	2,356,380	2,943,590

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

NOTE OF HISTORICAL COST SURPLUS / (DEFICIT) – CURRENT YEAR

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Net income / (expenditure) and net movement in funds for the year	(525,528)	(61,682)	(587,210)	(300,366)
Realisation of investment revaluation (losses) / gains of previous years	22,787	-	22,787	90,403
Historical cost surplus / (deficit) for the year	<u>(502,741)</u>	<u>(61,682)</u>	<u>(564,423)</u>	<u>(209,963)</u>

NOTE OF HISTORICAL COST SURPLUS / (DEFICIT) – PREVIOUS YEAR

	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 2020

	Notes	Group		Charity	
		2020	2019	2020	2019
		£	£	£	£
FIXED ASSETS					
Intangible assets	16	-	-	-	-
Tangible assets	17	964,466	1,022,977	964,466	1,022,977
Investments	18	708,464	1,063,397	708,466	1,063,399
		<u>1,672,930</u>	<u>2,086,374</u>	<u>1,672,932</u>	<u>2,086,376</u>
CURRENT ASSETS					
Stock	20	15,322	16,669	15,322	16,669
Debtors	21	183,504	267,261	183,504	267,261
Investments	22	445,743	333,828	445,743	333,828
Cash at bank and in hand		431,249	657,842	431,249	657,842
		<u>1,075,818</u>	<u>1,275,600</u>	<u>1,075,818</u>	<u>1,275,600</u>
LIABILITIES:					
Creditors: amounts falling due in less than one year	23	(392,368)	(418,384)	(393,406)	(419,422)
Net current assets		<u>683,450</u>	<u>857,216</u>	<u>682,412</u>	<u>856,178</u>
Total assets less current liabilities		<u>2,356,380</u>	<u>2,943,590</u>	<u>2,355,344</u>	<u>2,942,554</u>
FUNDS:					
Restricted funds		161,738	223,420	161,738	223,420
UNRESTRICTED FUNDS:					
Designated funds		1,692,440	2,072,227	1,692,440	2,072,227
General fund		502,202	647,943	501,166	646,907
Total charity funds	25	<u>2,356,380</u>	<u>2,943,590</u>	<u>2,355,344</u>	<u>2,942,554</u>

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 16 August 2020 and signed on their behalf by:



Andrew Johnson, Treasurer

The notes on pages 38 to 56 form part of the financial statements.

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Cash provided by / (used in) operating activities	(a)	(348,624)	(398,138)
Cash flows from investing activities			
Investment income		30,058	45,006
Purchase of tangible fixed assets		(2,038)	(122,508)
Purchase of investments		(450,076)	(347,470)
Proceeds from sale of tangible fixed assets		-	445
Proceeds from sale of investments		544,087	1,325,552
Cash provided by investing activities		122,031	901,025
Increase / (decrease) in cash and cash equivalents in the year		(226,593)	502,887
Cash and cash equivalents at the beginning of the year		657,842	154,955
Cash and cash equivalents at the end of the year		431,249	657,842

NOTES TO THE CASH FLOW STATEMENT

	2020 £	2019 £
(a) Reconciliation of net movement in funds to net cash outflow from operating activities		
Net movement in funds	(587,210)	(300,366)
Depreciation charge	60,371	30,413
Loss on disposal of fixed assets	178	-
(Gains) / losses on investments	48,409	(72,666)
Investment income	(30,058)	(45,006)
Transfer current asset investment to cash at bank & in hand	100,598	-
(Increase) / decrease in stock	1,347	836
(Increase) / decrease in debtors	83,757	(54,105)
Increase / (decrease) in creditors	(26,016)	42,756
	(348,624)	(398,138)
	2020 £	2019 £
(b) Analysis of cash and cash equivalents at the end of the year		
Included in cash at bank and in hand	431,249	657,842

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

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 2016 and Update Bulletin 2 published on 5 October 2018), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice. 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 2020

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 a 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 2020

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 2020

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 2020

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 29.

3. INCOME FROM DONATIONS AND LEGACIES

	2020	2019
	£	£
Gifts and donations	90,994	121,228
Membership income	215,100	223,949
Legacies	47,166	140,788
	353,260	485,965

4. INCOME FROM CHARITABLE ACTIVITIES

	2020	2019
	£	£
Cookery school	119,307	144,773
Advertising income	6,166	6,122
Education and campaigning	13,565	-
	139,038	150,895

5. INCOME FROM OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Approved trademark sales	491,426	451,673
Merchandise income	2,556	1,613
	493,982	453,286

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

6. INVESTMENT INCOME

	2020	2019
	£	£
Bank and building society interest	9,779	7,028
Dividends received	20,279	37,978
	30,058	45,006
	30,058	45,006

7. OTHER INCOME

	2020	2019
	£	£
Affinity products commission	3,604	2,698
	3,604	2,698
	3,604	2,698

8. EXPENDITURE ON RAISING FUNDS

	2020	2019
	£	£
Fundraising costs		
Staff costs	58,883	39,473
Direct fundraising costs	17,888	38,407
Support costs	44,839	26,187
	121,610	104,067
Merchandise		
Cost of merchandise sold	2,295	656
Investment management costs		
Fees for portfolio management	8,042	9,954
Total	131,947	114,677

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

9. EXPENDITURE ON CHARITABLE ACTIVITIES

	2020 £	2019 £
Approved trademark sales		
Staff costs	119,487	125,009
Marketing	36,976	39,693
IT costs	6,468	6,468
Legal and professional	11,052	11,398
Subscriptions	347	352
Support costs	86,754	99,953
	261,084	282,873
Cookery school		
Staff costs	82,452	85,473
Direct course costs	44,583	37,145
Delivery of charitable courses	17,523	21,129
Marketing	27,670	28,710
Repairs and consumables	3,909	3,986
IT costs	1,434	135
Depreciation	3,726	2,415
Finance charges	1,396	1,983
Sundry expenses	196	242
Support costs	38,991	59,972
	221,880	241,190
Education and campaigning		
Staff costs	303,016	284,846
Direct campaign and engagement costs	97,951	103,818
PR costs	9,848	11,226
Depreciation	28,868	-
IT costs	3,511	17,101
Support costs	188,520	172,716
	631,714	589,707
Membership services		
Staff costs	76,346	71,139
Content and magazine costs	43,346	36,657
Direct membership costs	11,185	7,630
Finance charges	726	544
Support costs	58,487	59,972
	190,090	175,942

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

Expert information and support		
Staff costs	63,877	57,895
Direct research costs	19,160	16,612
Support costs	38,991	31,986
	122,028	106,493
Total	1,426,796	1,396,205

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:

	2020	2019
	£	£
National Vegetarian Week	10,745	36,600
Eco Green Flag Awards	10,000	-
Christmas	-	2,600
Related support costs	8,695	16,189
Total	29,440	55,389

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

10. ANALYSIS OF SUPPORT COSTS

	2020	2019
	£	£
Staff costs	224,602	205,106
Premises expenses	73,929	58,399
Management and finance	45,591	66,499
Equipment and IT	45,808	50,761
Postage, telephone and stationery	14,142	17,940
Depreciation	27,959	28,014
Governance costs	24,551	24,067
	456,582	450,786
Allocated as follows:		
Fundraising costs	44,839	26,187
Membership services	58,487	59,972
Approved trademark sales	86,754	99,953
Cookery School	38,991	59,972
Education and campaigning	188,520	172,716
Expert information and support	38,991	31,986
Total	456,582	450,786

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

11. ANALYSIS OF GOVERNANCE COSTS

	2020	2019
	£	£
Staff costs relating to governance	14,643	13,758
Trustee costs	6,082	6,683
Audit fees	3,826	3,626
Legal and consultancy fees	-	-
Total	24,551	24,067

12. NET INCOMING / (EXPENDITURE) FOR THE YEAR

	2020	2019
	£	£
This is stated after charging:		
Depreciation of tangible assets	60,371	30,413
Amortisation of intangible assets	-	-
Loss on disposal of fixed assets	178	-
Payments under operating leases – fixtures, fittings and equipment	2,564	2,869
Auditors' remuneration	3,600	3,600
	3,600	3,600

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

	2020	2019
	£	£
Wages and salaries	831,732	778,071
Social security costs	70,952	66,124
Employer's contribution to a defined contribution pension scheme	40,622	38,504
	943,306	882,699

Allocated as follows:

	2020	2019
	£	£
Expenditure on raising funds:		
Fundraising	58,883	39,473
Membership	76,346	71,139
Expenditure on charitable activities:		
Approved trademark sales	119,487	125,009
Cookery School	82,452	85,473
Education and campaigning	303,016	284,846
Expert information and support	63,877	57,895
Support and governance costs:		
Support	224,602	205,106
Governance	14,643	13,758
	943,306	882,699

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

One employee received employee benefits (excluding pension contributions) between £60,000 and £70,000 in the year. Employer pension contributions of £3,040 into a defined contribution scheme were made in respect of that employee. No employee received employee benefits (excluding pension contributions) in excess of £60,000 in the previous year.

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 £351,808 (2019 - £305,955).

14. STAFF NUMBERS

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

	2020 Number	2019 Number
Fundraising	2	1
Membership services	3	3
Education and campaigning	9	8
Expert information and support	2	1
Approved trademark sales	4	5
Cookery School	2	3
Management, finance and administration	7	7
	29	28

15. TRUSTEES' REMUNERATION AND EXPENSES

	2020 Number claiming	2019 Number claiming	2020 £	2019 £
Travel and subsistence	9	8	4,204	4,777

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

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

16. INTANGIBLE FIXED ASSETS – GROUP AND COMPANY

	Trademarks £
Cost	
At 1 April 2019	27,508
Additions	-
At 31 March 2020	27,508
Amortisation	
At 1 April 2019	27,508
Charge for the year	-
At 31 March 2020	27,508
Net book value	
At 31 March 2020	-
At 31 March 2019	-

17. TANGIBLE FIXED ASSETS – GROUP AND COMPANY

	Freehold property £	Fixtures, Fittings & equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2019	1,000,000	154,970	131,638	1,286,608
Additions	-	232	1,806	2,038
Disposals	-	-	(1,699)	(1,699)
Revaluation	-	-	-	-
At 31 March 2020	1,000,000	155,202	131,745	1,286,947
Depreciation				
At 1 April 2019	117,333	109,064	37,234	263,631
Charge for the year	16,000	11,113	33,258	60,371
Disposals	-	-	(1,521)	(1,521)
Revaluation	-	-	-	-
At 31 March 2020	133,333	120,177	68,971	322,481
Net book value				
At 31 March 2020	866,667	35,025	62,774	964,466
At 31 March 2019	882,667	45,906	94,404	1,022,977

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

Included in the value of £866,667 above for freehold property are gross depreciable buildings at a value of £666,667.

All the assets are used by the charity.

18. INVESTMENTS – FIXED ASSETS

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Cost or valuation				
Market value at 1 April 2019	1,063,397	1,908,306	1,063,399	1,908,308
Additions	287,215	233,266	287,215	233,266
Transfer from current asset investments	-	100,598	-	100,598
Transfer to current asset investments	(100,598)	-	(100,598)	-
Disposals	(493,141)	(1,251,439)	(493,141)	(1,251,439)
Net investment gains / (losses)	(48,409)	72,666	(48,409)	72,666
Market value at 31 March 2020	<u>708,464</u>	<u>1,063,397</u>	<u>708,466</u>	<u>1,063,399</u>
Historical cost at 31 March 2020	<u>735,849</u>	<u>988,446</u>	<u>735,851</u>	<u>988,448</u>

Investments at market value are represented by:

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
UK fixed interest bonds and deposits	106,614	154,163	106,614	154,163
UK equities	215,477	290,586	215,477	290,586
Overseas fixed interest bonds and deposits	-	-	-	-
Overseas equities	245,890	322,535	245,890	322,535
Global collective investments	112,251	156,061	112,251	156,061
UK property investment trusts	28,232	39,454	28,232	39,454
Cash investments	-	100,598	-	100,598
Investment in trading subsidiary	-	-	2	2
	<u>708,464</u>	<u>1,063,397</u>	<u>708,466</u>	<u>1,063,399</u>

19. RESULTS FROM SUBSIDIARY'S TRADING ACTIVITIES

The charity has one wholly owned trading subsidiary VSUK (Trading) Limited, whose details at 31 March 2020 are as follows:

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

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

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	
	2020 £	2019 £	2020 £	2019 £
Goods for resale	<u>15,322</u>	<u>16,669</u>	<u>15,322</u>	<u>16,669</u>

21. DEBTORS

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Amounts falling due within one year:-				
Trade debtors	99,902	84,838	99,902	84,838
Prepayments	55,770	66,843	55,770	66,843
Accrued income	26,829	115,545	26,829	115,545
Other debtors	1,003	35	1,003	35
	<u>183,504</u>	<u>267,261</u>	<u>183,504</u>	<u>267,261</u>

22. INVESTMENTS – CURRENT ASSETS

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Cost at 1 April 2019	333,828	394,335	333,828	394,335
Additions	162,861	114,204	162,861	114,204
Transfer from fixed asset investments	100,598	-	100,598	-
Transfer to fixed asset investments	-	(100,598)	-	(100,598)
Transfer to cash at bank and in hand	(100,598)	-	(100,598)	-
Disposals	(50,946)	(74,113)	(50,946)	(74,113)
Cost at 31 March 2020	<u>445,743</u>	<u>333,828</u>	<u>445,743</u>	<u>333,828</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

Investments at market value are represented by:

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Bank deposits	<u>445,743</u>	<u>333,828</u>	<u>445,743</u>	<u>333,828</u>

23. CREDITORS

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	20,941	36,324	20,941	36,324
Social security and other taxes	37,956	26,994	37,956	26,994
Accruals	42,115	94,695	42,115	94,695
Deferred income	285,590	254,831	285,590	254,831
Other creditors	5,766	5,540	5,766	5,540
Amounts owed to group undertakings	-	-	1,038	1,038
	<u>392,368</u>	<u>418,384</u>	<u>393,406</u>	<u>419,422</u>

24. DEFERRED INCOME

	Group £	Charity £
Balance at 1 April 2019	254,831	254,831
Amount released to incoming resources	(254,831)	(254,831)
Amount deferred in the year	285,590	285,590
Balance at 31 March 2020	<u>285,590</u>	<u>285,590</u>

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 2020

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

	At 1 April 2019	Incoming resources (incl gains)	Outgoing resources (incl losses)	Transfers	At 31 March 2020
	£	£	£	£	£
FUNDS:					
Restricted funds					
Supporting veganism (a)	223,420	-	(91,691)	2,431	134,160
Sahara project (b)	-	1,264	(540)	-	724
Young carers' project (c)	-	802	-	-	802
Veg box appeal (d)	-	26,052	-	-	26,052
	<u>223,420</u>	<u>28,118</u>	<u>(92,231)</u>	<u>2,431</u>	<u>161,738</u>
UNRESTRICTED FUNDS:					
Designated funds					
Property and equipment fund	1,022,977	-	-	(58,511)	964,466
Buildings maintenance fund	198,881	-	(26,379)	-	172,502
Projects fund	850,369	-	(330,399)	35,502	555,472
Operational management fund	-	872,517	(964,852)	92,335	-
Cookery school subsidy fund	-	119,307	(136,840)	17,533	-
	<u>2,072,227</u>	<u>991,824</u>	<u>(1,458,470)</u>	<u>86,859</u>	<u>1,692,440</u>
General fund	647,943	-	(56,451)	(89,290)	502,202
	<u>2,720,170</u>	<u>991,824</u>	<u>(1,514,921)</u>	<u>(2,431)</u>	<u>2,194,642</u>
Total funds	<u>2,943,590</u>	<u>1,019,942</u>	<u>(1,607,152)</u>	<u>-</u>	<u>2,356,380</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

25b. RECONCILIATION OF MOVEMENTS IN ACCUMULATED FUNDS – PREVIOUS 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>3,243,956</u>	<u>1,210,516</u>	<u>(1,510,882)</u>	<u>-</u>	<u>2,943,590</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

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. £91,691 of this fund has been spent in 2019/20, made up of:

- Funding expenditure to develop, register and market a vegan trademark
- 19 vegan cookery courses for services users of charitable groups
- Three scholarship places on professional diploma courses (50% funded by vegan legacy)
- Two scholarship places on foundation leisure courses (50% funded by vegan legacy)
- Funding the schools element of the UK Food Plan
- Commissioning vegan recipes for the recipe database

£198,065 of this fund was spent in previous years; this brings the total amount of expenditure from the fund to date to £289,756.

(b) A crowdfunding campaign took place in December 2019 to raise funds for Sahara Women's Aid project, which helps women who are living with, or fleeing domestic abuse. Funds raised will fund two courses, the first of which was held in February 2020.

(c) A crowdfunding campaign took place in January 2020 to raise funds for a vegetarian cookery class for young carers. Sufficient funds have been raised to hold one such class which will take place when the cookery school reopens.

(d) As part of the reprioritising of our work in light of the COVID-19 situation, we started an appeal to raise funds to enable us to get vegetarian food boxes into food banks. At the end of the financial year, just over £26,000 had been raised. Fundraising and delivery work on this project continued in the 2020/21 financial year.

(e) 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 1.31% for the year ended 31 March 2020.

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. £26,379 of this was used in the year; the remaining £172,502 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. Details of this work are 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.

THE VEGETARIAN SOCIETY OF THE UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

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 £17,533 was reported and this was funded by a transfer from reserves at the end of the year.

General fund

As at 31 March 2020, the balance of reserves in the general fund amounts to £502,202, of which £478,875 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 deficit of £27,385 which represents the amount by which the market value of investments held at the year end is exceeded by their cost. At 31 March 2019, the market value of investments exceeded their cost by £74,951.

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

	General Fund £	Designated Funds £	Restricted Funds £	Total £
Fixed assets	502,202	1,170,728	-	1,672,930
Cash at bank and in hand	-	269,511	161,738	431,249
Other net current assets	-	252,201	-	252,201
	502,202	1,692,440	161,738	2,356,380

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

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

27. OTHER FINANCIAL COMMITMENTS

	2020 £	2019 £
At 31 March 2020, the total of future minimum lease payments under non-cancellable operating leases was as follows:		
Fixtures, fittings and equipment		
Within 1 year	2,449	2,197
Within 2 to 5 years	7,840	2,933
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.