

CHARITY COMMISSION
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Community Food Enterprise Limited

(Company No. 04790571)

(Charity No. 1116006)

Board of Trustee's Report and Financial Statements

For the year ended 31 March 2022

Community Food Enterprise Limited

(Company No. 04790571)

(Charity No. 1116006)

Board of Trustee's Report and Financial Statements

For the year ended 31 March 2022

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COMMUNITY FOOD ENTERPRISE LIMITED

Board of Trustees' Report

For the year ended 31 March 2022

The Trustees present their report and accounts for the year ending 31 March 2022.

The trustees, who are also Directors of the charity for the purposes of Companies Act 2006, submit their annual report and the financial statements for the year ended 31st March 2022. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102 – effective 1 January 2015), (Charities SORP – FRS 102).

Our Aim

CFE's aim is to alleviate food poverty and develop a viable and sustainable food business that will provide training, capacity building and employment opportunities for residents of East London.

Our Mission and Values

Our mission is to work in partnership with the diverse communities of East London, and nationally with organisations that are doing similar work as us, to ensure that everyone in our community has the right not just to food, but the right food - access to food is a right, not a privilege. The food we consume should be safe, nutritious, affordable, accessible and culturally acceptable.

At CFE, we believe that access to food is not an end in itself, but rather the first practical step on a pathway to alleviating many of the root causes of food poverty. The desired outcomes are better diet, lifestyle and health. Such outcomes depend not just on what we eat but understanding why we eat it. Promoting understanding through education and empowerment are the keys to sustained success.

Our Services

CFE realise its mission through consultation and in partnership with the community and stakeholders it serves. We fight food poverty and food waste by sourcing food that is surplus to requirement and redistribute it to registered charities and community organizations that run projects such as: Sheltered Housing, Hostels, Soup kitchens and Food Banks etc. throughout East London. Sustainability is one of the major challenges we face and to overcome this in the long term, our work is divided into two strands which includes:

1. Social Activities:

(i) **Surplus Food (SF):** Sourcing food that is surplus to requirements and redistributing same to frontline charities and community organizations across East London.

(ii) **Community Support Service (CSS):** CFE uses its unique infrastructure to support community organisations that offers services such as food co-ops (providing quality fruits & veg. at affordable prices). Other services provided by CFE include:

- purchasing/delivering produce
- administration support e.g. preparing weekly price list

Without the work of our CSS unit, organisations we currently support will not be able to sustain their projects and vulnerable member of our community will suffer.

(iii) Healthy Schools (Breakfast Clubs/Fruit Tuck Shops): The government's National School Fruit scheme provides one piece of fruit each school day to all children in Key Stage 1 (4 - 6 years old) attending state schools. At CFE, we support Key Stage 2 pupils (7-11 years old) by providing schools with a weekly delivery of fresh fruit for their Tuck Shops. We also supply primary and secondary schools with grocery provision for their breakfast clubs.

2. INCOME GENERATING ACTIVITIES

(v) WORKPLACE HEALTH: To improve the health and wellbeing of employees, CFE offers a daily delivery of fresh fruits directly to employers' workplace. Research has shown that eating fresh fruits regularly provides the following benefits:

- Improve the health and wellbeing of employees
- Motivate staff
- Improve morale and job satisfaction
- Increase productivity
- Reduce staff absentees as a result of a healthier workforce

Our Impact

England experienced lockdowns between 1st April 2020 and 31st March 2022, and as CFE's staff and volunteers were classified as frontline workers, this enabled them to deliver services to the organisations listed below:

| | Social and Enterprise Activity | No. of beneficiaries per annum |
|-------|---------------------------------------|---------------------------------------|
| (i) | Community Support services | 26,748 Customers |
| (ii) | Healthy Schools | 700 pupils |
| (iii) | Workplace Health | 31,374 Customers |
| (iv) | Surplus Food | 272,076 meals |

Total: Our food service reaches 330,898 people per annum.

Plans for the future

Our plans from April 2022 to March 2023 include:

1. Work closer with Neighbourly to ensure we receive regular supplies of Smoothies to enable us to distribute same to schools seeking our service.
2. Seek additional funding to enable us to purchase additional vehicles to enable us to expand our services.
3. Work with Partners such as HSBC to identify new opportunities in East London.
4. Meet with our current partners/sponsors at least once a month to brief them on developments and get their input on new business ideas/suggestions so that we could incorporate them into the development of the project.
5. Continue working closely with our partners to seek help in identifying partners who could help us to identify new sources of food that is surplus to requirement.

6. To generate additional income, host a minimum of 2 volunteering days per month at our warehouse with East London Business Alliance (ELBA).
7. Develop relationships with local Colleges and Universities and get Students involved in volunteering work.
8. Develop a strategic relationship with food access partner to enable us to assist families who are suffering because they cannot afford food because of low income more effectively.

Risk Management

The Trustees have assessed the major strategic, business and operational risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

Reserve policy

The aim of the reserve policy is to cover the main financial and operating risks in order to sustain the charity. The nature of CFE's funding is such that it is unpredictable from year to year and subject to delay. We are therefore working towards a reserve, which will cover operating costs and other liabilities for at least a three months period. The charity must keep under review our risks and liabilities and identify what is an appropriate period to ensure that the amount of reserves is adequate.

Public Benefit Statement

The sections of this report above entitled "Aims" and "Achievements and Performance" sets out Community Food Enterprise's objectives and reports on the activity and successes in the year ending 31st March 2022 as well as explaining the plans for the current financial year. Community Food Enterprise work benefits individuals and the community.

The trustees have considered this matter and concluded:

1. That the aims of the organisation continue to be charitable;
2. That the aims and the work done give identifiable benefits to the charity sector and both indirectly and directly to individuals in need;
3. That the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay, and;
4. That there is no detriment or harm arising from the aims and activities.

Financial review

Sales of fruit and vegetables in 2022 were £45,960 (2021: £30,900), other income increased in 2022 to £2,180 (2021: £318). The services provided by CFE are well established in East London and have gained a good reputation within the community. We continue to strive to improve the quality of the services we provide, especially to frontline organisations.

The services provided by CFE can be classified as preventative which is the remit of Regional Public Health bodies, however, as we do not receive funding from them, in order to generate earned income we deliver a range of income generating services which contributes towards our running costs to enable us to fulfil our mission in one of the most economically deprived areas in London. Moreover, we continue to rely on donations and sponsorship from organisations such as: Tate & Lyle Sugars, ExCeL London and London City Airport to help cover shortfalls.

During the year CFE made a loss of £21,183 in 2022 (Net Income in 2021 was £3,113) which was due to: (i) reduction in donations from sponsors and (ii) reduction of grants given and being unsuccessful in our grant applications (iii) loss of business from schools and community organisations that have traditionally supported us. This shortfall was covered by our overdraft facility.

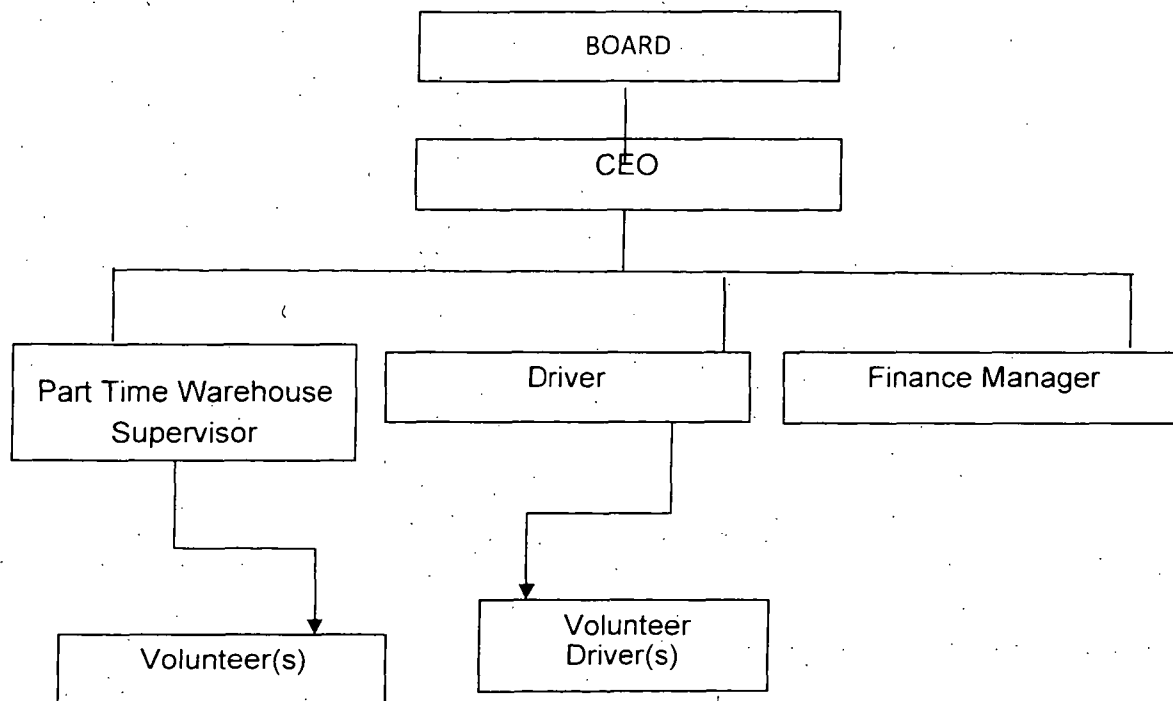
Structure, governance and management

Governing Document

Community Food Enterprise Limited (CFE) is a registered charity with its headquarters in the London Borough of Newham, East London, founded in 2002 by members of the local community; CFE was incorporated as a limited liability company in June 2003 and granted charitable status in September 2006.

CFE Organisational Structure

Community Food Enterprise Ltd - Organization Structure 01/04/2022



The Trustees, who are also the directors for the purpose of company law, who served during the year, were:

Verlyn Monro (Appointed on 04 January 2022)

Keith Murray (Appointed on 28 October 2013)

Eric Samuel (Appointed on 18 December 2018)

None of the Trustees has any beneficial interest in the company. All the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Recruitment and Appointment of Board Members:

The trustees are appointed for an unspecified period. Trustees selection and appointment is based on the need for CFE to have the necessary financial, legal and other skills and experience to best advise the charity, in particular in determining and monitoring its policies.

Board Member Induction and Training

When new trustees are appointed, they will undergo an induction meeting to meet key employees and other trustees of CFE and to be briefed on their legal obligations under charity law. Their induction will also include a session to familiarise them with the content of CFE's constitution, the way in

which the Board operates, including decision making processes, CFE's business plan and recent financial performance of the charity.

The trustees are also directors and are primarily responsible for direction and policy, including strategy, planning and evaluation.

The day-to-day management of the company and its' key service area is the responsibility of the Chief Executive Officer and his management team.

Independent Examiner:

Our Trustees appointed Glory Community Accounting Services to act as an Independent Examiner and it is approved by the board.

Reference and Administrative Information:

Trustees:

The members who served during the year ended 31 March 2022.

| | |
|-------------------|----------------------|
| Verlyn Munro | (Trustee) |
| Keith Murray | (Trustee) |
| Eric Rawle Samuel | (Secretary/Director) |

Registered Office: Unit 4A
Thameside Industrial Estate
Factory Road
London
E16 2HB

Company Number: 04790571

Charity Number: 1116006

Bankers: Natwest Bank Plc
37 High Street North
East Ham
London
E6 1HS

Independent Examiners: Glory Community Accounting Services
318 Barking Road
Plaistow
London
E13 8HL

Board Members Responsibilities

Company law requires the Board Members to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Board Members should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis

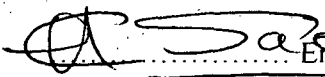
The Board Members is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Board Members are also responsible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

The Board Members who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report, in the case of each Member:

- so far as the Board is aware, there is no relevant audit information of which the company's auditors are unaware ; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This Report has been prepared in accordance with the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small Companies.

Approved by the Trustees and signed on their behalf by:

 Eric Rawle Samuel

Date: 22/12/22

Independent Examiners Report to the Members of Community Food Enterprise Limited

I report on the attached Financial Statements for the year ended 31 March 2022, which are set on pages 9 to 15 and have been prepared on an accrual basis.

Respective responsibilities of Management Committee and Examiner:

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement:

My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement:

In connection with my examination, no matter has come to my attention to indicate that:

- accounting records have not been kept in accordance with section 386 of the Companies Act 2006
- the accounts do not accord with such records
- where accounts are prepared on a accrual basis, whether they fail to comply with relevant accounting requirements under section 396 of the Companies Act 2006, or are not consistent and with the Charities SORP (FRS102)
- any matter which the examiner believes should be drawn to the attention of the reader to gain a proper understanding of the accounts.



Hasina Jahan (DFT, M Com, MAAT,MBA)
Glory Community Accounting Services
318 Barking Road
Plaistow
London
E13 8HL

Glory Community Accounting Services
318 Barking Road
Plaistow
London E13 8HL

Date: 22/12/22

Community Food Enterprise Limited

Statement of Financial Activities For the year ended 31 March 2022

| | Notes | Unrestricted Funds | Restricted Funds | Total 2022 | Total 2021 |
|--------------------------------------|-------|-----------------------|---------------------|-----------------|---------------|
| <u>Income</u> | | £ | £ | £ | £ |
| Income from Charitable Activities | 2 | 309 | 35,671 | 35,980 | 52,269 |
| Income from other Activities | 3 | 50,659 | - | 50,659 | 34,056 |
| Total Income | | 50,968 | 35,671 | 86,639 | 86,325 |
| | | | | | |
| <u>Expenditure</u> | | | | | |
| Expenditure on Charitable Activities | 4 | 73,263 | 33,937 | 107,200 | 83,212 |
| Total Expenditure | | 73,263 | 33,937 | 107,200 | 83,212 |
| Net Income / (Expenditure) | | (22,295) | 1,734 | (20,561) | 3,113 |
| Total Funds brought forward | | 20,787 | 85 | 20,872 | 17,759 |
| Total Funds carried forward | | (1,508) | 1,819 | 311 | 20,872 |

The Company's Income and Expenditures all relate to continuing activities.

Movements in reserves and all recognised gains and losses are shown above.

Community Food Enterprise Limited

Balance Sheet as at 31 March 2022

| | Notes | 2022 £ | 2021 £ |
|---|-------|-------------------|----------------------|
| Fixed Assets | | | |
| Tangible Assets | 9 | 1,875 | 3,750 |
| Current Assets | | | |
| Cash at bank and in hand | | 8,241 | 25,963 |
| Debtors | 7 | 578 | 4,249 |
| Creditors: amounts falling due within one year | 8 | (10,382) | (13,090) |
| Net Current Assets | | <u>(1,564)</u> | <u>17,122</u> |
| Net Assets | | <u><u>311</u></u> | <u><u>20,872</u></u> |

The Funds of the Charity

| | 2022 £ | 2021 £ |
|----------------------------|-------------------|----------------------|
| Unrestricted Funds | (1,508) | 20,787 |
| Restricted Funds | 1,819 | 85 |
| Total Charity Funds | <u><u>311</u></u> | <u><u>20,872</u></u> |

For the year ended 31 March 2022 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts;
- these accounts have been prepared in accordance with the provision's applicable to companies subject to the small companies' regime.

Approved by the Board of Trustee's and signed on their behalf by:



Eric Samuel (Director / Chair)

Date:

22/12/22

Community Food Enterprise Limited

Notes to the Financial Statements for the year ended 31 March 2022

1. Accounting Policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets and in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102 - effective 1 January 2019); Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Community Food Enterprise Limited meets the definition of a public benefit entity under FRS 102. Assets and Liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

(b) Going Concern

The accounts are prepared on a going concern basis.

© Statement of cash flows

The Trustees have taken advantage of the exemption in SORP FRS 102 from including a cash flow statement in the financial statements on the grounds that the charitable company is small.

(d) Funds

Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund when incurred. Designated funds these are general funds set aside to cover the value of fixed assets used by the charity and therefore, not available for use in the charity's activities.

Unrestricted Funds

Unrestricted Funds these are general funds available for use in furtherance of the charity's activities at the discretion of the trustees.

(e) Incoming Resources

All incoming resources are included in the statement of financial activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income: Voluntary income received by way of donations and gifts is included in the SOFA in full when receivable. Intangible income is recognised as an incoming resource when the provider of the service has incurred a financial cost. Volunteer time is not included in the financial statements. Revenue grants are credited to the SOFA when received or receivable, whichever is the earlier, unless they relate to a specific future period, in which case they are deferred. Donated goods and services are included at the value to the charity where this can be quantified. An equal amount is included in expenditure based on the nature of the goods and services.

Community Food Enterprise Limited

Notes to the Financial Statements for the year ended 31 March 2022

(f) Donated Services and Facilities

Donated services or 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 the economic benefit can be measured reliably. On receipt, donated services and 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 openmarket; a corresponding amount is then recognised in expenditure in the period of receipt.

(g) Resources expended

Liabilities are recognised as resources expended when there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accrual basis.

(h) Taxation

Community Food Enterprise is a registered charity and therefore no liability to corporation tax on these accounts under Section 505 ICTA 1988.

(i) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

(j) Charitable activities

(The expenditure on charitable activities includes grants made, governance costs and of support costs as shown in note.

(k) Pensions

Employees of the charity are entitled to join a work place pension scheme which is funded by contributions from employee and employer or alternatively they may have opted to join the group money purchase defined contribution pension scheme.

(l) Tangible Fixed Assets

Tangible fixed assets other than freehold land, are stated at cost or valuation less depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value over their expected useful lives on the following basis:

| | | |
|--------------------|--------|---------------|
| Computer equipment | 33.33% | Straight line |
| Motor Vehicles | 25% | Straight line |

Community Food Enterprise Limited

Notes to the Financial Statements for the year ended 31 March 2022

(m) Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items, Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

(n) Operating lease

Costs of operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease item.

2. Income from Charitable Activities

| | Unrestricted Funds £ | Restricted Funds £ | Total 2022 £ | Total 2021 £ |
|------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Excel London | - | 10,000 | 10,000 | 10,000 |
| Royal Docks Trust | - | 17,472 | 17,472 | 17,472 |
| Tate & Lyle Sugars | - | 5,000 | 5,000 | 5,000 |
| CAF - Charity Aid Foundation | - | 1,541 | 1,541 | 911 |
| Neighbourly | - | 1,658 | 1,658 | 400 |
| Just Giving | 309 | - | 309 | 944 |
| Awards for All | - | - | - | 9,292 |
| Community Grants Newham | - | - | - | 500 |
| LENDLEASE Europe | - | - | - | 1,500 |
| London City Airport Community Fund | - | - | - | 6,250 |
| Total | 309 | 35,671 | 35,980 | 52,269 |

3. Income from other Activities

Health & well Being:

| | Unrestricted Funds £ | Restricted Funds £ | Total 2022 £ | Total 2021 £ |
|-------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Distribution | 45,960 | - | 45,960 | 30,900 |
| Social outlets / Other Income | 2,180 | - | 2,180 | 318 |
| Donation | 1,569 | - | 1,569 | 2,838 |
| Sale of Assets | 950 | - | 950 | - |
| Total | 50,659 | - | 50,659 | 34,056 |

Community Food Enterprise Limited

Notes to the Financial Statements for the year ended 31 March 2022

4. Expenditure on Charitable Activities

| | Unrestricted Funds | Restricted Funds | Total 2022 | Total 2021 |
|---------------------------------------|-----------------------|---------------------|----------------|---------------|
| | £ | £ | £ | £ |
| Staff costs (Salary, PAYE, NI) | 33,005 | 16,503 | 49,508 | 40,848 |
| Goods purchased | 25,408 | 12,704 | 38,112 | 22,851 |
| Support & Governance Costs (Notes 5) | 2,030 | - | 2,030 | 1,000 |
| Postage / Printing / Stationery | - | 106 | 106 | 1,647 |
| Software expenses | 1,524 | - | 1,524 | 2,850 |
| Motor expenses | 5,186 | 2,593 | 7,779 | 8,644 |
| Insurance | - | 712 | 712 | 1,024 |
| Equipment hire / rental | 2,628 | - | 2,628 | 105 |
| Repair & Maintenance | 496 | - | 496 | 231 |
| Telephone / Internet | - | 1,148 | 1,148 | - |
| Cleaning expenses | 103 | - | 103 | - |
| Professional fees | - | 126 | 126 | 530 |
| Depreciation expenses | 2,183 | - | 2,183 | 1,875 |
| Porterage / Barrier charge | 303 | - | 303 | 172 |
| Travel expenses | - | 46 | 46 | 78 |
| Bank charges | 396 | - | 396 | 526 |
| Sundry expenses | - | - | - | - |
| Heat & Light | - | - | - | 771 |
| Volunteer expenses | - | - | - | 60 |
| Total | 73,263 | 33,937 | 107,200 | 83,212 |

5. Support & Governance Costs

| | 2022 £ | 2021 £ |
|-------------------------------|--------------|--------------|
| Accountancy & Examiner's fees | 1,200 | 1,000 |
| Payroll expenses | 430 | - |
| Legal fees | 400 | - |
| Total | 2,030 | 1,000 |

Community Food Enterprise Limited

Notes to the Financial Statements for the year ended 31 March 2022

6. Trustees' Emoluments and related Party Transactions

Eric Samuel, a Trustee, received a salary of £6,000(2022: £6000) during the year for his role as CEO.

| 7. Debtors | 2022 | 2021 |
|-------------------|-------------|--------------|
| | £ | £ |
| Debtors | 578 | 4,249 |
| Total | 578 | 4,249 |

| 8. Creditors & Accruals | 2022 | 2021 |
|------------------------------------|---------------|---------------|
| | £ | £ |
| Accountancy & I Examiner's fees | 1,200 | 1,000 |
| Social Security and Taxes, Pension | 6,444 | 7,340 |
| Trade Creditors | 2,738 | 3,141 |
| Accruals & deferred Income | - | 1,609 |
| Total | 10,382 | 13,090 |

| 9. Fixed Assets | 2022 | 2021 |
|--|--------------|--------------|
| | £ | £ |
| Cost as at 1 April 2021 | 7,500 | 7,500 |
| At 31 March 2022 | 7,500 | 7,500 |
| Depreciation | | |
| As at 31 March 2021 | 3,750 | 1,875 |
| Charge for the year | 1,875 | 1,875 |
| As at 31 March 2022 | 5,625 | 3,750 |
| Net book value as at 31.03.2022 | 1,875 | 3,750 |