

Charity Registration No. 1125905

Company Registration No. 06130395 (England and Wales)

*****REVISED ACCOUNTS*****

COMMUNITY INITIATIVES SOUTH WEST LIMITED

T/A FARESHARE SOUTH WEST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

tc accounts • tax • legal • financial planning

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Bristol
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COMMUNITY INITIATIVES SOUTH WEST LIMITED
T/A FARESHARE SOUTH WEST
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*****Revised Accounts*****

These revised accounts replace the original accounts for the financial year ended 31 March 2023

These are now the statutory accounts of the company for that financial year

These statutory accounts have been prepared as at the date of the original accounts and not as at a date of revision and accordingly do not deal with events between those dates

The original accounts did not comply with S393 (1) of the Companies Act 2006 regarding showing a True and Fair view, solely due to the allocation of staff costs between charitable and non-charitable activities

The amendments made as a result of the correction of staff cost allocation are disclosed in Note 8

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COMMUNITY INITIATIVES SOUTH WEST LIMITED
T/A FARESHARE SOUTH WEST
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J Ingleby	
	T Hogg	
	C Ackland	
	P Hazelden	
	A Street (Chair)	
	C L Burden	(Appointed 25 May 2023)
	B R Eaves	(Appointed 25 May 2023)
Secretary	A John	
Charity number	1125905	
Company number	06130395	
Principal address	Unit 4 Little Ann Street St Judes Bristol BS2 9EB	
Registered office	Unit 4 Little Ann Street St Judes Bristol BS2 9EB	
Auditor	TC Group Premier House 127 Duckmoor Road Ashton Gate Bristol England BS3 2BJ	
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS	
Solicitors	Osborne Clarke LLP Halo Counterslip Bristol BS1 6AJ	

**COMMUNITY INITIATIVES SOUTH WEST LIMITED
T/A FARESHARE SOUTH WEST
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2023**

The Trustees present their report and financial statements for the year ended 31 March 2023 (referred to in this report as "the year under review" or "this year").

These financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charity's Memorandum and Articles of Association dated 30 June 2008, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

The Charity's objects under its Memorandum are:

- a. To promote the voluntary sector for the benefit of the public by:
 - i. the distribution of food to charities and voluntary organisations;
 - ii. encouraging members of the public to undertake voluntary work; and
 - iii. providing education and training to the voluntary sector.
- b. To advance in life and help young people between the ages of 18 and 25 by the provision of work-based training which develops their ability, capacities, and capabilities to enable them to participate in society as mature and responsible individuals.

Our main activity, which is enabled by its volunteering programme, is the redistribution of surplus food arising from the food industry to the Charity's network of members (called Community Food Members – CFMs) across the South-West of England, who in turn use the food to deliver social impact. CFMs are charities, not-for-profit organisation, schools, community groups or social enterprises who support people struggling with hunger in the region.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

The main activities undertaken in relation to the objects

The Charity trading as 'FareShare South West' is the region's largest food redistribution charity and an independent charity in the UK FareShare network that is co-ordinated by FareShare (Charity 1100051).

There are an estimated 14 million people in the UK who are living in food poverty, yet over six million tonnes of good-to-eat food per year is wasted across the food industry contributing to climate change. To help tackle this, we rescue surplus food from farmers, retailers and other food companies, with high-value items such as fresh fruit and vegetables, dairy, pre-prepared meals and meat providing the majority. We then pack and deliver it to around 400 CFMs from Gloucestershire to Cornwall.

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Our CFMs use our food in a variety of ways: to provide food parcels, create pantry models, teach cooking skills or prepare and host nourishing meals that create a sense of community, dignity and routes out of poverty. Through our CFMs we support people from all corners of society including those who are homeless or rough sleeping, refugees and asylum seekers, adults and children with learning disabilities, older people at risk of isolation and families. These people have in common the added pressures of the cost of living crisis and struggle to access sufficient affordable nutritious food without our support.

"The quality of food from FareShare South West brings dignity and self-esteem. There is no way we could run without FareShare South West – we've grown our model around them. It is invaluable and vital. We have fresh veg and fruit which our pensioners can't afford to buy in local shops, and amazing treats – they just love to see what is on the shelves after the delivery." Dartmoor Community Kitchen

"Food from FareShare South West makes a huge difference to our children and families in a disadvantaged community in Bristol! The children and families love having nutritious tasty food at this tricky time. Having this helps our children learn and is an investment in their future." Oasis Academy Marksbury Road

Supplying our CFMs with a regular and affordable range of high-quality, in-date food, allows them in turn to sustainably feed almost 50,000 people across the region. This is achieved through a regulated membership scheme that:

- a. ensures safe and compliant distribution of surplus food and its effective traceability; and
- b. makes a financial contribution towards around a third of the Charity's costs via the CFM fee.

We would be unable to operate without our volunteers who give their time for free to sort food in our warehouses and deliver it to CFMs. In return, we provide volunteers with a supported, meaningful experience that offers community, purpose, qualifications and work placement and training opportunities. Our volunteers come from diverse backgrounds, including young people, those with or recovering from life-controlling addictions, ex-offenders, refugees and asylum seekers, people with learning disabilities, disability or mental health conditions, long-term unemployed or retired people and students. We run a special 12-week employability programme alongside our main volunteer programme called FareChance for 18–25-year-olds who are not currently in employment, education or training.

To support and sustain the growth of our work, the Charity engages in a range of fundraising activities, including applying for grants, securing corporate and individual donations and organising community events.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objects in planning future activities.

Achievements and performance

This year saw the cost of living crisis worsen, the numbers of UK citizens struggling with food poverty rise to around 13 million people and the demand for our service increase exponentially. By the end of the year under review we had 250 organisations on our CFM waiting list – equivalent to 28,250 people – and this number has continued to grow as it has remained challenging to source enough food and volunteers to meet this growing need.

Despite this sustained pressure, we've increased our support for vulnerable people and been able to push forward our plans for progress. This year we officially launched our new warehouse in Plymouth, invested further in our supported volunteer programmes, and put plans in motion for extending our South Bristol warehouse to better support our volunteers and FareChance participants during their time with us.

Impact

In the year under review we:

- Delivered food for 3.96 million meals: 25% more than last year.
- Fed 47,600 vulnerable people across the region, from Gloucestershire to Cornwall.
- Supported 417 CFMs, saving them £5.5 million – money they can use to survive and invest in services that provide routes out of poverty.
- Distributed 1,667 tonnes of food across the South-West, avoiding the release of many tonnes of food-waste-related greenhouse gases.
- Recruited and supported 364 volunteers who donated 57,000 hours of their time – equivalent to 30 working years.
- Supported 21 young people through our FareChance employability programme.

Food rescue and redistribution

Inflation and the conflict in Ukraine has seen raw material and energy costs significantly increase. To minimise financial loss, reducing surplus is now high on the agendas of organisations operating in the food chain, from farmers to retailers, who have streamlined processes and worked harder to find other avenues to maximise income for their stock. Available surplus has also been affected by the loosening of the shelf-life of food products that retailers require of their manufacturers which has typically fallen from nine to six months. This means less product reaches a point where a manufacturer might deem it surplus and send it to the Charity.

The types of food we are sourcing has changed this year, with far higher volumes of high-value fresh fruit and vegetables and other chilled produce in comparison to ambient food e.g. tins and packets. This allowed us to support more CFMs who cook on-site and provide wraparound support to reduce isolation and address multiple needs. More fresh, nutritious produce has also provided us with the opportunity to focus on particular areas in our region struggling with malnutrition and/or obesity.

We rescued from going to waste nearly 400 tonnes of food from 60 local suppliers – on top of the 1,288 tonnes of food from national retailers and manufacturers. Food included turkey from Field & Flower, brassicas from Riverford Organic, tofu from Dragonfly Foods, chilled soup from Greencore, ready-to-cook dishes from Charlie Bigham's, surplus pumpkins from Farrington's Farm Shop and bread from DHL (Nisa).

We worked hard to access new and different surplus food, generated at different stages of the supply chain. New suppliers this year include Greencore, Dragonfly Foods, Gist (M&S), Refresco and more. We also partnered with existing suppliers to unlock new types of surplus food from their production to increase volumes of food we can redistribute. One example is Bighams Ltd trading as 'Charlie Bighams', who moved from only supplying finished meals to taking on the packaging of individual ingredients surplus, for example cooked rice.

To get more food to where it's needed most, we recruited a second member of the food sourcing team and invested in a 7.5 tonne truck to deliver large pallets of food to community groups, help with difficult or outsized collections and allow us to easily transfer food between warehouses and all parts of our region.

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FOR THE YEAR ENDED 31 MARCH 2023

During summer 2022, we worked with Bristol City Council, Somerset County Council and a range of food suppliers to run a holiday hunger response. We organised 12 extra food delivery routes over the holidays to provide an impressive 11 tonnes of nutritious food to feed 4,600 children who usually rely on free school meals during term time.

In November 2022 we launched FoodStock: our winter crisis response. Now in its third year, FoodStock encompasses all of the Charity's winter operations. During the FoodStock campaign this year we delivered 234 tonnes of food to nearly 40,000 people, packed 1,700 festive food and activity parcels to children across Bristol who lose their free school meals in the holidays, supported Caring in Bristol to serve up Bristol's big Christmas dinner for hundreds of people experiencing homelessness, and stopped many tonnes of food-waste-associated greenhouse gases from harming the planet.

Volunteering and employability

Last year 364 volunteers supported the Charity by sorting and packing food orders in our warehouses and delivering it to CFMs, donating a total of over 57,000 hours of their time.

Working with Plymouth Argyle Community Trust, the Charity welcomed dozens of volunteers through the doors of our Sisna Park, Plymouth warehouse as part of 'Project 35'. This campaign, encouraging Plymouth Argyle Football Club supporters to pledge 35 hours of their time volunteering for local charities and community organisations, helped to build a new and robust team of regular volunteers in our new warehouse. The impact of volunteering at the Charity is evidenced in a recent survey completed by 117 of our volunteers. It showed that 100% of our volunteers feel valued (54% extremely valued), 49% of our volunteers feel happier and more fulfilled in life, 17% said volunteering with us makes them feel less isolated and helps them maintain their social life, whilst 67% feel volunteering at the Charity gives them a greater sense of purpose.

Following our 2021 employability pilot through Kickstart, we planned and launched a 12-week young people's programme, FareChance, in December 2022. FareChance supports young people who are out of employment, training, volunteering or education to increase their qualifications, skills and confidence and move towards employability, through a structured 12-week warehouse-based work experience and mentorship programme. In its first three months, FareChance supported 21 young people with 100% success in emotional and mental health outcomes and 65% success in moving them into volunteering, formal training (e.g. construction) and education and/or employment in the warehousing and catering industries. We built on our partnerships with organisations such as Sixteen Coop, City of Bristol College, Prince's Trust and the Department for Work and Pensions to increase the diversity of our referral routes.

Infrastructure

After a soft launch last year, our new warehouse in Plymouth officially opened its doors in May 2022 to serve around 70 community groups across Devon and Cornwall, with rent generously covered this year by a local philanthropist. By the end of the year under review, our small team of staff and volunteers had delivered sufficient food for over one million meals.

Plans to double the size of our South Bristol warehouse came to fruition. The new, additional space created will provide separate office space, capacity for a new chiller and our first freezer, a more comfortable and welcoming area for volunteers and a dedicated training hub for FareChance trainees.

Alongside day-to-day operations at our central and South Bristol warehouses, we continued to use our emergency warehouse at Ashton Gate. This warehouse is essential for us to provide food support at scale to holiday projects for children across the region and to deliver our FoodStock winter operations.

Fundraising and Communications

In the year under review, the Charity built on the funds and awareness raised during the pandemic, worked hard to let supporters know of the impact of their donations, developed partnerships with local organisations and recruited a Communications Manager and Fundraising and Communications Officer.

In April 2022 we raised £11,335 through The Green Match Fund. This campaign focused on the expansion of our positive environmental impact as we expanded into a new region – Devon & Cornwall.

In May 2022 we launched our Food Friend scheme and succeeded in recruiting 240 regular donors committed to helping us to tackle food waste and food poverty long term. We also launched the Food Friend newsletter and quarterly warehouse open days. The popularity of the latter led to warehouse tours being offered to prospective volunteers and other key supporters.

In November 2022 we launched our Big Give Christmas Challenge campaign raising £50,000 for our FoodStock winter food crisis programme, in addition to a Holiday Activity and Food grant from Feeding Bristol to top up the most in-demand and hardest to reach foods.

Businesses across the South West stepped up as 'Food Heroes' through volunteering, fundraising, in-kind gifts and financial donations. Examples include:

- Field & Flower Ltd and their customers, who raised £24,980 this year alongside delivery of 600 pairs of turkey legs through their LegUp campaign.
- Hargreaves Lansdown PLC and SAGE Group PLC paired their corporate volunteering with financial grants to support our core costs.
- Bishop Fleming LLP selected us as their charity of the year in 2022, with staff running the Bath Half Marathon and hosting a fundraising quiz.
- Donations from Tout Ltd enabled us to provide food for over 43,000 meals.
- Immediate Media Company Ltd supported us with in-kind donations of monitors.
- Wiper and True Ltd's brewery created a new amber ale named 'Sharing Is Caring' with our staff, donating 100% of the profits to the Charity.

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Our community also supported us through events and challenges throughout the year, from comedy nights and festive choirs to individuals taking on the Three Peaks Challenge.

This year we were very grateful to receive 51 grants from trusts and foundations to support both our core costs and specific projects. The following are trusts and foundations who gave £10,000 or above:

- Barnwood Trust
- Eurofins Foundation
- John James Bristol Foundation
- National Benevolent Charity
- National Lottery Community Fund
- NHS Gloucestershire Integrated Care Board
- Nisbet Trust
- St John's Bath Foundation
- Tesco Plc's 'Stronger Starts' initiative

2022-23 Fundraising in figures

Total Fundraised income during the year under review amounted to £882,512 (as given in Note 3 to the Financial Statements). It was split into the following categories:

- Trusts & Grants 61%
- Individual donors 15%
- Corporates 16%
- Gift Aid 4%
- Appeals 4%

The Charity is registered with the Fundraising Regulator and paid the associated voluntary levy. During the year, we did not receive any complaints about our fundraising activity.

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Financial review

The prime financial objective for the year under review was to embed the expansion programmes of the previous two years, and to maintain the Charity's financial stability at a time of unprecedented global financial turmoil. A focus on ensuring that key operational costs were controlled wherever possible paid off as the Charity managed to avoid large unit price increases in its fuel and energy costs through access to discounted fuel suppliers and fixed price electricity contracts.

We were able to increase our membership income during the year but not by as much as we would have wanted. This was primarily owing to the constraints caused by the cost of living crisis affecting both surplus food availability and rapid inflation affecting our ability to increase operational scale by taking on more staff or infrastructure.

A strategic plan to increase the scale and operation of our fundraising team was also made during the year. There was an increase in headcount and investment in fundraising platforms compared to previous years. The commensurate increase in donations and legacies income started to show in the second half of the year and the Trustees expect this rise in fundraising income to increase significantly in the next few years.

For the year under review, the Charity made a deficit of £237,556 (2022, deficit of £304,167). The deficit consisted of an unrestricted deficit before transfers of £330,970 (2022 - £232,156 deficit) and a restricted surplus of £93,414 (2022 - £72,011 deficit). Net assets at 31st March 2023 were £917,835 (2022, £1,155,391).

Reserves at 31st March 2023 were split between restricted reserves at £24,449 (2022, £22,375) and unrestricted reserves at £893,386 (2022, £1,133,016). The reduction in unrestricted reserves was mainly due to overhead cost pressures and the first full year of Plymouth warehouse expenditure. However, there was also a significant loss of income from local authorities changing the way they funded holiday food projects compared to the previous year.

The Charity's income for the year under review was £1,526,547 (2022, £1,199,677). Income received from trusts, foundations, corporate and individual supporters ('fundraised income') totalled £1,049,405 (2022, £705,690) in the year under review, whilst income from CFM fees ('Charitable Activities') accounted for £463,648 (2022, £293,847).

Fundraised income increased on the previous year as restricted grants became available again from a number of new partners alongside FareShare (Charity 1100051) also allowing us to start accessing capital investment grants again. The loss of the holiday hunger project income referred to above was in part replaced by restricted grants from agencies linked to local authorities to help fund the Winter 2022 FoodStock project we operated from our Bristol warehouses to support those in food poverty in our region.

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FOR THE YEAR ENDED 31 MARCH 2023

Restricted funds are spent as soon as possible in line with the donor's wishes. Should this not prove practical, we seek the donor's preference regarding any alternative use of funds, retention for future projects or the return of such funds.

Sources of support from unrestricted funders have been detailed earlier in this Trustee Report but is expanded on in this section. Unrestricted donations increased to £768,957 (2022, £591,448) in the year to 31st March 2023. A significant proportion of this total came from trusts and grants. Donations from individuals stayed at a similar level in the year under review, reflecting a continued public awareness of the cost of living crisis and our surplus food distribution service to the most vulnerable in society. The Charity is also the beneficiary of gifted pro-bono services and the use of assets at either a free or discounted rate from generous supporters.

Income from charitable activities is generated through a membership scheme, whereby CFMs pay an annual fee that contributes around 37% of the full costs of accessing a weekly supply of surplus food to support their work. With the first full year of operating our Plymouth warehouse we managed to increase this income stream significantly to £463,648 (2022 - £293,847). A number of very large CFMs are now supported in West Devon and all of Cornwall from this warehouse, and we hope to further increase scale in future years.

In the latter part of the year under review we reluctantly decided to start applying the first membership fee increase to our CFMs in over 5 years. This has been applied sensitively and with due notice and has only been done to ensure we recover a proportionate amount of our rising overhead costs.

The Charity remains conscious of the rising costs that have affected energy and fuel supplies and is making plans to renegotiate long-term fixed price energy contracts that start to become unlocked in March 2024. We will continue working with fuel wholesalers who can provide discounts on the fuel for the Charity's van fleet.

The Charity continues to pursue its strategy of owning key assets such as its van fleet rather than leasing or hiring such equipment. In the year to 31 March 2023 the Net Book Value of all Fixed Assets on the Balance Sheet was £441,357 (2022, £441,186). We acquired two new refrigerated vans in the year under review to replace a pair of ten-year-old vans that had become life-expired, but these were the only significant additions.

Looking forward, our asset review strategy includes ongoing review of our IT equipment and and further investment in areas such as frozen food delivery.

Reserves Policy

The Charity has a risk-based reserves policy to help protect its operations from any short or medium-term disruption which could cause significant issues with the storage and delivery of food to the most vulnerable groups in its region.

The reserves policy seeks to mitigate both specifically identified risks and the associated quantified financial exposure from those risks crystallising. The primary specific risks that the Charity has quantified its exposure against are a significant shortfall in its fundraising compared to expectations; the extended temporary closure of one or more warehouses; outbreaks of significant illness amongst a large number of operational staff; and the loss of food deliveries from key national food partners for an extended duration. Any combination of these specific events would cause a significant increase in average costs where the Charity had to purchase alternative resources to permit its key activities to continue.

The Trustees have maintained the reserves policy that was amended in the year to 31 March 2021 as a response to the unprecedented global economic turbulence caused by the Covid 19 pandemic, and rapidly followed by the ongoing cost of living crisis. The increase in free reserves* set aside to provide security against a combination of the most extreme adverse risk scenarios is now calculated as between three and six months of total expenditure (amended from the previous policy of six months of total expenditure).

** 'free reserves' defined as unrestricted reserves less designated funds less tangible fixed assets (financed by unrestricted reserves)*

This revised basis reflects what the Trustees consider is a prudent assessment of the Charity's exposure to risks, including those specific to the cost of living crisis. It equates to £403,975 (2022, comparative £572,000). At this monetary level and over the three to six-month duration, the Trustees feel that they would be able to continue the current activities of the Charity whilst also putting in place mitigation against a simultaneous drop in funding.

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At the year end, the Charity had excess funds over reserves policy of £48,054 (2022 comparative figure of £691,830) which is lower than the Trustees would like. The lower figure does reflect a number of unique timing issues on the receipt of unrestricted grant income; the input cost pressures on the Charity during the last year; and also a moderate cashflow issue with ensuring that trade debtors pay their invoices on time.

The Charity's reserves position is now as follows:

	£
Unrestricted funds total	893,386
Less those held in designated funds	-
Less those held in tangible fixed assets funded by Unrestricted Funds	<u>(441,357)</u>
Unrestricted free reserves	452,029
Less 4.5* months' expenditure set aside	<u>(403,975)</u>
Excess Funds over reserves policy	<u>48,054</u>

* The Trustees policy is now to aim for between 3 and 6 months of operating expenditure to be set aside to fund the Charity in the event of an operational or financial crisis. For this disclosure it is felt prudent to use a median figure of 4.5 months for the calculation.

The Trustees are confident that the reserves position of the Charity will improve over the next 12 months such that there will be increasing financial headroom during the year to 31st March 2024.

With a combination of cash generation not hitting expected levels in the year to 31st March 2023 and inflation running at double digits in late 2022 and early 2023, the previous intention to create a Designated Reserve has been postponed indefinitely.

The Trustees continue to be immensely grateful for the capital grant and food supply support from our partner charity FareShare (Charity 1100051) and for the evermore generous donations and support from a range of organisations, trusts and individuals in another very pressing year.

Investment Policy

Owing to the Charity's historical size and smaller reserves, it does not currently have an investment committee with a full investment policy. All decisions on investments are instead approved at full Trustee board meetings. The Charity's aim is always to invest prudently with low-risk financial institutions that accord with the Charity's mission and objectives.

The Charity currently invests all its cash reserves in short-notice savings or business current accounts at its banking partners. These partners are chosen based on their financial resilience as well as their ethical corporate values and investment strategies being compatible with those of the Charity.

At the current time Trustees do not intend to invest in asset classes such as investment property, equities or equity-backed funds. The Charity also currently does not make grant or funding offers to support other charitable organisations. This will be kept under review.

The Trustees are cognisant that the level of cash reserves in the Charity has continued to fall for a second year. They will keep under review deposit rates offered by leading providers. One of our banking partners has now started paying interest on deposited funds which we welcome. As per previous years, if Trustees with appropriate investment expertise are appointed, the Charity may seek to expand the range of low-risk investments in which the free reserves are invested. However, any such investment policy change will always accord with the Charity's mission and objectives.

Risks and Uncertainties facing the Charity

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure to these major risks. We update a detailed risks register every six months and highlight the potential risks to the Charity and the mitigating actions. The key areas of potential risk include:

Financial – We continue to experience increases in operational costs to allow us to meet the demand for our services during the ongoing cost of living crisis. Membership income ('Charitable Activities') is particularly under pressure with less funding available to our front-line charity partners tackling food poverty and some of our CFMs being less able to pay CFM fees on time.

The Charity continues to implement cost saving initiatives and careful invoice management and has invested in strengthening and diversifying its income streams, supplementing CFM fee income with substantially enhanced fundraising capability and activity, all of which will greatly improve the Charity's financial position.

Workforce – We continue to rely heavily on a large number of volunteers and the viability of the paid and unpaid workforce is critical to the Charity's success. Its volunteer programme helps ensure that there is a healthy and sustainable pipeline of volunteers for operational roles to match the growing work of our Charity. Retention and wellbeing of staff and volunteers is key, alongside reducing over-reliance on key individuals, and this mitigates risks of losing staff and volunteers.

Management Structure - The Charity works to ensure that management capacity and capability is appropriate for its increasing size and complexity, developing strategies to recruit into key roles and retain key staff.

Food supply – Access to a sustainable supply of surplus food is critical to our operations. As an independent Charity that is part of the FareShare (Charity 1100051) UK network, the Charity can secure substantial volumes of the food needed to maintain and grow its services. We have also invested further this year in local food sourcing and the number of local food partners and the volume of food sourced locally continues to grow significantly, and we expect this to increase in future years. We have increased our stockholding and constantly explore new sources or types of food that could add to the existing supply.

Compliance – The redistribution of food is highly regulated, carried out in depots that carry significant health and safety risks. Investment in workspaces, training, systems, management capacity and procedures ensures our compliance remains robust and monitored.

Future plans

As the cost of living rises and more people are pushed below the breadline, we know that the demand for food will only increase and with it, the need for our operations.

As part of the central Government's Holiday Activities & Food (HAF) Programme, the Charity will work with local authorities across the South West to help ensure no child goes hungry over the school holidays, including for the first time in our Devon and Cornwall region.

We plan to further develop our mission in rural Cornwall by partnering with the Gleaning Network to set up an enhanced local collection point in Hayle. This will enable us to glean new sources of surplus food and to reach new vulnerable communities in Western Cornwall that are currently difficult to reach due to the geographical challenges of the region and distance from our Plymouth hub.

The Charity will further develop our volunteering programme to support individual volunteers of all ages, abilities and from all walks of life and will partner with new corporate supporters to engage them in our work, encourage their involvement and raise essential funds.

We look forward to utilizing the second phase of our South Bristol premises development with its dedicated office and break spaces, additional warehouse capacity and a new chiller. This will enable us to add frozen food capability to our offering and better accommodate our South Bristol volunteers as well as the FareChance scheme.

Once our proof of concept for FareChance is complete, we intend to make our South Bristol premises a youth-led working warehouse. We also plan to develop employability opportunities in our Plymouth warehouse and to integrate this programme with the rest of the Charity's supported volunteering programme.

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Structure, governance and management

Governing Document

The Charity's governing document is its Memorandum and Articles of Association. The Charity was originally incorporated as a company limited by guarantee on 27 February 2007 under the name Community Initiatives South West Community Interest Company. It subsequently changed its name to Community Initiatives South West Limited on 29 August 2008 and became registered as a charity with the Charity Commission on 16 September 2008.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J Ingleby	
T Hogg	
C Ackland	
E Togneri	(Resigned 29 June 2023)
P Hazelden	
A Street (Chair)	
P Hardwick	(Resigned 13 April 2022)
C L Burden	(Appointed 25 May 2023)
B R Eaves	(Appointed 25 May 2023)

Appointment of Trustees

As set out in the Articles of Association the Trustees may appoint a person who is willing to act as a Trustee. Any Trustee appointed by a resolution of the other Trustees must retire at the next annual general meeting. Under charity law, each Trustee of the Charity is also a Director of the charitable company. The Trustees constantly seek to recruit new Trustees to join the Board of the Charity who have a diversity of experience, expertise and backgrounds to support the senior management team and help the Charity thrive and who share a passion to achieve the Charity's objectives. The Trustees were delighted to be joined by two new Trustees after the year end and are very grateful to those who have served on the Board and who retired during the year and after the year end.

Trustee Induction and Training

On appointment new Trustees are made aware of their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes and the most recent business plan and recent financial performance of the Charity. The Board of Trustees holds regular Board meetings at which Trustees are updated on the range of compliance issues relevant to the Charity's operations (including health and safety) and holds annual strategy review meetings which are often attended by external speakers and facilitators.

COMMUNITY INITIATIVES SOUTH WEST LIMITED
T/A FARESHARE SOUTH WEST
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Senior Management Team:

J Mines, Chief Executive Officer	(Resigned 10 May 2022)
L Bearn, Director of Operations & Interim CEO	(Interim CEO 10 May 2022 - 10 October 2022)
G Joyner, Chief Executive Officer	(appointed 10 October 2022)
D Suckling, Director of Finance	
P Ruxton, Director of Fundraising & Communications	(resigned 30 June 2022)
S Coles, Interim Head of Fundraising & Communications	(1 July 2022 – 15 January 2023)
J Forsyth, Director of Fundraising & Communications	(appointed 16 January 2023)
S Jarvis, Head of Operations	
S Salino, Head of Development	(resigned 9 November 2023)

Organisation

The Articles of Association allow for a minimum of 3 Trustees, and there is no maximum unless determined by ordinary resolution. The Trustees administer the Charity, and normally meet around eight times a year. All strategic and key financial decisions (including the setting and review of staff remuneration) are reserved to and taken by the Board of Trustees. The Board of Trustees works in close cooperation with the Chief Executive Officer (who leads the senior management team and who attends and reports to each Board meeting) and with the other members of the senior management team who regularly present reports to the Board. The Trustees are supported by a finance sub-committee which meets at least ten times a year and currently includes 2 of the Trustees and the Chief Executive Officer.

Any benefit received by Trustees is purely incidental to the objects of the Charity's work and disclosed within the financial statements.

The Charity is party to a collaboration agreement with FareShare (Charity 1100051) which sets out, amongst other things, the principles which underpin the working relationship between the parties, the responsibilities of the parties and the terms upon which the Charity is permitted to use the FareShare name and brand.

Auditor

In accordance with the company's articles, a resolution proposing that TC Group be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



C L Burden

Trustee

Dated: 2 July 2024

COMMUNITY INITIATIVES SOUTH WEST LIMITED
T/A FARESHARE SOUTH WEST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees, who are also the directors of Community Initiatives South West Limited for the purpose of company law, are responsible for preparing the Trustees' 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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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; and
- 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**COMMUNITY INITIATIVES SOUTH WEST LIMITED
T/A FARESHARE SOUTH WEST
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF COMMUNITY INITIATIVES SOUTH WEST LIMITED

Opinion

We have audited the revised financial statements of Community Initiatives South West Limited (the 'Charity') for the year ended 31 March 2023 which comprises the statement of financial activities, the balance sheet, the statement of cashflows and the notes to the revised financial statements, including a summary of significant accounting policies. These revised financial statements replace the original financial statements approved by the Trustees on the 29th December 2023. 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). These revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Reports) Regulations 2008 and accordingly do not take account of events which have taken place after the date the original financial statements were approved.

In our opinion, the financial statements:

- give a true and fair view, seen as at the date of the original financial statements were approved, of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice seen as at the date of the original financial statements were approved; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulation 2008.

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 Charity in accordance with the ethical requirements that are relevant to our audit of the revised 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 revised financial statements is not appropriate; or
- the Trustees have not disclosed in the revised financial statements any identified material uncertainties that may cast significant doubt about the Charity'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 original financial statements are authorised for issue.

**COMMUNITY INITIATIVES SOUTH WEST LIMITED
T/A FARESHARE SOUTH WEST
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF COMMUNITY INITIATIVES SOUTH WEST LIMITED

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the revised financial statements and our auditor's report thereon. Our opinion on the revised 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.

In connection with our audit of the revised financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the revised 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 revised 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the revised financial statements are prepared is consistent with the revised financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.
- In our opinion, the original financial statements for the year ended 31 March 2023 failed to comply with the requirements of the Companies Act 2006 in the respects identified by the Trustees in note 8 to the revised financial statements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

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

**COMMUNITY INITIATIVES SOUTH WEST LIMITED
T/A FARESHARE SOUTH WEST
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF COMMUNITY INITIATIVES SOUTH WEST LIMITED

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the revised 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 revised financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the revised financial statements, the Trustees are responsible for assessing the Charity'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 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

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the revised 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 revised financial statements.

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

We are also required to report whether in our opinion the original financial statements failed to comply with the requirements of the Companies Act 2006 in the respects identified by the Trustees. The audit of the revised financial statements includes the performance of procedures to assess whether the revisions made by the Trustees are appropriate and have been properly made.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

**COMMUNITY INITIATIVES SOUTH WEST LIMITED
T/A FARESHARE SOUTH WEST
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF COMMUNITY INITIATIVES SOUTH WEST LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the revised financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the revised financial statements from our general sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations (see below);
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption, and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the revised financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We considered the nature of the operations, the control environment and financial performance.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charity has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals; reviewing the revised financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the revised financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the revised financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**COMMUNITY INITIATIVES SOUTH WEST LIMITED
T/A FARESHARE SOUTH WEST
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF COMMUNITY INITIATIVES SOUTH WEST LIMITED

Use of our report

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

TC Group

**Amanda Kruger FCCA (Senior Statutory Auditor)
for and on behalf of TC Group**

Statutory Auditor
Office: Bristol

2 July 2024

COMMUNITY INITIATIVES SOUTH WEST LIMITED
T/A FARESHARE SOUTH WEST
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
<u>Income from:</u>							
Donations and legacies	3	768,957	280,448	1,049,405	591,448	114,242	705,690
Charitable activities	4	463,648	-	463,648	293,847	-	293,847
Other trading activities	5	13,494	-	13,494	157,600	42,540	200,140
Total income		1,246,099	280,448	1,526,547	1,042,895	156,782	1,199,677
<u>Expenditure on:</u>							
Raising funds	6	93,399	-	93,399	109,655	-	109,655
Charitable activities	7	1,483,670	187,034	1,670,704	1,165,396	228,470	1,393,866
Other	14	-	-	-	-	323	323
Total resources expended		1,577,069	187,034	1,764,103	1,275,051	228,793	1,503,844
Net (outgoing)/ incoming resources before transfers		(330,970)	93,414	(237,556)	(232,156)	(72,011)	(304,167)
Gross transfers between funds		91,340	(91,340)	-	290,387	(290,387)	-
Net (expenditure)/income for the year/ Net movement in funds		(239,630)	2,074	(237,556)	58,231	(362,398)	(304,167)
Fund balances at 1 April 2022		1,133,016	22,375	1,155,391	1,074,785	384,773	1,459,558
Fund balances at 31 March 2023		893,386	24,449	917,835	1,133,016	22,375	1,155,391

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

All income and expenditure derive from continuing activities.

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

COMMUNITY INITIATIVES SOUTH WEST LIMITED
T/A FARESHARE SOUTH WEST
BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	15		441,357		441,186
Current assets					
Debtors	16	340,763		222,411	
Cash at bank and in hand		483,864		762,192	
		824,627		984,603	
Creditors: amounts falling due within one year	17	(348,149)		(270,398)	
Net current assets			476,478		714,205
Total assets less current liabilities			917,835		1,155,391
Income funds					
Restricted funds - general	19		24,449		22,375
Unrestricted funds			893,386		1,133,016
			917,835		1,155,391

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 2 July 2024



C L Burden
Trustee

Company Registration No. 06130395

COMMUNITY INITIATIVES SOUTH WEST LIMITED
T/A FARESHARE SOUTH WEST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	23	(183,094)		(288,304)	
Investing activities					
Purchase of tangible fixed assets		(95,234)		(354,725)	
Proceeds on disposal of tangible fixed assets		-		2,667	
Net cash used in investing activities		(95,234)		(352,058)	
Net cash used in financing activities		-		-	
Net decrease in cash and cash equivalents		(278,328)		(640,362)	
Cash and cash equivalents at beginning of year		762,192		1,402,554	
Cash and cash equivalents at end of year		<u>483,864</u>		<u>762,192</u>	

1 Accounting policies

Charity information

Community Initiatives South West Limited is a charitable company limited by guarantee incorporated in England and Wales. The registered office is Unit 4, Little Ann Street, St Judes, Bristol, BS2 9EB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Memorandum and Articles of Association dated 30 June 2008, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the Restricted funds are set out in the notes to the financial statements.

For each Restricted fund where assets have been purchased the Trustees review the terms of the gift and ascertain whether the purchase asset has to be retained in Restricted funds until the end of its useful economic life or whether the gift allows for the assets to be transferred to Unrestricted funds.

1.4 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grants receivable are treated in different ways dependent upon their purposes and the terms of the grant.

Grants receivable for the specific purpose of purchasing fixed assets for the continued use of the charity are treated as Restricted funds. The Restricted fund is then reduced by amounts equivalent to the depreciation charges on the assets concerned and will continue to do so over the expected useful lives of the assets concerned.

Grants receivable for specific purposes are also treated as Restricted funds so that any unused funds can be separately identified.

Grants receivable to facilitate the general running of the charity for example where the Trustees can choose how the funds are expended, are treated as Unrestricted funds.

Membership income is recognised in the period to which it relates.

Gifts in kind includes donated assets, services and facilities which are recognised at a reasonable estimate of their gross value to the Charity. An equivalent amount has been included as expenditure under the appropriate heading in the Statement of Financial Activities

The value of donated and surplus food is excluded from the financial statements, as the costs of establishing the fair value of these would be excessive in comparison to the benefit to the users of the accounts.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity. These are included within Charitable Activities.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity as well as a proportion of salaries based on an approximation of time spent in this area.

1 Accounting policies

(Continued)

Raising funds are those costs within Charitable Activities expenditure which can be identified as uniquely attributable to the activities of raising funds from potential supporters of the Charity. Such costs include the full employment cost of those employees whose role is fundraising, and the licencing fees of subscriptions to online fundraising platforms.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10 years straight line
Plant and equipment	5 -10 years straight line
Computers	3 years straight line
Motor vehicles	5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

COMMUNITY INITIATIVES SOUTH WEST LIMITED
T/A FARESHARE SOUTH WEST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

	Unrestricted funds	Restricted funds general	Total	Unrestricted funds	Restricted funds general	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and grants	602,064	280,448	882,512	474,386	114,242	588,628
Donated goods and services	166,893	-	166,893	117,062	-	117,062
	=====	=====	=====	=====	=====	=====
Donations and grants						
Corporate organisations	163,401	10,000	173,401	98,261	25,038	123,299
Charities and trusts	267,892	270,448	538,340	217,445	30,000	247,445
Individuals	170,771	-	170,771	157,872	-	157,872
Public funding	-	-	-	-	59,204	59,204
Other	-	-	-	808	-	808
	=====	=====	=====	=====	=====	=====
	602,064	280,448	882,512	474,386	114,242	588,628
	=====	=====	=====	=====	=====	=====
Gifts in Kind - donated assets, services and facilities						
Professional services	18,750	-	18,750	5,000	-	5,000
Warehouse rental and rates	111,800	-	111,800	97,140	-	97,140
Other goods and equipment	36,343	-	36,343	14,922	-	14,922
	=====	=====	=====	=====	=====	=====
	166,893	-	166,893	116,371	-	116,371
	=====	=====	=====	=====	=====	=====

Income from Gifts in Kind in the prior year was Unrestricted.

4 Charitable activities

	2023	2022
	£	£
Membership	463,648	293,847
	=====	=====

COMMUNITY INITIATIVES SOUTH WEST LIMITED
T/A FARESHARE SOUTH WEST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

5 Other trading activities

	Unrestricted funds	Unrestricted funds	Restricted funds general	Total
	2023	2022	2022	2022
	£	£	£	£
Grants	5,786	7,065	42,540	49,605
Food outreach project income	7,708	150,535	-	150,535
Other trading activities	13,494	157,600	42,540	200,140

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
<u>Fundraising and publicity</u>		
Fundraising agents	-	7,442
Other fundraising costs	10,573	6,510
Staff costs	82,826	95,703
Fundraising and publicity	93,399	109,655
	93,399	109,655

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FOR THE YEAR ENDED 31 MARCH 2023

7. Charitable activities

	Main charitable activity 2023 £	Main charitable activity 2022 £
Depreciation and impairment	95,062	64,129
Staff costs	695,120	623,462
Premises expenses	217,704	204,558
Office costs	18,478	22,433
Communications	3,756	37,950
Bank charges	-	468
Motor expenses	112,015	124,474
Legal & professional fees	17,500	34,392
Other charitable expenditure	178,989	136,792
Marketing	185	-
Food purchases and supplies	46,576	35,956
	<u>1,385,385</u>	<u>1,284,614</u>
Support costs	272,799	97,327
Share of governance costs (see note 9)	12,520	11,925
	<u>1,670,704</u>	<u>1,393,866</u>
Analysis by fund		
Unrestricted funds	1,483,670	1,165,396
Restricted funds - general	187,034	228,470
	<u>1,670,704</u>	<u>1,393,866</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Revised accounts

These accounts have been revised as a result of the reallocation of staff cost between categories to give a true and fair view as follows:-

Staff costs

Allocation	Original accounts	Revised accounts
	£	£
Charitable	386,998	695,120
Support	324,601	192,545
Fundraising	258,892	82,826
	<u>970,491</u>	<u>970,491</u>

9 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Bank charges	972	-	972	5,206	-	5,206
Staff costs	192,545	-	192,545	82,003	-	82,003
Computer expenses	49,594	-	49,594	-	-	-
Communications	5,136	-	5,136	388	-	388
Legal & professional	19,552	-	19,552	-	-	-
Accountancy costs	5,000	-	5,000	9,730	-	9,730
Auditors remuneration	-	12,520	12,520	-	11,925	11,925
	<u>272,799</u>	<u>12,520</u>	<u>285,319</u>	<u>97,327</u>	<u>11,925</u>	<u>109,252</u>
Analysed between						
Charitable activities	<u>272,799</u>	<u>12,520</u>	<u>285,319</u>	<u>97,327</u>	<u>11,925</u>	<u>109,252</u>

Governance costs includes payments to the auditors of £10,870 (2022- £10,350) for audit fees.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

10 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2023	2022
	£	£
Audit of the annual accounts	10,870	10,350
	<u> </u>	<u> </u>
Non-audit services		
All other non-audit services	1,650	1,575
	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

12 Employees

Number of employees

The average monthly number of employees during the year was:

2023 Number	2022 Number
33	28
=====	=====

Total benefits received by key management personnel during the year were £204,535 (2022: £68,806) including employer's NIC and employer's pension costs.

The number of employees whose annual remuneration was £60,000 or more were:

	2023 Number	2022 Number
£60,000 - £69,999	1	1
	=====	=====

13 Taxation

The Charity is exempt from corporation tax on its charitable activities.

COMMUNITY INITIATIVES SOUTH WEST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

14 Other

	Total 2023 £	Restricted funds 2022 general
Net loss on disposal of tangible fixed assets	-	323
	-	323

15 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Computers £	Motor vehicles £	Total £
Cost					
At 1 April 2022	123,949	141,995	55,704	226,260	547,908
Additions	6,781	1,569	4,484	82,400	95,234
At 31 March 2023	130,730	143,564	60,188	308,660	643,142
Depreciation and impairment					
At 1 April 2022	3,449	26,422	26,525	50,327	106,723
Depreciation charged in the year	18,058	13,020	17,348	46,636	95,062
At 31 March 2023	21,507	39,442	43,873	96,963	201,785
Carrying amount					
At 31 March 2023	109,223	104,122	16,315	211,697	441,357
At 31 March 2022	120,501	115,573	29,179	175,933	441,186

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

16 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	264,935	166,757
Other debtors	32,767	31,247
Prepayments and accrued income	43,061	24,407
	<u>340,763</u>	<u>222,411</u>

17 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other taxation and social security	18,264	1,190
Trade creditors	45,206	60,464
Other creditors	4,986	4,994
Accruals and deferred income	279,693	203,750
	<u>348,149</u>	<u>270,398</u>

18 Retirement benefit schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

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FOR THE YEAR ENDED 31 MARCH 2023

19 Restricted funds

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

	Movement in funds				
	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 31 March 2023
	£	£	£	£	£
St John's Foundation	22,375	15,000	(27,357)	-	10,018
Bristol City Council - Holiday Action Fund	-	29,000	(29,000)	-	-
FareShare UK - Caring at Christmas	-	9,500	(9,500)	-	-
FareShare UK - Devon & Cornwall	-	38,830	(1,330)	(48,250)	(10,750)
FareShare UK - Health & Safety	-	-	(4,539)	(1,295)	(5,834)
Fare Share UK - West of England	-	38,830	(1,430)	(43,610)	(6,210)
Feeding Bristol - Household Support Fund	-	80,000	(62,246)	(7,935)	9,819
National Lottery - Employability	-	10,000	(3,839)	-	6,161
Barnwood Trust	-	10,351	(10,351)	-	-
Rathbones Investment Management	-	10,000	(10,000)	-	-
FareShare UK - Fuel Grant	-	48,687	(27,442)	-	21,245
	22,375	290,198	(187,034)	(101,090)	24,449

Grants receivable for the specific purpose of purchasing fixed assets are held in Restricted funds until the asset has been purchased. The Trustees then consider whether the terms of the gift require the Charity to hold the asset as restricted or whether it can be transferred to unrestricted for the continued use of the charity to be used as they see fit. For assets purchased using restricted funds in the current year the Trustees have assessed that all assets have then become unrestricted therefore transfers have been made to reduce these funds to nil.

St John's Foundation

These funds were given to maintain existing operations and also facilitate an expansion of the Charity's surplus food support across the Bath & North East Somerset (BANES) region.

19 Restricted funds

(Continued)

Bristol City Council – Holiday Action Fund

These funds were given for the provision of 1,700 food hampers to be distributed to low-income families with children in full-time education across the greater Bristol region between 26th December 2022 and 2nd January 2023.

FareShare UK – Caring at Christmas

Funding to cover the costs borne by a charity partner - Caring In Bristol – in setting up various food provision services to vulnerable people in South Bristol over the Christmas and New Year 2022/2023 period. These services included a food pantry and main meals served at a day shelter, a Christmas event, and meal deliveries to the housebound.

FareShare UK - Devon & Cornwall

A two-stage grant to facilitate infrastructure investment in our Devon & Cornwall region run out of our Plymouth warehouse. The first stage of funding was to purchase a van with freezer capabilities to facilitate future frozen food deliveries. The second stage will be investment into creating a hub for West Cornwall in 2023/2024.

FareShare UK – Health & Safety

An award of up to £25,000 per warehouse to take FareShare South West warehouse environments over and above the highest level of Health & Safety Environmental criteria. Typically, this money has been and will be directed towards fire safety (alarms, fire doors, extinguishers); workplace transport safety (separation of plant machinery/vehicles and people); mezzanine level access safety; man-down alarms/locks in temperature-controlled storage areas; safety culture improvement such as standard H&S notice boards; and legionella safety.

FareShare UK – West of England

A two-stage grant to facilitate infrastructure investment in our West of England region run out of our Bristol warehouses. The first stage of funding was to purchase a van with freezer capabilities to facilitate future frozen food deliveries. The second stage will be investment into the second stage refurbishment of our Vale Lane, Bristol warehouse that runs our FareChance Employability programme. This will transact in 2023/2024.

Feeding Bristol – Household Support Fund

Distribution of the Westminster Government's Winter 2022-2023 Household Support Funding 3 ('HSF 3') funds to support low-income families in the Greater Bristol region. It allowed us to increase the supply of food available by using funds to purchase a greater variety of culturally-appropriate food for the city's families plus foodstuffs not generally available as surplus such as fresh meat. Funds also supported our food parcel operation 'FoodStock' over Winter 2022-2023 and underwrote the costs of opening a warehouse at Ashton Gate.

19 Restricted funds

(Continued)

National Lottery – Employability

Funding for 12 months from March 2023 to develop our FareChance Employability programme at the Vale Lane Warehouse in South Bristol. FareChance provides a tailored vocational training programme for young adults in our warehouse who have typically been outside employment, education or training. The programme gives them training in warehouse and other skillsets combined with boosted confidence that will allow them to then enter the mainstream workplace.

Barnwood Trust

The second phase of funding awarded in 2022 to maintain existing FareShare South West operations, and also facilitate an expansion of the Charity's surplus food support across Greater Gloucestershire region.

Rathbones Investment Management

Funding to develop our FareChance Employability programme at the Vale Lane Warehouse in South Bristol. FareChance provides a tailored vocational training programme for young adults in our warehouse who have typically been outside employment, education or training. The programme gives them training in warehouse and other skillsets combined with boosted confidence that will allow them to then enter the mainstream workplace.

FareShare UK - Fuel Grant

A grant provided to cover the fuel costs of vans delivering food to the charity beneficiaries.

Transfers between funds

The transfers are in respect of assets purchased, where the purchase of the assets has been completed and the Trustees consider the asset to now be used as they see fit and is therefore moved to unrestricted funds.

20 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	441,357	-	441,357	441,186	-	441,186
Current assets/ (liabilities)	452,029	24,449	476,478	691,830	22,375	714,205
	<u>893,386</u>	<u>24,449</u>	<u>917,835</u>	<u>1,133,016</u>	<u>22,375</u>	<u>1,155,391</u>

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21 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	33,725	38,500
Between two and five years	91,438	102,875
	<u>125,163</u>	<u>141,375</u>
	<u><u>125,163</u></u>	<u><u>141,375</u></u>

22 Related party transactions

During the year the charity received £14,400 in donations from Trustees (2022: £nil)

23 Cash generated from operations

	2023	2022
	£	£
Deficit for the year	(237,556)	(304,167)
Adjustments for:		
(Gain)/loss on disposal of tangible fixed assets	-	323
Depreciation and impairment of tangible fixed assets	95,062	69,335
Movements in working capital:		
(Increase) in debtors	(118,351)	(77,028)
Increase in creditors	77,751	23,233
	<u>(183,094)</u>	<u>(288,304)</u>
Cash absorbed by operations	<u><u>(183,094)</u></u>	<u><u>(288,304)</u></u>

24 Analysis of changes in net funds

The Charity had no debt during the year.