

Company number: 3556346

Charity Number: 1132944



emerge

Annual Report and Financial Statements

For the year ended 31st March 2021

EMERGE 3Rs
Reference and administrative information
For the year ended 31 March 2021

Company number 3556346

Charity number 1132944

Registered office and operational address

Melanie Maynard House, New Smithfield Market, Manchester M11 2WJ

Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Andrew Chicken
Christopher Shearlock
Anthony Baldwinson
Erinma Bell
Michelle Duncalf
Brigit Egan
Fiona King
Margaret Walker
Ben Barnaby
Shirley Jones (appointed 27 May 2020)
Aileen Edmunds (appointed 17 June 2020)
Robin Barnett (appointed 21 July 2020)

Company secretary

Lucy Danger

Key management personnel

Lucy Danger	Chief Executive
Jayrissa Thompson	Finance Controller
Elizabeth Lauder	Volunteer & Employability Programmes Manager
Miranda Kaunang	Head of Development FareShare GM
Derek Shelton	Head of Operations FareShare GM

Bankers

The Co-operative Bank plc
PO Box 101
Manchester M60 4ER

Auditors

Third Sector Accountancy Limited, Holyoake House, Hanover Street, Manchester M60 0AS

EMERGE 3Rs
Trustees' Annual Report for the year ended 31 March 2021

The Trustees present their report and the audited group financial statements for the year ended 31st March 2021.

Reference and administrative information set out above on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

The purposes of EMERGE 3Rs as set out in its governing document are, in summary:

- a) To promote for the benefit of the public the conservation protection and improvement of the physical and natural environment by the promotion of waste reduction, re-use, recycling, use of recycled products and the sustainable management of resources.
- b) To advance the education of the public in the conservation, protection and improvement of the physical and natural environment, in particular all aspects of waste regeneration, resource management and waste reduction, re-use and recycling.
- c) The relief of poverty.
- d) The preservation and protection of good health, in particular by the promotion of good nutrition.

Our intention in everything we do at EMERGE 3Rs is to link the activities we undertake to our legal purposes and objectives. As such, the main activities undertaken by EMERGE 3Rs in relation to the above purposes continue to be:

- To operate FareShare Greater Manchester (FSGM) to combat food waste and fight hunger and food poverty by redistributing surplus in-date food which is fit-for-human-consumption and other consumables generated mainly by the food industry to local charities, schools, community organisations and public agencies.
- To assist our fellow social enterprise EMERGE Recycling Limited in supporting Touch Wood, a reclaimed wood upcycling initiative that creates bespoke products and reclaimed wood supplies for reuse to the public, by providing volunteers and work placements. Volunteer trainees learn how to reuse and upcycle the wood which is donated by EMERGE Recycling from its collections, mainly from businesses.
- To consistently provide work experience and training opportunities with qualifications where possible for individuals who may be long-term unemployed or have a low level of educational attainment and/or confidence, helping them to become 'work ready'. EMERGE 3Rs offers a range of volunteering opportunities for people not in work (students, retirees, those who are long-term sick and so on) as well as for employer-supported volunteering (corporate volunteers).

We work closely with our sister social enterprise to promote the real 3Rs, EMERGE Recycling Limited, who provide high quality waste recycling and confidential shredding services, governed by ISO9001 and the British Standard (BS EN15713) in Confidential Shredding, enabling businesses, schools and organisations in Manchester and the surrounding area to reduce their waste, re-use and recycle more. EMERGE Recycling Limited is a separate community benefit society.

The Trustees broadly review the aims, objectives and activities of EMERGE 3Rs each year. This document summarises what EMERGE 3Rs has achieved and its outcomes in the reporting period. The review also helps our Trustees ensure the Group's aims, objectives and activities remain focused on its stated purposes.

The Trustees have referred to the notes contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

EMERGE 3Rs
Trustees' Annual Report for the year ended 31 March 2021

Vision and Values

The EMERGE 3Rs's Vision is to be a leading charitable enterprise that, across Greater Manchester:

- Enables people to reduce, reuse and recycle more and better;
- Fights hunger and tackles food waste;
- Creates opportunities to improve lives;
- Influences positive changes;

EMERGE 3Rs's Values are:

1. **Integrity** – we are honest and act in a decent, fair and truthful way.
2. **Respectful** - we value difference and diversity and treat people respectfully; we are polite, well-mannered, considerate, obliging and attentive.
3. **Innovative** - we pioneer innovative solutions; we are explorers, trail-blazers and eager to try out new ways of working.
4. **Responsible** - we are accountable to our wider community, our customers and sponsors, our volunteers, staff our board and ourselves; As a social business it's important to us to be answerable to the wider community and responsible for our actions.
5. **Change-makers** - we influence social and environmental change in Greater Manchester and beyond; we seek to guide and affect positive behaviours and we want to make the world a better place.

EMERGE 3Rs seeks to tackle a number of issues through the following activities:

- Poverty levels in Greater Manchester are, in many pockets across the conurbation, relatively higher than in many other parts of the UK as evidenced by UK multiple-deprivation data; low income combined with poor living conditions can result in families and individuals being malnourished and experiencing hunger, amongst other detrimental effects. For children, hunger and malnourishment can have a negative impact in terms of educational attainment and life chances. Our FareShare food redistribution work supports beneficiary organisations who we call our 'Community Food Members' (CFMs) who in turn support individuals and families to reduce the impacts that poverty, particularly hunger, has. FareShare UK says that typically CFMs estimate it would cost them an average £7,900 a year to replace the food they get from FareShare (<https://fareshare.org.uk/what-we-do/our-impact/>). In other words, we save our CFMs significant funds which they can use on their core services to help individuals and families.
- Conscious of the reported health benefits of fresh fruit and vegetables and other nutritional issues (e.g. salt, fats, processed foods and sugar) we contribute where we can to 'healthy eating' projects through our FareShare Greater Manchester food redistribution work. Where we can influence the supplies we get, we are doing, to get the best deal possible for our CFMs and their direct beneficiaries.
- EMERGE 3Rs strives to support individuals to increase their employability and generally provides positive work experience and volunteering opportunities within our activities; we assist those who suffer from low educational attainment (which may occur as a consequence of the combined effects of poverty) and low skill levels through the work experience and training activities. Wherever possible, we support individuals in returning to work.

Achievements and performance

EMERGE's main activities and who we work to help are described below. All of EMERGE 3Rs' charitable activities are focused on the objectives set out in our governing documents and are undertaken to further EMERGE 3Rs' charitable purposes for the public benefit.



Volunteering & Employability

Over the period, in spite of COVID19 we maintained our Volunteering Programme, continuing to split the work of the small staff team between recruiting, inducting, supporting and retaining volunteers, mainly for FareShare and to a far lesser extent, for Touch Wood, matching the scale of activities as far as possible. This would have been impossible without continued support from our major donor and a key Recycling account, CDL, a leading UK software firms, based in Stockport. CDL Owners very generously backed our Volunteering initiatives once more in 2021, enabling us to once again develop positive employability programmes for job-seekers and long term unemployed people including those with mental and physical health challenges. This help is hugely appreciated at a time when fundraising continues to be challenging, with our limited resources.

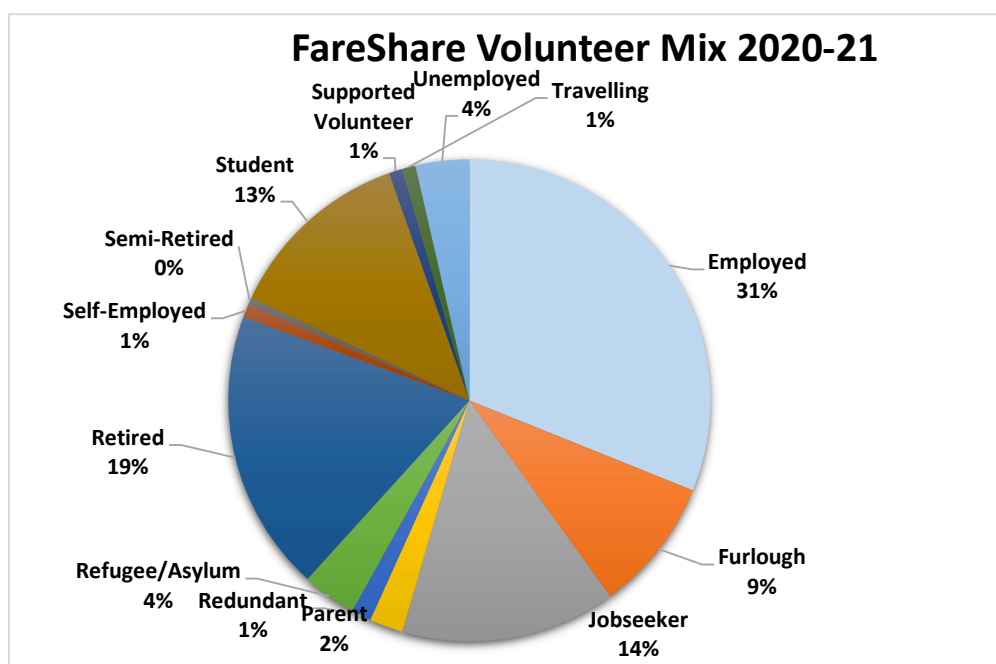
Volunteering

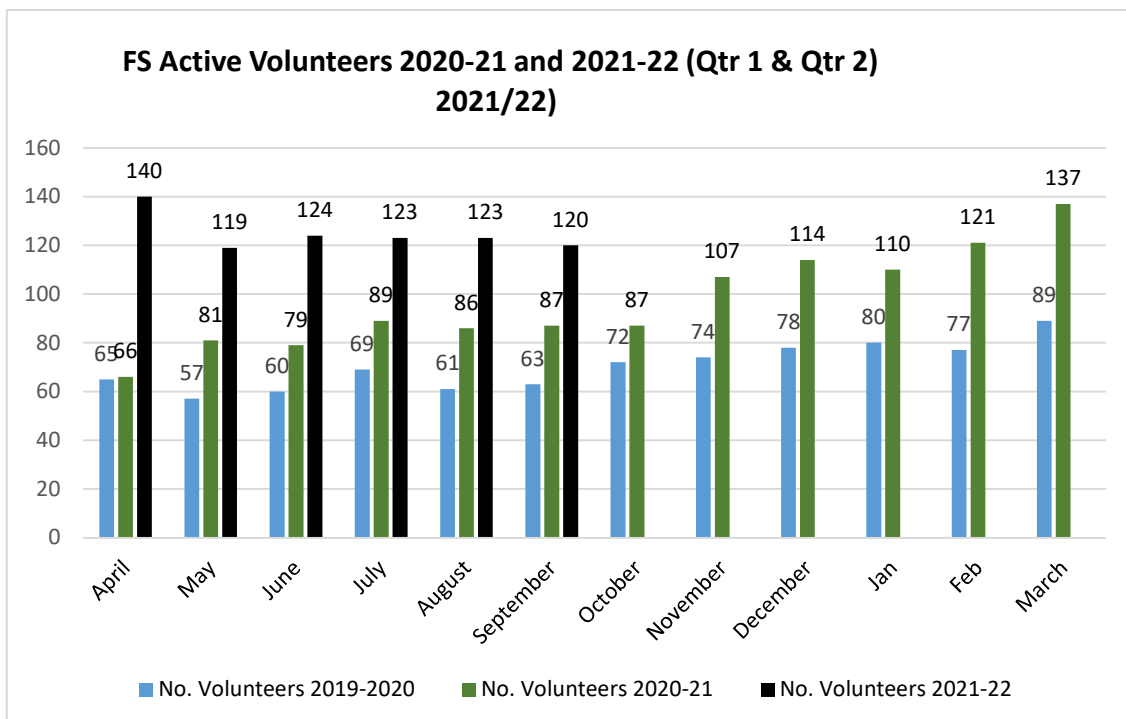
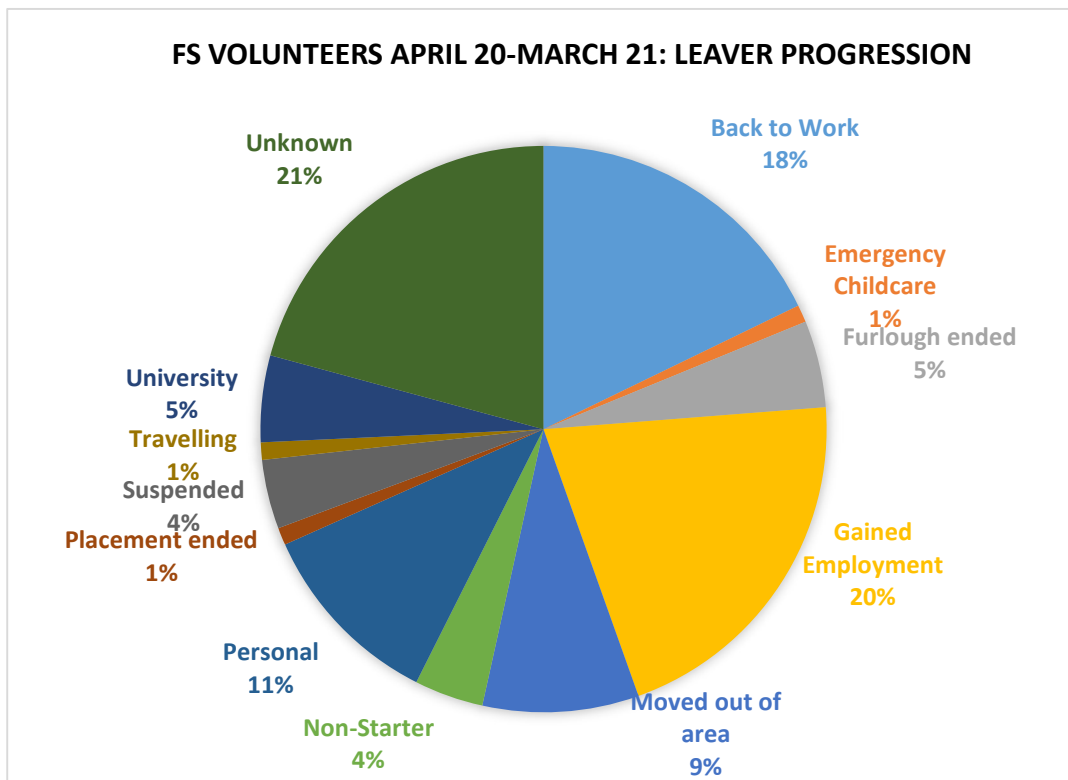
At the height of lockdown, registrations soared, however Covid guidelines forced us to operate a waiting list. Despite experiencing a year of restrictions, volunteers showed that there were no limits to their generosity in terms of giving their time and skills to help us meet the need for increased food redistribution.

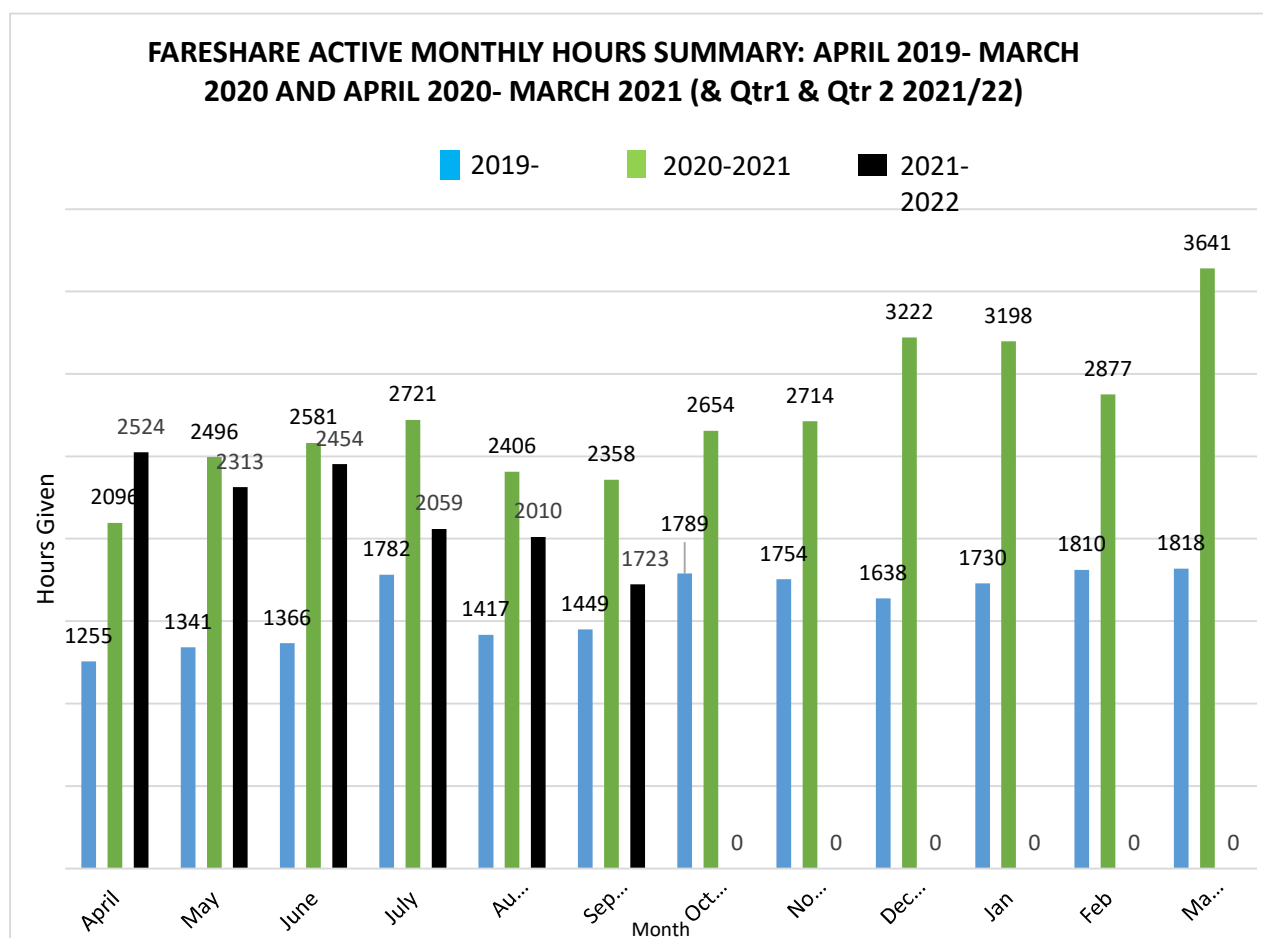
Our employability programme was affected due to closures of community organisations however in linking with Manchester Refugee Support Network, we were able to provide a small skills training programme involving refugee and asylum seekers.

Alongside our work with regular volunteers, we also introduced a new project working with the Community Payback service, which has proved successful and has been well received within the service. The project averaged 16 volunteers a month, giving 1970 hours of involvement.

Later in the year, we also embarked upon a Kickstart work placement scheme and, although difficult to secure trainees, there are green shoots showing and this programme promises to be successful for us.







Employability

Our employability programme was under great pressure during COVID and most structured activities had to be undertaken remotely, other than health and safety briefings. We have an exciting plan to get 'back on track' in 2021-22 with a dedicated Trainer in place and additional funding to support this work, applied for, notably to employ a 'Progression Support' worker who will assist participants to get further work placements in partner organisations and firms.

FareShare Greater Manchester

Performance & operations



In mid-March 2020, along with the whole FareShare Network, EMERGE took the decision to keep the FareShare Greater Manchester (FSGM) operation running despite all the unknowns at that time. Three lockdowns later, over the course of the financial year April 2020-March 2021, the team distributed 3,406 tonnes of food, which is the equivalent of over 8 million meal portions. FSGM supplied 312 frontline charities and schools, and gained 151 new Community Food Members (CFMs). The top three categories of food distributed were vegetables, tinned and fruit.

Thanks to the efforts of FareShare UK, over 250 organisations donated or supplied food. Funded large purchases by Tesco and DEFRA of long life ambient foods enabled FSGM to supply the switch to food parcel distribution that most of the membership undertook. Approximately 75% of the FSGM output went to children and families on low incomes. To promote safe working practices, the working day was extended to 12 hours. At the start of April 2020 in Lockdown 1, 47% of our volunteers had to self-isolate but thankfully new volunteers from all walks of life stepped forward and helped keep everything going.

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Measure	2019-20	2018-19	Notes / Source
Food Received	3337	1475 tonnes	Based on FSUK database
Food Distributed	3406^	1268 tonnes	^This figure will include stock from prior year
CFM income	£470,569	£265,455	Accounts
CFM £ per tonne	£138.15	£209.35	Income dvd by tonnage
CFM £ as % of total income	34%	56%	Overall costs were £499k cf £386k for previous year
Waste %	12%	8.04%	See below *
CFMs at year end	312	232	312 CFMs at end of year; 151 'new' recruited in COVID lockdowns whilst others shut
Meal Portions	8,052,009	3,470,449	Based on FSUK estimate of 423g per portion
CO2 saving	14,591 tonnes	5,432 tonnes	Saved from AD (based on FSUK conversion model)

During the height of lockdown 1, FareShare GM was reaching approx. 50,000 people through the frontline Community Food Members, and by the end of the year the reach was approximately 37,000 people per week

Other FSGM highlights

A number of special projects were also undertaken across the year with valued existing and new partners:

- We established our innovative 'FareShare Plus' model offering more opportunities for the membership to collect surplus supplies
- Our New Smithfield Market Fruit and Veg diversion project finally got going, with funding from WRAP and teams of Community Pay Back volunteers.
- Manchester United Foundation and Manchester United Football Club's catering team joined forces with FSGM to pilot a 5k ready meals production project in Oct 2020 which was followed by 80k meals being produced for Christmas distribution to families.
- The Rafiki Project was set up with the GM and Manchester BME Networks with the aim of supplying more diverse foods to BAME-led community organisations and 14 of those organisations became FareShare members. This was supported by the Greater Manchester Mayor's Fund (GMMC). The award also supported the purchase of a new van.
- A large donation towards the purchase of fruit combined with a summer holidays focused uplift in donations by Kellogg's UK, enabled FSGM to offer a school holidays 'breakfast bag' offer to charities and youth projects which was well received and didn't require refrigeration.
- Food Parcel distribution to schools in Salford led by Sale Sharks Women's squad and supported by AJ Bell.
- The long hoped for Regional Food Sourcing project was established with initial support from MACC, and more regional food donors were brought on board.

FareShare received unprecedented levels of recognition and support nationally which impacted very positively upon us at a regional level. Footballer Marcus Rashford's involvement and campaigning work also led to an increase in donations, an increase in food supplies, and a raised profile for FSGM, which has helped to sustain the doubling of output. The team were delighted to be the chosen FareShare Regional Centre for filming of the BBC documentary about Marcus and the campaign to end child food poverty. Six weeks later the team were further honoured to host a visit by Their Royal Highnesses the Duke and Duchess of Cambridge, who addressed the whole FareShare Network (via a zoom link to our depot on a big screen) and thanked everyone for their efforts.

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The worst of times brought amazing people together – from all walks of life – and all determined to help others in need of food support. The FareShare GM team worked very hard to make the very best of every food donation, and can look the world in the eye and say “we did our best”.

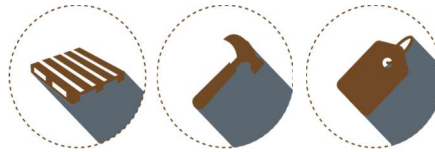
Going forward

Since the Covid-19 year apparently came to an end, the FareShare team have faced the immediate challenge of the driver shortages and national haulier crisis which has had a big impact on certainty of food supplies. But there are many opportunities on the horizon to grow the operation and its reach:

- The FareShare GM operation is relocating to Maynard House – the new warehouse named in recognition of Melanie Maynard and the thousands of parents and carers who struggle to afford the food their children need. The team aim to sustain current levels of supply reaching a 7 million meals milestone and continuing to grow, as increased supplies are received.
- The pilot Rafiki Project in partnership with the Manchester BME Network is to receive funding from the Manchester Covid Recovery Fund to continue working with BAME-led groups
- Further promote the environmental impact of FareShare's work which is huge
- Create more space and time for staff and volunteer training and development opportunities post Covid-19
- An exciting data project is underway comparing usable food supply compared with existing demand, this will help us sign up new accounts for particular food types and on particular days where we have large surpluses.
- New 3-year plan to be devised in 2022!

Touch Wood

Volunteering & Employability support



Touch Wood was in transition this year as we handed over the reins to EMERGE Recycling to manage this operation. In spite of COVID19 wood continued to be collected by EMERGE Recycling, across most of the year, after the initial lockdown. Over one third of this was retained for reuse in the workshop, an impressive 105 tonnes (an increase to 37%) with the rest passed on for recycling.

The small team were enhanced during the year by Mike Taylor, as Development lead. Mike made numerous in-roads with various partner organisations including Salford Foundation, with a view to bespoke orders, potential volunteers and new ways of working for the greater good. The work was supported by the Social Enterprise Support Fund (SESF) thanks to Anne Woolhouse and the team at Resonance who saw our vision and backed it. This support meant upgrading various tools and securing substantial training for staff, enabling them to better support the volunteer programme planned in 2022.

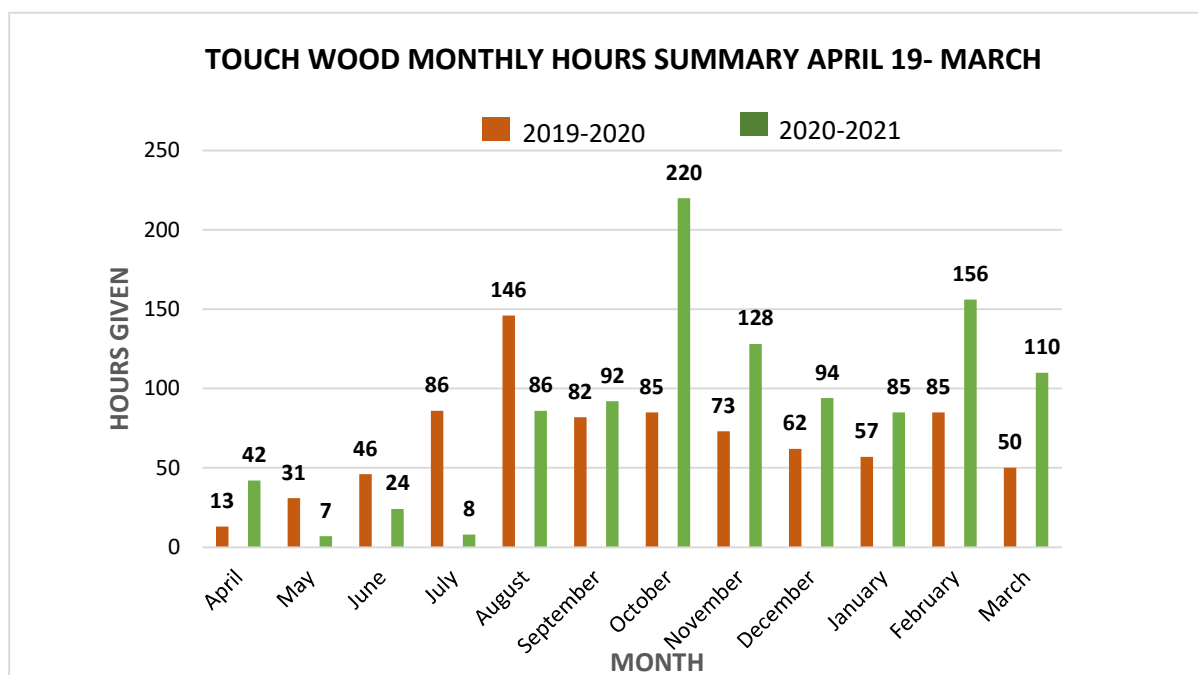
The team will be further enhanced by the Kickstarter programme in 2021, which looks extremely promising, thanks to our major partners, the National Community Wood Recycling Project, who we continue to work closely with.

Future Plans

Replacement van and fit out of F Block (opposite Cheshire House), is definitely on the cards along with staff team and strategy development through EMERGE Recycling. The charity will continue to support with more volunteers engaged and trained.

Huge thanks as always to all the Touch Wood volunteers who, week in week out, put in many days over the year in dedicated hard work and effort, stripping pallets, de-nailing, participating in product creation, cutting wood for customer orders, sanding and waxing; see below graph for hours donated.

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Governance, Policies, Procedures & Continuous Improvements

The maturity of the Board continued to develop during 2020/21 despite the ongoing issues with COVID. Brigit Egan led the Board for the first part of the financial year overseeing the implementation of a Governance sub-committee (GSC) specifically to ensure the Board is fulfilling its duties. Fiona King stepped in as Interim Chair in September 2020.

Part of the process was the formalisation of further sub-committees monitoring areas where the GSC felt there were the greatest risks. The Finance sub-committee was already established to review the accounts prior to the Board and has been greatly enhanced by the leadership and work put in by our Treasurer, Shirley Jones. The following further committees also continued during the year:

- HR sub-committee – overseen by Fiona King
- Health and Safety sub-committee – re-established and overseen by Andy Chicken

Support was also provided to the charity by Board member using their expertise in other areas such as fundraising, marketing and volunteer/ safeguarding.

The GSC drove the review and update of the Memorandum and Articles using the new Charity Commission template. These will be ratified at the AGM on 8 December 2021.

The Board members will take part in a workshop in January 2022 to discuss the future strategy for EMERGE 3Rs and develop the vision and objectives going forward.

The Board were deeply saddened when Brigit had to step away from the role as Chair due to illness. Fiona King stepped in as acting chair and a new role of vice chair was formally introduced that was taken by Rob Barnett to help with this period of change.

Thanks to all trustees for their continued support, expertise and guidance through the year. We are sorry to be losing Maggie Walker as a Trustee in the 2021 but we are hopeful that Maggie will continue to support the charity. Maggie has steered the GSC with great wisdom, tenacity and foresight, intent on bringing practices and procedures up to 2021 standards, in a range of ways, to enable the charity to perform better. We are hugely grateful for her work in this group and in general, on the board of Trustees.

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EMERGE recycling continues to work alongside EMERGE 3Rs and we have successfully maintained an 'EMERGE Group' ethos and joint working, wherever feasible.

Financial review

The year 2020/21 has been a difficult year for everyone and EMERGE 3Rs has been at the forefront of supporting vulnerable families and individuals across GM. This focus has driven our financial and business strategy during the year and enabled us to build our financial resilience for the future.

FareShare UK has supported our operations with additional funding and support for the CFM partners to enable them to continue their work as part of the COVID response. We continue to move our FareShare operations towards full cost recovery, with more income generated from the supply of food, however, this has been challenging. We have been extremely grateful for the additional support by FSUK and its partners, especially DEFRA (food supplies) but also specific funders who helped us during this time as well as on the building refurbishment.

Income increased by 113% our expenditure increased by 45%, leading to an overall increase in reserves of £371,394 excluding the funding raised for Melanie Maynard House. We generated an unrestricted surplus of £243,998 that enabled the reserves to recover from previous years and also facilitated a commitment to the Real Living Wage for all staff, as a minimum.

Grants and donations drove growth in income. This was a fantastic achievement with donations doubling compared to last year. This increase was due to the focus on food poverty during the year and the support from Marcus Rashford's campaign to retain school meals throughout the year. FareShare were at the forefront of achieving this ambition and for our part, we certainly continued to support these families throughout the pandemic.

The increase in expenditure was largely attributable to increase activity as we continued and increased operations throughout the year.

The impact of the increase in reserves can be seen in our balance sheet, at the year-end cash balances included income for Maynard House, so even though it was substantially bigger than last year, this cash is not solely for operations. Our cash position has continued to remain in a good position since the year end and we continue to monitor the cash flow management required for day to day operations, including the required investment to purchase assets such as vehicles for food delivery funded through hire purchase. We took advantage of the extended tax payment periods that the UK Government offered to businesses in response to COVID 19, this has helped cash flow but led to an increase in creditors.

We made significant progress towards our capital fundraising target of £1million, for the refurbishment and fit out of Melanie Maynard House with a move date of September. This will facilitate the long overdue move to more appropriate premises significantly improving the efficiency of food distribution and working conditions for our staff team. We continue to fundraise and develop the facilities at Melanie Maynard House with further investment for EMERGE recycling to move into the building and gain efficiencies there also.

EMERGE Recycling converted to a community benefit society on 11th November 2019 and now operates independently from the charitable company. There remain some shared costs, including central staff costs and premises, which are invoiced by the charity to EMERGE Recycling on a full cost recovery basis with agreed terms.

Our over reliance on grant funding remains an important risk for the charity. The aim of the Asda and National Lottery Community Fund funds secured by FareShare UK on behalf of a number of FareShare operations, was to support the organisations to become more financially resilient, generating more income from the supply of food.

Our Senior Management Team developed a Tactical plan for 2020/21 to address the funding gap generating more income from charges for food to shift our FareShare operation further towards full cost recovery. However, some of these plans were affected during the current period of uncertainty. Fundraising remains a focus going forward but with

EMERGE 3Rs

Trustees' Annual Report for the year ended 31 March 2021

the ideal of full cost recovery in place so that we can increase our reach and give stronger support to our communities in the coming years.

Reserves

EMERGE 3Rs reserves policy is to hold a minimum of two months running costs in unrestricted reserves to provide a cash flow buffer, to cover day to day expenditure for example if there are any delays in grant payments. During 2020/21 the reserves policy has been achieved, however, we continue to be mindful of costs to maintain the financial position but also remain vigilant with cash flows to ensure we have the funds to pay expenses when they arise.

Principal Funding Sources

Although we generate some income from our activities, it would be impossible to operate without the continuing support of our funders, friends and supporters to whom we owe a huge vote of thanks.

We continued to benefit from support from the FareShare UK's food and fundraising team including a donation from Cargill, transition funding, help for CFM fees and lots of help funding our depot refurbishment; also the support from Tesco via the PCP's in stores. We are hugely grateful for all this. Likewise, we continued to benefit our share of funding secured by the UK team from Asda and the National Lottery Community Fund, which underpinned our plans to improve the financial resilience of our FareShare operation with funding for key core roles and drivers.

Invaluable support was given in this year to our FareShare operation from the following companies, trusts and individuals:

Corporates: Kellogg's & Forever Manchester, Valero (Texaco), Jan and Marble Brewery, the Sage Foundation, AJ Bell, PWC Foundation, Jacobs, TrAdewind Recruitment, BDP Ltd, CDL, BUPA Foundation. CDL continued as a key corporate sponsor of EMERGE 3Rs with support for Give and Gain, our Volunteering & Employability Programme, Touch Wood and essential core functions. Volunteers are as essential as ever to the day to day operation of the FareShare warehouse and food distribution and Touch Wood and without this support, things would have been even more challenging.

Grants and Trusts: SESF and Resonance, Manchester City Council, WRAP, Dowager Countess Eleanor Peel Trust, We Love Manchester, Greater Manchester High Sheriff Police Fund, The Archer Trust. ESF Community Grant, Salford CVS, Rhododendron Trust, Broome Charitable Trust, The Slater Foundation, Beaverbrook's, Rachel Charitable Trust, Derwent Capital - Albert Gubay Trust, Lee Bakigirian Family Trust, The Grace Trust, Skelton Charity, Souther Charitable Trust, Aizenberg Charitable Trust, Andy Burnham and the GM Mayors Fund, United Utilities, Sainsbury c/of FSUK, Woodroffe Benton, MACC, the Zochonis Charitable Trust, Charities Aid Foundation (COVID relief).

Many, many individuals and companies who kindly donated to us in various innovative ways, from runs, Tai Chi and cycling to events and fairs. We would like to say a massive thank you for donations from everyone who supported our work through Virgin Giving, Just Giving, Facebook and HMRC Gift aid; also to AQA Education, Joshua Dawson Good Beer Club, Littleborough FC, Tesco PCP, Pagoda Project, United Retired Members NW, Coop LCF, DD Williamson, the Charities Aid Foundation, O Scholes Rashford pins, TCSDf - Charity Service emergency fund, Tai Chi for Health-Hazel Grove, Cheadle Hulme Grammar School, St John the Evangelist, Meadow AFC and Linda Edmondson.

We remain extremely grateful to all the individuals, companies and staff who continued to volunteer with us and help find food or raise money on our behalf, both pre Covid 19 and also during it and hopefully beyond! Also, a big thank you to our patrons and supporters more generally.

EMERGE 3Rs Trustees' Annual Report for the year ended 31 March 2021

In terms of the refurbishment of Cheshire House, we are indebted to the following groups, individuals and companies, during the period Apr20-Mar21, for believing in us and this crucial project:

The Zochonis Trust
Joseph Cox Foundation
The Duchy of Lancaster Charitable Fund
ASDA
Mr Chris Eldridge
The Greater Manchester High Sheriff
Marble Beers Better Building Appeal
Permira
Chillag Family Charitable Trust
Micromass UK Ltd (Waters)
United Utilities
All those who supported with small donations
Livingstone Jack Charitable Trust
PHMG
Latham and Watkins
WRAP
United Utilities

Plans for the future

Strategy

EMERGE 3Rs has moved into Melanie Maynard House but the work on the building is ongoing, anticipated to complete by May 2022.

We will be developing a new 3-year plan with the teams in early 2022 as well as embarking on a concerted plan for greater learning and development of our people, both staff and volunteers in the coming years.

Structure, governance and management

The organisation is a charitable company limited by guarantee, originally incorporated on 1st May 1996 and later registered as a charity on 24th November 2009.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2019 was 116. The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

All Trustees give their time voluntarily and receive no benefits from the charity, other than as disclosed below. Any expenses reclaimed from the charity are set out in note 12 to the accounts.

The EMERGE Board decided in the interest of transparency and independence we would change our external auditors from March 2022. We would like to thank Patrick Morello and Third Sector Accountancy Limited (TSA) for their excellent service, knowledge, and support over the last few years. An auditor tender process is underway for the financial year from April 2021.

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Related parties and relationships with other organisations

Lucy Danger, the Chief Executive, was a Trustee on the Board of FareShare UK, representing a practitioner's view at the strategic level though standing down in October 2020. Four trustees are also directors of EMERGE Recycling Limited, our sister social enterprise.

Managing our risks

EMERGE 3Rs manages the uncertainty as we respond to changes within the food industry and the wider political-economic environment to ensure that should any risks crystallise we are in a good position to mitigate the impact. The Board monitors any risks that could materially impact our ability to achieve our objectives and continue to supply food to the under-served in our community. The Board is cognisant that effective management of risks is therefore essential to our long-term goals.

EMERGE 3Rs manages risk in accordance with the Risk Appetite Framework set by the Board. Each risk is detailed in the Risk Register with the inherent and residual impact ratings and mitigating controls in place. A consistent approach is used in the identification, evaluation, mitigation and monitoring of our principal and emerging risks listed below.

In the course of our work, the Trustees have assessed the major risks to which EMERGE is exposed, in particular those relating to the finances and operation of the charity and are satisfied that the correct systems are in place to mitigate our exposure to these major risks.

Principal Risk	Impact	Mitigation	Update
Health and Safety in workplace including Food Safety	Moderate	Health and Safety sub-committee A Health and Safety Officer to oversee and resolve issues. Clear Health and Safety policy with employee training and awareness programme FareShare National Annual Audit Food Safety Regime	The health and safety of our employees became a priority during the COVID pandemic with a number isolating or working from home due to health issues. These were supported during this period. Additional training was available to ensure that existing staff understood and followed safety guidelines. Policies were strengthened including developing safe distancing guidelines. These included operating over longer hours and zoning to reduce traffic to certain areas.
Safeguarding for Staff, Volunteers, Beneficiaries and Customers	Moderate	External professional advice Clear Safeguarding policy with employee training and awareness programme Knowledge and experience of supervisors to ensure compliance	EMERGE was supported by Vic Karmazyn an external associate and trainer who became our official "COVID safeguarding champion", helping with staff and volunteer training. Policies around safeguarding staff and volunteers against COVID 19 were strengthened.
People – Attraction, Succession and Retention	Moderate	Dashboard overview of current staff supervision Regular team meetings Staff training and induction programme Board HR committee	The HR committee developed during the year alongside the revised staff handbook There has been increased training and awareness to raise awareness of good practices during COVID.

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Funding and Grant maintenance	Major	Clear funding plans and application process Sustainable business plans and budgets to identify funding requirements External professional advice Build a good relationship with funding partners and comply with requirements Strong Board support and experience with applications	Funding applications have been ongoing and are under constant review and monitoring against the business plans and budget to ensure they remain on track Addition of an Aileen Edmunds to the Board with experience in fundraising
Income Generation Principle and emerging risk	Major	Monthly review of Financial Position Oversight of Finance sub-committee Budget ownership and control with the management team Ensuring there is a mixed income stream Development of reserves to cover a period of costs	Regular Board meetings and discussion of the figures through the Finance sub-committee Development during the year of the finance papers and information supplied to the Board with key performance indicators to show the financial position Clear reserves policy in place
Business Resilience to ensure continued operations Principle and emerging risk	Moderate (under COVID 19 conditions)	Regular reviews of internal systems Steering Groups approach to project management utilising Board expertise Clear Health and Safety policies Staff training and awareness	During the COVID period Business Resilience has been put under pressure with some staff self-isolating and other staff working from home Areas within the business have been following the Government guidelines including social distancing and the wearing of masks
Macro-economic factors Principle and emerging risk	Moderate	Monthly review of Management Accounts Regular Horizon scanning of the macro-economic environment Maintain good relations with key stakeholders including customers Awareness of the environment including new / emerging competitors	EMERGE has been a cornerstone supplying food to families who have been struggling during the pandemic through its FSGM operation. EMERGE supported Marcus Rashford's campaign by supplying free school meals during the COVID period. EMERGE continues to be part of the economic solution to support families struggling to cover their costs through our FSGM CFMs.

EMERGE 3Rs
Trustees' Annual Report for the year ended 31 March 2021

Statement of responsibilities of the Trustees

The Trustees (who are also directors of EMERGE 3Rs for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

In so far as the trustees are aware:

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

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

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

The Trustees' annual report has been approved by the Trustees on 8th December 2021 at the AGM and signed on their behalf by

Name: Fiona King

Signature: *Fiona S King*

Title: Interim Chair of Trustees

Independent auditor's report to the members of EMERGE 3Rs

Opinion

We have audited the financial statements of EMERGE 3Rs (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 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;
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Other matter

The corresponding figures for the year ended 31 March 2020 have not been audited.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Independent auditor's report to the members of EMERGE 3Rs

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 the 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 financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company 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 and the [regulations](#) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report to the members of EMERGE 3Rs

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and the environment in which it operates, we identified the principal risks of non-compliance with laws and regulations related to pension legislation, tax legislation, employment legislation, health and safety legislation, food hygiene and safety, and other legislation specific to the sector in which the charity operates, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the reporting requirements under the Charities SORP and FRS102, and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing certificates of compliance and insurance documents
- Reviewing training records
- Identifying and testing journal entries; and
- Challenging assumptions and judgments made by management.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of the audit report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and, the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

P Morrello

Patrick Morrello (Senior Statutory Auditor)

For and on behalf of Third Sector Accountancy Limited, Statutory Auditor

Holyoake House

Hanover Street

Manchester

M60 0AS

14 / 12 / 2021

Date

EMERGE 3Rs
Statement of Financial Activities
(including Income and Expenditure account)
for the year ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total funds 2020 £</i>
Income from:							
Donations and legacies	3	296,467	-	296,467	100,416	34,080	134,496
Charitable activities	4	854,033	800,804	1,654,837	307,426	161,980	469,406
Other trading activities	5	2,532	-	2,532	7,208	-	7,208
Costs Recharged to Emerge Recycling		67,569	-	67,569	77,073	-	77,073
Total income		1,220,601	800,804	2,021,405	492,123	196,060	688,183
Expenditure on:							
Raising funds	6	9,971	-	9,971	3,384	-	3,384
Charitable activities	7	677,109	243,233	920,342	409,519	221,656	631,175
Costs recharged to Emerge Recycling		67,569	-	67,569	77,073	-	77,073
Total expenditure		754,649	243,233	997,882	489,976	221,656	711,632
Net income/(expenditure) for the year	9	465,952	557,571	1,023,523	2,147	(25,596)	(23,449)
Transfer between funds		522,944	(522,944)	-			-
Net movement in funds for the year		988,896	34,627	1,023,523	2,147	(25,596)	(23,449)
Reconciliation of funds							
Total funds brought forward		47,356	20,073	67,429	45,209	45,669	90,878
Total funds carried forward		1,036,252	54,700	1,090,952	47,356	20,073	67,429

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

EMERGE 3Rs
Company number 3556346
Balance sheet as at 31 March 2021

	Note	2021	2020
		£	£
Fixed assets			
Tangible assets	14	705,934	58,101
Total fixed assets		705,934	58,101
Current assets			
Debtors	15	192,669	58,045
Cash at bank and in hand		390,635	29,229
Total current assets		583,304	87,274
Liabilities			
Creditors: amounts falling due in less than one year	16	(195,145)	(64,303)
Net current assets		388,159	22,971
Total assets less current liabilities		1,094,093	81,072
Creditors: amounts falling due after more than one year	17	(3,141)	(13,643)
Net assets		1,090,952	67,429
The funds of the charity:			
Restricted income funds	18	54,700	20,073
Unrestricted income funds	19	1,036,252	47,356
Total charity funds		1,090,952	67,429

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

The notes on pages 21 to 39 form part of these accounts.

Approved by the trustees on 13/12/2021 and signed on their behalf by:

Shirley Jones

Shirley Jones (Treasurer)

13 / 12 / 2021

Date signed

EMERGE 3Rs

Statement of Cash Flows
for the year ending 31 March 2021

	Note	2021 £	2020 £
Cash provided by/(used in) operating activities	21	1,040,099	(2,322)
<i>Cash flows from investing activities:</i>			
Purchase of tangible fixed assets		(668,191)	(18,662)
Cash provided by/(used in) investing activities		(668,191)	(18,662)
<i>Cash flows from financing activities:</i>			
Increase/(Repayment) of borrowing - HP payments		(10,502)	4,776
Cash provided by/(used in) financing activities		(10,502)	4,776
Increase/(decrease) in cash and cash equivalents in the year		361,406	(16,208)
Cash and cash equivalents at the beginning of the year		29,229	45,437
Cash and cash equivalents at the end of the year		390,635	29,229

Notes to the accounts for the year ended 31 March 2021

1 Accounting policies

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

a Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

EMERGE 3Rs meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £ sterling.

b Judgments and estimates

The trustees have made no key judgments which have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

c Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees have reviewed the charity's forecasts and projections and, in particular, have considered the potential implications of the Coronavirus (COVID-19) pandemic. Whilst the eventual financial impact of the pandemic on the charity, and on the overall economy, remains uncertain, the trustees are confident that the charity will be able to remain operational throughout the pandemic.

With the benefit of government support packages available to help businesses through the pandemic, the trustees have a reasonable expectation that the charity will have adequate resources to continue in operational existence for the foreseeable future.

The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Notes to the accounts for the year ended 31 March 2021 (continued)

d Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

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

Income received in advance of a provision of a specified service is deferred until the criteria for income recognition are met.

e Donated services and facilities

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

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

The charity receives donations of food which it distributes to the members of its FareShare programme. It would be impractical to measure the value of food donated and the value of these donations has not been recognised in the accounts.

f Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Notes to the accounts for the year ended 31 March 2021 (continued)

g Expenditure and irrecoverable VAT

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

- Costs of raising funds comprise the costs of commercial trading including recharges and their associated support costs.
- Expenditure on charitable activities includes the costs of recycling and food distribution undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

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

h Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

i Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a reducing balance basis as follows:

Vehicles	25%
Office equipment	33%
Other equipment	33%
Other longer life equipment	10%

j Debtors

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

k Cash at bank and in hand

Cash at bank and cash in hand includes cash only.

l Creditors and provisions

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

Notes to the accounts for the year ended 31 March 2021 (continued)

m Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

n Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity's contribution is restricted to the contributions disclosed in note 10. There were no outstanding contributions at the year end. The costs of the defined contribution scheme are included within support and governance costs and allocated to the funds of the charity using the methodology set out in note 8.

2 Legal status of the charity

The charity is a company limited by guarantee registered in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered office address is disclosed on page 1.

EMERGE 3Rs
Notes to the accounts for the year ended 31 March 2020

3 Income from donations and legacies

	Designated £	Unrestricted £	Restricted £	Total 2021 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2020</i> £
Donations	-	171,050	-	171,050	100,416	3,480	103,896
Grants	-	125,417	-	125,417	-	30,600	30,600
Total	-	296,467	-	296,467	100,416	34,080	134,496

4 Income from charitable activities

	Designated £	Unrestricted £	Restricted £	Total 2021 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2020</i> £
FareShare GM							
Grants							
Melanie Maynard House							
Duchy of Lancaster	30,000	-	-	30,000	-	-	-
GM High Sheriff Police Trust	20,000	-	-	20,000	-	-	-
Permira	39,000	-	-	39,000	-	-	-
Micromass (UK) Ltd	10,000	-	-	10,000	-	-	-
United Utilities	23,000	-	-	23,000	-	-	-
PHMG	12,750	-	-	12,750	-	-	-
Other	43,490	-	-	43,490	-	-	-
FareShare UK - IT infrastructure	-	-	7,500	7,500	-	-	-
ASDA Capital fund	-	-	177,719	177,719	-	-	-
Zochonis Charitable Trust	-	-	250,000	250,000	-	-	-
Waste and Resources Action	-	-	46,200	46,200	-	-	-

EMERGE 3Rs
Notes to the accounts for the year ended 31 March 2020

Income from charitable activities (continued)

	Designated	Unrestricted	Restricted	Total 2021	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total 2020</i>
	£	£	£	£	£	£	£
Derwent Capital account (AGF)	-	-	32,300	32,300	-	-	-
FareShare UK	-	-	25,000	25,000	-	-	-
FareShare UK- Asda	-	-	-	-	-	70,000	70,000
FareShare UK- TNLCF	-	-	49,000	49,000	-	53,250	53,250
FareShare UK Transition fund	-	-	35,000	35,000	-	-	-
FareShare UK VAN & Driver	-	-	25,700	25,700	-	-	-
FareShare UK Volunteer Fund	-	-	4,738	4,738	-	-	-
Food Response Fund	-	25,000	-	25,000	-	-	-
Greater Manchester Mayor's Charity	-	-	50,000	50,000	-	-	-
Greater Manchester High Sheriff Police Trust	-	5,000	-	5,000	-	-	-
Manchester City Council	-	-	19,980	19,980	-	19,980	19,980
MACC	-	-	9,000	9,000	-	-	-
Souter Charitable Trust	-	3,000	-	3,000	-	-	-
The Archer Trust	-	2,000	-	2,000	-	-	-
Dowager Countess Eleanor Peel Trust	-	5,000	-	5,000	-	-	-
United Utilities	-	68,200	-	68,200	-	-	-
We Love Manchester	-	3,000	-	3,000	-	-	-
WRAP	-	-	64,232	64,232	-	-	-
Other Miscellaneous	-	10,200	-	10,200	-	-	-

EMERGE 3Rs
Notes to the accounts for the year ended 31 March 2020

Income from charitable activities (continued)

	Designated £	Unrestricted £	Restricted £	Total 2021 £	Unrestricted £	Restricted £	Total 2020 £
Charitable trading	-			-			-
Supply of donated goods	-	307,885	-	307,885	249,589	-	249,589
FareShare membership subs	-	162,696	-	162,696	14,598	-	14,598
FareShare product income	-	-	-	-	1,594	-	1,594
Other income	-	-	-	-	5,752	-	5,752
Subtotal for FareShare GM	178,240	591,981	796,369	1,566,590	271,533	143,230	414,763
Give and Gain							
Grants							
ESF Community Grant	-	-	4,435	4,435	-	-	-
Subtotal for Give and Gain	-	-	4,435	4,435	-	-	-
Touch Wood							
Grants							
Big Lottery Community fund	-	40,000	-	40,000	-	-	-
Manchester City Council	-	5,000	-	5,000	-	-	-
One Manchester Ltd	-	-	-	-	-	12,500	12,500
Manchester Innovation Fund	-	-	-	-	-	6,250	6,250
Charitable trading							
Wood recycling	-	38,812	-	38,812	35,865	-	35,865
Other income	-	-	-	-	28	-	28
Subtotal for Touch Wood	-	83,812	-	83,812	35,893	18,750	54,643
Total	178,240	675,793	800,804	1,654,837	307,426	161,980	469,406

EMERGE 3Rs
Notes to the accounts for the year ended 31 March 2020

5 Income from other trading activities

	Designated £	Unrestricted £	Restricted £	Total 2021 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2020</i> £
Fundraising	-	-	-	-	3,954	-	3,954
Other income	-	2,532	-	2,532	3,254	-	3,254
	-	2,532	-	2,532	7,208	-	7,208

6 Cost of raising funds

	Designated £	Unrestricted £	Restricted £	2021 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>2020</i> £
Staff costs	-	8,523	-	8,523	3,000	-	3,000
Governance costs (see note 8)	-	133	-	133	55	-	55
Support costs (see note 8)	-	1,315	-	1,315	329	-	329
	-	9,971	-	9,971	3,384	-	3,384

EMERGE 3Rs
Notes to the accounts for the year ended 31 March 2020

7 Analysis of expenditure on charitable activities

	FareShare				FareShare			
	GM	Give and gain	Touch Wood	Total 2021	GM	Give and gain	Touch Wood	Total 2020
	£	£	£	£	£	£	£	£
Staff costs	370,443	32,774	48,665	451,882	300,950	32,361	41,396	374,707
Accommodation	29,364	19,684	8,027	57,075	43,724	-	13,344	57,068
Project costs	253,245	43,320	20,730	317,295	116,855	2,456	11,389	130,700
Depreciation	14,860	-	365	15,225	18,175	-	329	18,504
Loan interest	2,080	-	-	2,080	2,153	-	-	2,153
Governance costs (note 8)	5,787	512	760	7,059	5,555	597	764	6,916
Support costs (see note 8)	57,160	5,057	7,509	69,726	33,032	3,552	4,544	41,128
	<u>732,939</u>	<u>101,347</u>	<u>86,056</u>	<u>920,342</u>	<u>520,444</u>	<u>38,966</u>	<u>71,766</u>	<u>631,176</u>
Restricted expenditure				243,233				221,656
Unrestricted expenditure				677,109				409,519
				<u>920,342</u>				<u>631,175</u>

8 Analysis of governance and support costs

	Basis of apportionment	Support	Governance	Total 2021	Support	Governance	Total 2020
		£	£	£	£	£	£
Staff costs	Salary costs	57,701	5,443	63,144	26,078	5,222	31,300
Premises	Salary costs	(9,126)	-	(9,126)	2,741	-	2,741
Administration	Salary costs	17,626	-	17,626	10,744	-	10,744
Consultancy	Salary costs	-	-	-	-	-	-
Depreciation	Salary costs	4,840	-	4,840	1,893	-	1,893
Accountancy fees	Salary costs	-	1,700	1,700	-	-	-
Audit fees	Salary costs	-	4,000	4,000	-	-	-
Independent examination	Salary costs	-	-	-	-	1,750	1,750
		<u>71,041</u>	<u>11,143</u>	<u>82,184</u>	<u>41,456</u>	<u>6,972</u>	<u>48,428</u>

Notes to the accounts for the year ended 31 March 2020

9 Net income/(expenditure) for the year

This is stated after charging/(crediting):	2021	2020
	£	£
Depreciation	20,358	20,845
Interest payable	2,080	2,153
Accounts preparation fee	1,700	
Auditor's remuneration - audit fees	4,000	-
Independent examiner's fee	-	1,750
	<u> </u>	<u> </u>

10 Staff costs

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	519,768	376,933
Social security costs	32,272	23,490
Pension costs	10,953	8,583
	<u> </u>	<u> </u>
	562,993	409,006
	<u> </u>	<u> </u>

Allocated as follows:

Cost of raising funds	8,523	3,000
Charitable activities	491,326	374,706
Support costs	57,701	26,078
Governance costs	5,443	5,222
	<u> </u>	<u> </u>
	562,993	409,006
	<u> </u>	<u> </u>

No employees has employee benefits in excess of £60,000 (2020: Nil).

The average number of staff employed during the period was 23 (2020: 21).

The average full time equivalent number of staff employed during the period was 19.2 (2020: 14.3).

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and operational management. The total employee benefits of the key management personnel of the charity were £138,017 (2020: £154,486).

Notes to the accounts for the year ended 31 March 2020

11 Trustee remuneration and expenses, and related party transactions

Neither the management committee nor any persons connected with them received any remuneration or reimbursed expenses during the year (2020: Nil) with the exception of the transactions shown below.

No member of the management committee received travel and subsistence expenses during the year (2020: Nil).

There were no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

Lucy Danger, the Chief Executive Officer, was also a Trustee on the Board of FareShare UK, representing a practitioner's view at the strategic level, until 1 October 2020. The charity received £146,938 funding from FareShare UK during the year.

Andrew Chicken, a trustee, received £2,000 for consultancy services, and Roger Barnett, a trustee, received £2,500 for consultancy services, on normal commercial terms.

Lucy Danger, Brigit Egan, Shirley Jones and Andrew Chicken, who are trustees of EMERGE 3Rs, are also directors of EMERGE Recycling Limited, which trades with Emerge 3Rs. During the year Emerge 3Rs paid £17,531 for services received from Emerge Recycling, and received £67,569 for recharged costs.

Apart from the above matters no trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year (2020: Nil).

12 Government grants

The government grants recognised in the accounts were as follows:

	2021 £	2020 £
FareShare UK - The National Lottery Community Fund	49,000	53,250
Manchester City Council	24,980	19,980
Big Lottery Community fund	40,000	
	113,980	73,230

There were no unfulfilled conditions and contingencies attaching to the grants.

Notes to the accounts for the year ended 31 March 2020

13 Corporation tax

The charity is exempt from tax on income and gains falling within Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

14 Fixed assets: tangible assets

Cost	Land & Buildings £	Vehicles £	Office equipment £	Other equipment £	Total £
At 1 April 2020	-	105,685	33,575	28,520	167,780
Additions	592,801	70,840	599	3,951	668,191
At 31 March 2021	592,801	176,525	34,174	32,471	835,971
Depreciation					
At 1 April 2020	-	59,685	29,097	20,897	109,679
Charge for the year	-	17,247	1,567	1,544	20,358
At 31 March 2021	-	76,932	30,664	22,441	130,037
Net book value					
At 31 March 2021	592,801	99,593	3,510	10,030	705,934
At 31 March 2020	-	46,000	4,478	7,623	58,101

The net book value of assets subject to hire purchase contracts was as follows:

At 31 March 2021	85,985	-	-	85,985
At 31 March 2020	26,782	-	-	26,782

Notes to the accounts for the year ended 31 March 2020

15 Debtors

	2021 £	2020 £
Trade debtors	91,522	52,508
Prepayments and accrued income	5,681	5,537
Other debtors	95,466	-
	192,669	58,045

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	138,036	31,053
Hire purchase liabilities	10,052	9,135
Other creditors and accruals	35,508	11,915
Taxation and social security costs	11,549	12,200
	195,145	64,303

17 Creditors: amounts falling after more than one year

	2021 £	2020 £
Hire purchase liabilities	3,141	13,643
	3,141	13,643

Notes to the accounts for the year ended 31 March 2020

18 Analysis of movements in restricted funds

	Balance at 1 April 2020	Income	Expenditure	Transfers	Balance at 31 March 2021
	£	£	£	£	£
FareShare GM					
Derwent Capital account (AGF)	-	32,300	(32,300)	-	-
FareShare UK:					
Asda partnership	14,791	-	-	(14,791)	-
National Lottery Community Fund	1,182	49,000	(39,327)	-	10,855
FareShare UK	-	25,000	(25,000)	-	-
UK Transition fund	-	35,000	(25,000)	-	10,000
VAN & Driver	-	25,700	(11,481)	(9,234)	4,985
Volunteer Fund	4,100	4,738	(6,356)	-	2,482
Greater Manchester Mayor's Charity	-	50,000	(13,913)	(25,000)	11,087
Manchester City Council	-	19,980	(19,980)	-	-
Recharge: Food Acquisition Worker	-	9,000	(4,441)	-	4,559
Waste and Resources Action Programme - Covid		49,967	(49,967)		-
Waste and Resources Action Programme	-	14,265	(14,265)	-	-
	20,073	314,950	(242,030)	(49,025)	43,968
Give and Gain					
ESF Community Grant	-	4,435		-	4,435
	-	4,435	-	-	4,435

Notes to the accounts for the year ended 31 March 2020

Analysis of movements in restricted funds (continued)**Building fund**

ASDA Capital fund	-	177,719	-	(177,719)	-
Zochonis Charitable Trust	-	250,000	-	(250,000)	-
Waste and Resources Action Programme	-	46,200	-	(46,200)	-
FareShare UK IT infrastructure	-	7,500	(1,203)	-	6,297
	-	481,419	(1,203)	(473,919)	6,297
Total	20,073	800,804	(243,233)	(522,944)	54,700

Comparative period

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers £</i>	<i>Balance at 31 March 2020 £</i>
Core					
<i>Social investment</i>	-	3,480	(3,480)	-	-
	-	3,480	(3,480)	-	-
FareShare GM					
<i>FareShare UK - Asda</i>	7,299	70,000	(62,508)	-	14,791
<i>FareShare UK - The National Lottery Community Fund</i>	14,448	53,250	(62,416)	-	5,282
<i>Manchester City Council</i>	-	19,980	(19,980)	-	-
<i>Dowager Eleanor Peel Trust</i>	-	5,000	(5,000)	-	-
<i>Peter Kershaw Trust</i>	-	3,000	(3,000)	-	-
<i>Cobb Charitable Trust</i>	-	500	(500)	-	-
<i>Casa Stella Charitable Trust</i>	-	1,000	(1,000)	-	-
<i>Rachel Charitable</i>	-	100	(100)	-	-
<i>Manchester Guardian Society</i>	-	3,000	(3,000)	-	-
<i>Schroder Charity</i>	-	5,000	(5,000)	-	-

Notes to the accounts for the year ended 31 March 2020

Analysis of movements in restricted funds (continued)

<i>Souter Charitable</i>	-	1,000	(1,000)	-	-
<i>W O Street Charitable Foundation</i>	-	2,000	(2,000)	-	-
	<u>21,747</u>	<u>163,830</u>	<u>(165,504)</u>	<u>-</u>	<u>20,073</u>
<i>Give and Gain</i>					
<i>CDL</i>	23,922	-	(23,922)	-	-
<i>Wates</i>	-	5,000	(5,000)	-	-
	<u>23,922</u>	<u>5,000</u>	<u>(28,922)</u>	<u>-</u>	<u>-</u>
Building Fund					
<i>One Manchester Ltd</i>	-	12,500	(12,500)	-	-
<i>Manchester Innovation Fund</i>	-	6,250	(6,250)	-	-
<i>Wates</i>	-	5,000	(5,000)	-	-
	<u>-</u>	<u>23,750</u>	<u>(23,750)</u>	<u>-</u>	<u>-</u>
Total	<u>45,669</u>	<u>196,060</u>	<u>(221,656)</u>	<u>-</u>	<u>20,073</u>

Name of restricted fund	Description, nature and purposes of the fund
Core	
Social investment fund	to assist the group to become investment ready, final payment for consultancy
FareShare GM	
Manchester City Council "Tackling Food Poverty	for a specific project working with four other partners to alleviate food poverty in Manchester, we are the lead/accountable body for this project
FareShare UK - Asda	to support wages for FareShare Driver and van for FareShare to be more sustainable organisation
FareShare UK - The National Lottery	to support FareShare wages of Key staff for help FareShare to be a sustainable organisation
all other grants and donations	to support the operation of FareShare

Notes to the accounts for the year ended 31 March 2020

Analysis of movements in restricted funds (continued)**Give and Gain**

CDL	to fund the Give and Gain project
all other donations and grants	funding to support our "Give and Gain" Volunteering and Employability Training Programme

Touch Wood

One Manchester Ltd	social investment to create jobs and to be sustainable organisation
Manchester	social investment to create jobs and to be sustainable organisation
Innovation Fund	

Building Fund

All donations and grants	Restricted funding for the refurbishment of Melanie Maynard House
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Transfers

The transfers from restricted funds to unrestricted funds represent the purchase of fixed assets with restricted fund money.

19 Analysis of movement in unrestricted funds

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	As at 31 March 2021 £
General fund	47,356	1,042,361	(754,649)	(78,899)	256,169
Designated funds: Refurbishment fund	-	178,240	-	(104,091)	74,149
Fixed assets reserve	-	-	-	705,934	705,934
	47,356	1,220,601	(754,649)	522,944	1,036,252
Comparative period					
	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	As at 31 March 2020 £
General fund	45,209	492,123	(489,976)	-	47,356
	45,209	492,123	(489,976)	-	47,356

Notes to the accounts for the year ended 31 March 2020

Name of unrestricted fund	Description, nature and purposes of the fund
General fund	The free reserves after allowing for all designated funds
Refurbishment fund	Funds set aside for the refurbishment of Melanie Maynard House
Fixed assets reserve	The net book value of the fixed assets, as these funds are not freely available for the charity's operations.

20 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total 2021 £
Tangible fixed assets	705,934	-	-	705,934
Net current assets/(liabilities)	(446,624)	780,083	54,700	388,159
Creditors of more than one year	(3,141)	-	-	(3,141)
Total	256,169	780,083	54,700	1,090,952
<i>Comparative period</i>				
	General fund £	Designated funds £	Restricted funds £	Total 2020 £
Tangible fixed assets	58,101	-	-	58,101
Net current assets/(liabilities)	2,898	-	20,073	22,971
Creditors of more than one year	(13,643)	-	-	(13,643)
Total	47,356	-	20,073	67,429

21 Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the year	1,023,523	(23,449)
Adjustments for:		
Depreciation charge	20,358	20,845
Decrease/(increase) in debtors	(134,624)	(7,328)
Increase/(decrease) in creditors	130,842	7,610
Net cash provided by/(used in) operating activities	1,040,099	(2,322)