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EMERGE 3Rs

Annual Report and Financial Statements

For the year ended 31st March 2022

Company number: 3556346

Charity Number: 1132944

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**Charity number** 1132944

**Registered office and operational address**

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 (resigned 21 September 2022)  
Shirley Jones  
Aileen Edmunds  
Robin Barnett  
Bertrand Stern-Gillet (appointed 21 September 2022)

**Company secretary** Lucy Danger

|                                 |                   |                                              |
|---------------------------------|-------------------|----------------------------------------------|
| <b>Key management personnel</b> | Lucy Danger       | Chief Executive                              |
|                                 | Jayrissa Thompson | Finance Controller                           |
|                                 | Elizabeth Lauder  | Head of Volunteer & Employability Programmes |
|                                 | 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** Christy Yun Hing Lau FCCA CTA DChA, Slade & Cooper Limited  
Beehive Mill, Jersey Street, Ancoats Manchester, M4 6JG

The Trustees present their report and the audited financial statements for the year ended 31st March 2022.

Reference and administrative information set out above on page 2 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 & Activities

EMERGE 3Rs is an environmental charity whose primary activities include:

- Running FareShare Greater Manchester (FSGM) and acting as a leading partner with the UK's largest food charity, FareShare. FSGM seeks 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.
- Providing opportunities for work experience and skills' development through our 'Give & Gain' Volunteering and Employability Programme, which supports local people to gain experience and qualifications, offering a variety of accredited courses and training opportunities.

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

1. 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, reuse, recycling, use of recycled products and the sustainable management of resources.
2. 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.
3. The relief of poverty.
4. The preservation and protection of good health, in particular by the promotion of good nutrition.

We work closely with our allied social enterprise, EMERGE Recycling Limited, as part of the EMERGE Group. EMERGE Recycling provides waste recycling and confidential shredding services, governed by ISO9001 and the British Standard (BSEN 15713) in Confidential Shredding, enabling businesses, schools and organisations in Manchester and the surrounding area to reduce their waste, reuse and recycle more.

EMERGE Recycling also operates Touch Wood, who reclaim waste wood from a wide variety of sources, including construction and demolition sites, for reuse, recycling or repurposing it to create bespoke wooden products for use by and sale to, the general public.

The EMERGE Vision, revised in May 2021, is to be a leading charitable group that is, across Greater Manchester:

- **Working hard to make our world a better place**

Linked to this, our Group Mission statement is:

**Together we make a real difference, inspiring change by**

- **rescuing valuable resources and**
- **improving lives**

EMERGE Group's Values are:

1. We have **integrity** – we are honest and act in a decent, fair and truthful way.
2. We value **difference and diversity** and treat everyone **respectfully** – we are polite, well-mannered, considerate, obliging and attentive.
3. We **pioneer** innovative solutions: we are explorers, trail-blazers and eager to try out new ways of working.
4. We are **accountable** to our wider community, our customers, our volunteers, staff our board and ourselves: As a social business it's important to us to be answerable to the wider community.
5. We **influence** social and environmental change in Greater Manchester and beyond: We seek to guide and affect positive behaviours.

This report provides information on the activities of EMERGE 3Rs from 1 April 2021 to 31 March 2022 and has two key parts:

- A review of our impact and activities, governance and management
- A detailed review of our finances for the year

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.

## Our Activities & Impact

In the year 2021-2022 we have continued to work towards realising all five of our mission aims through our services (listed above) as well as our numerous projects and initiatives.

Poverty levels in Greater Manchester are, in many pockets across conurbation, relatively higher than in many other parts of the UK and this continues to be a key challenge and opportunity for improvement. According to the 2019 Index of Multiple Deprivation (IMD), Manchester ranks 6 out of 326 local authorities in England, where 1 is the most deprived. Low income combined with poor living conditions can result in families and individuals being malnourished and experiencing hunger, amongst other detrimental effects. For children, living in poverty can have a negative impact in terms of educational attainment and future employment prospects.

By providing good quality food to those in need through FareShare GM, EMERGE 3Rs has been able to alleviate some of the symptoms of living in poverty, and help the most vulnerable in our society. Money saved on food bills can be re-invested into other aspects of their life including paying for heating and energy bills, quality clothing and transport. See Table 1 below.

## Volunteering & Employability

As we have emerged out of the COVID-19 pandemic, Manchester also saw some of the lowest employment rates in the country at 65.1%. EMERGE 3Rs has sought to combat low employment rates by providing training and volunteering opportunities, assisting those that struggle to find full-time employment due to mental and physical health challenges, low educational attainment or absence of opportunity.

In the year 2021-2022 we witnessed a general downwards trend in the number of 'Active Volunteers', declining from 140 in April 2021 to 104 in March 2022 (See Figure 1). This may result, in part, from the national Job Retention Scheme (furlough) coming to an end during this period; also due to a continuing reticence, by some people to engage in public facing activities, due to the fear of or risk of contracting COVID.

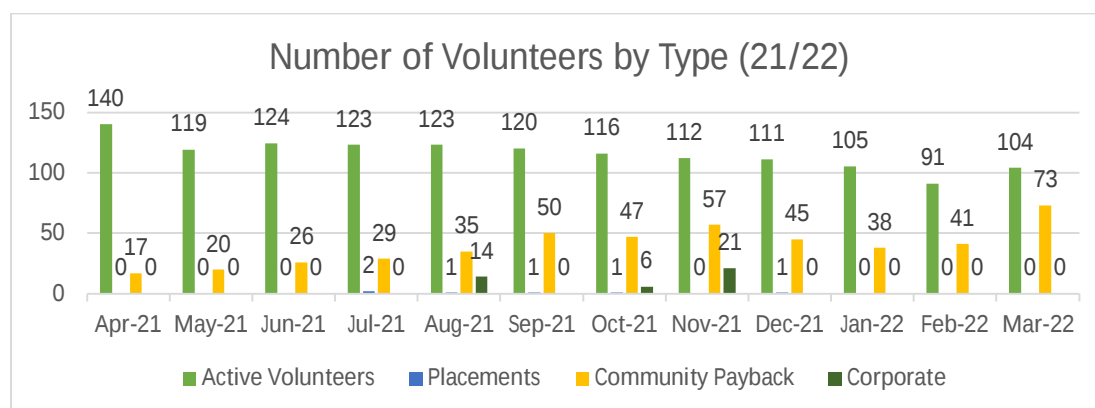


Figure 1

Our volunteer hours were supplemented by a new project working with the Community Payback service (CP). CP helps to support individuals on probation provide reparation to the community and get their lives back on track. During this year we received 4014 hours of Community Payback. The project managed to boost our total volunteer hours to 29,520 for the year, an increase on the previous year (See Figure 2).

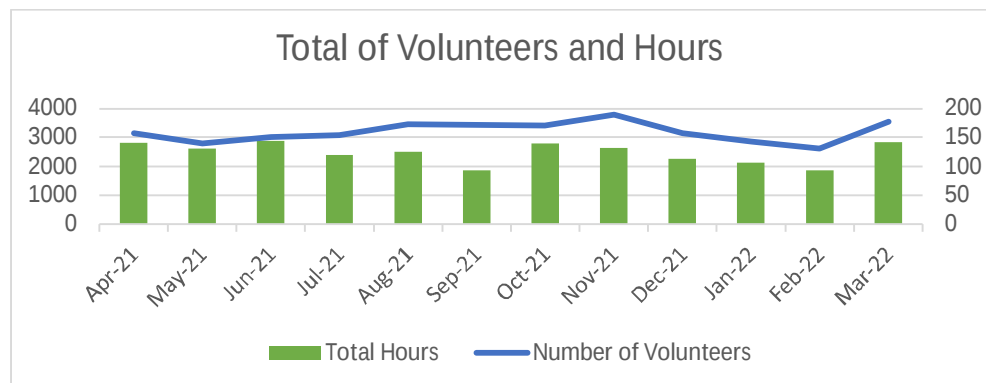


Figure 2

The Government funded Kickstart scheme during this period also enabled us to provide temporary employment to seven 16-24 year olds who were previously claiming Universal Credit and at risk of long-term unemployment. EMERGE 3Rs voluntarily topped up the pay for these positions to ensure that all employees were receiving the Real Living Wage as per the company policy. Ensuring staff receive the Real Living Wage means that we recognise the importance of financial wellbeing amongst our employees.

Our Employability programme was under great pressure during the height of COVID-19 and most structured activities had to be undertaken remotely. In 2021 it was exciting to resume in-person activities. Our Volunteering and Employment Programme would not have been so successful without the continued support



from our major donor and key recycling account, CDL, a leading UK software firm, based in Stockport. CDL owners have very generously funded our Volunteering initiatives once more in 2021-22, enabling us to continue developing our employability programmes.

We embarked upon a funded 'Green Employment & Skills Partnership' developed and run by One Manchester Housing with various community sector partners, during the year. This impressive scheme resulted in us recruiting five work placements from the Manchester area initially. Paid to work 21 hours per week with us, on the living wage, with a package of training, this was a major boost to our operations. The scheme continued to go from strength to strength across the remainder of 2022, gaining significant momentum and achieving multiple positive outcomes both for EMERGE and the individuals concerned.

Corporate Volunteering by the employees of companies suffered hugely during this period, with only two companies offering staff due to COVID restrictions. We were grateful to

Cranswick and Unify Solutions who sent groups to help out our FareShare operations. We hope to respond to many more requests to engage with employer supported volunteering in 2022.

## FareShare Greater Manchester

At the end of March 2021, the DEFRA-funded food we had been distributing ended, and we returned to a surplus-only model. Despite this, we have endeavoured to continue providing good quality, fresh food to our beneficiary organisations, who we call our 'Community Food Members' (CFMs), who in turn support individuals and families living in poverty across the region. By distributing to these groups, we are able to support more than 25,000 individuals each week to achieve a varied and healthy diet. Previous research conducted by FareShare UK estimated that it would cost CFMs approximately £7,900 per year to replace the food that they receive from FareShare. Please see table 1 below for an overview of our outputs.

Wherever we can, we contribute to 'healthy eating' projects through FareShare Greater Manchester food redistribution work. As far as is practicable, we try to influence the supplies we receive, to secure a wide range of food types, in order to support the diverse dietary requirements of our wider community. During the year we supported Healthy Me Healthy Communities, a Manchester initiative who work to improve public engagement in health and wellbeing, as well as providing food services and support for economically disadvantaged individuals. Through supporting 17 school breakfast clubs during this period we have also been able to improve attitudes towards healthy breakfast. A systematic review carried out by the British Nutrition Foundation found that children who eat breakfast cereals regularly tend to have a lower BMI and are less likely to be overweight than those who eat breakfast cereals infrequently.

Table 1

| Measure                         | 2021-2022 | 2020-2021 | Notes/ Source                                   |
|---------------------------------|-----------|-----------|-------------------------------------------------|
| Food received (tonnes)          | 2392      | 3337      | Based on FSUK database, Gladys' & Power BI      |
| Food redistributed (tonnes)     | 2158      | 3406^     | ^ This figure includes stock from previous year |
| CFM contribution                | £499,881  | £470,569  | Accounts                                        |
| Income achieved per tonne       | £231.64   | £138.15   | Income/ tonnage                                 |
| CFM income as % of total income | 41%       | 56%       |                                                 |
| Waste %                         | 11.5%     | 8.04%     |                                                 |
| CFMs at year end                | 250       | 312       |                                                 |
| Meal portions                   | 5,101,655 | 8,052,009 | Based on FSUK estimate of 423g per portion      |
| CO2 saving (tonnes)             | 10,458    | 14, 591   | Based on FSUK conversion model                  |

## Highlights

### FareShare Plus

Our secondary service offering, FareShare Plus, was well underway this year. The model, which enables charities and community groups to come and choose food and drink items from our depot, in bulk, has enabled us to increase our capacity and serve even more beneficiaries.

### The Rafiki Project

The Rafiki Project is an initiative that we have run in partnership with the Manchester BME Network CIC. The aim of the project is to provide more culturally diverse foods to communities experiencing racial inequalities in the Greater Manchester area. By the end of the year, the project had engaged 19 organisations, who each provided food for between 30-100 families each week.

*“We’re thrilled we’ve been able to support so many families and organisations to join FareShare Greater Manchester. Greater Manchester and Manchester are places of rich community diversity, with many different cultures, faiths, languages and needs. We know there are very high levels of inequality and poverty.”*

-Atiha Chaudry, Chair of the GM BAME Network

Our collaboration on this project meant that we were shortlisted for the Spirit of Manchester Awards in the category ‘Partnership and Collaboration’.

### #FoodOnPlates Campaign

In September, FareShare UK launched their #FoodOnPlates campaign, calling for funding of £5m a year to help farmers and food producers cover the cost of storing and transporting unsold food. If successful, the fund would enable FareShare to double the amount of food it can redistribute to those in need.

*“It’s a scandal that good food is left to rot in our fields or be thrown into biogas digesters or landfill when so many families are still dependent on food aid in the wake of the crisis, with thousands more unable to afford healthy fruit and veg. France rescues six times more unsold food than we do in the UK, in part thanks to tax breaks that cover the additional costs of getting that food to charities. That’s why we’re calling on the government to reinstate lifeline funding to save good food and get it onto people’s plates.”*

-FareShare UK CEO, Lindsey Boswell.

## Regional Food Sourcing

In November 2021 we hired our new Regional Food Sourcing Coordinator, Ruth Downes. The role of Regional Food Sourcing Coordinator is to engage with the food industry to represent FareShare Greater Manchester, to develop and grow volumes of surplus food distributed. Ruth has begun work to cultivate existing and new business relationships, helping to grow our supply base and ensure sustainable and collaborative partnerships. We are hugely grateful to all our food donors and delighted to also now be working with Cranswick Bury, Greencore Warrington, Gusto Warrington, The Bread Factory, Wrights in Crewe, Co-op Lea Green and Warburton's over the last year thanks to Ruth's endeavours.



We are also hugely appreciative for all the efforts to help us sustain food supplies by the FareShare UK teams, especially food sourcing team; thanks also to Tesco's for the PCP donations.

## Moving into Maynard House

In December 2021, with the major refurbishment of the building, formerly known as Cheshire House, largely complete, the FareShare GM warehouse was declared officially 'fit for purpose' by our partners, FareShare UK and the operation moved into our new premises on New Smithfield Market. Maynard House, named after Marcus



Rashford's mum, Melanie, in recognition of her work during the pandemic, has already significantly improved our capacity. We moved into the offices in October 2021, though numerous aspects were still in progress including the canteen area, patio and roof terrace, heating system and other infrastructure. The majority of works were to be completed in the following months, leading to a Grand Opening in September 2022 (more on that in next year's annual report!).

We are extremely grateful to all our funders, sponsors and those who gave time and materials, and without whom, our HQ refurbishment would not have been possible. Namely: The Zochonis Charitable Trust, FareShare UK & Lindsay Boswell CEO, The Sunday Times Appeal, Sir Alex Ferguson & Sir Michael Moritz, Marcus Rashford; Micromass UK Ltd (Waters), United Utilities, The Bupa UK Foundation, The Joseph Cox Charitable Trust, The Hobson Charity,



Greater Manchester High Sheriff's Trust, The National Lottery Community Fund, WRAP, Marble Beers, Topps Tiles, Pflorida, The Duchy of Lancaster Benevolent Fund, ASDA Foundation, McVeigh Offsite Ltd & McVeigh Projects Ltd, Chris Eldridge, Peter Davys (Orrest Ltd), HMG Paints Ltd, Little Greene Paint Company, Crown Decorating Centre (Openshaw branch), Permira, The Chillag Family Charitable Trust, PHMG, Jack Livingstone Charitable Trust, Latham & Watkins LLP, The Garfield Weston Foundation, CDL Software, Polyfloor Ltd, Sian Astley, Searchlight, Howden's and local store manager Charlotte Read; Casa Ceramica, JLA; to Dave Hawley and Jason Palin for supporting our kitchen refurbishments. And to our hard working contractors, Calder Shopfitters, HBCL, Optimum Electrical, and specifically Dave Ratcliffe and Warren Craddock, Craig Lovett, Jonathan Nadin and Jim McVeigh. Big thanks also to Nigel Blyth and John Bolshaw at Fairhurst's and to our Trustee, Andy Chicken for all their guidance and project management support and numerous others for moral support and encouragement in what has proved to be a major undertaking!

### **Huge Thanks to all our Funders & Supporters**

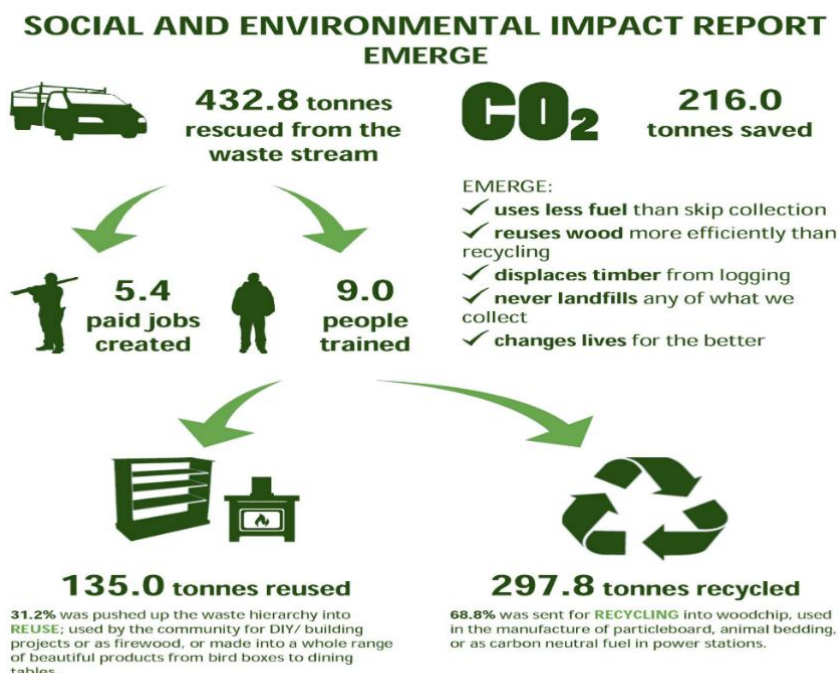
As always, we are incredibly grateful to all the funders who have directly assisted us by supporting our various activities. To our major ongoing supporters like CDL Software, as well as all the donors, grants, trusts and foundations who support our activities and projects at different times across the years. This year we wish to say a huge thank you to Manchester United Foundation, Broome Family Trust, Manchester Guardian Society, Chillag Family Trust, FareShare UK, Souter Charitable Trust, The Big Give Trust (Big Give Champion), Green Match Fund (Big Give Champion), Casa Stella Trust, The Beaverbrook's Charitable Trust, Manchester City Council OMVCS, The National Lottery Community Fund, WRAP, Young Manchester Covid Recovery Grant, Manchester Green Economy Employment Partnership, Chris Eldridge, Charities Aid Foundation, Dowager Countess Eleanor Peel, Transport for Greater Manchester, Business Support Ltd (Business Growth Hub), Manchester City Council.

Also big thanks to the following companies, organisations and individuals for their generous donations: Deloitte, AJ Bell, Enterprise RAC UK Ltd, Forever Manchester/Kellogg's, Cargill, Arnold Clark, AQA, Bryan Cave, Vermillion, Teads Ltd, Atherton RLFC, Howden's, Ingredion and Arch Architects.

Massive thanks to the many individuals who donated to us via Virgin Giving, Just Giving, Giving.com, other platforms or directly to us, we are very grateful, including Gift Aid, which gives a lovely boost to individual giving. And to everyone who gave their valuable time, which is the equivalent of paid staff, to the charity. We are hugely indebted and appreciative for all the kind support and commitment provided.

## Touch Wood

In April 2021, by agreement with the Charity Board, SLT and key stakeholders, EMERGE Recycling took formal control over the entirety of the Touch Wood services - both collections as well as the upcycling of redundant timber which, up until this point, sat within EMERGE 3Rs. EMERGE Recycling and Touch Wood play an active role as the social enterprise part of the EMERGE Group, supporting the charity, EMERGE 3Rs. EMERGE 3Rs continues to provide trainees and volunteers to gain employability, training and work experience through Touch Wood. The outcomes for 2021-22 are in the table above.



Touch Wood successfully engaged Manchester City Council Town Hall and its refurbishment contractors as part of our drive to improve wood stock levels becoming the exclusive wood partner for the 5-year project resulting in the receipt of 150-year-old pitch pine floor boards and joists into our wood store. Significant progress has been made at Touch Wood in both increasing wood stock levels and increasing income from timber sales and commissions, indeed, income generated in 2021/22 increased by 119% from 2020/21, largely thanks to our focus on commissioned work for corporate partners. Some examples of our significant and corporate partners below:



## EMERGE Recycling

In the year April 2021 to March 2022 EMERGE Recycling continued to navigate the fallout from a combination of COVID and wider socio-economic factors (Brexit, cost of living crisis). The main priorities during this period were to take stock and ensure a continued high quality of service for our customers who have equally been adapting to the 'new normal', whilst

supporting our team through the changes arising from the move to Maynard House and the F-Block.

In February 2022 EMERGE Recycling launched a community share offer to gain investment in a 3-year business growth plan, seeking support to fit out our bigger, better waste recycling depot and develop capacity within the North West waste industry. This concluded in May 2022, having raised £215k including £25k of shares purchased by social investors Power to Change through their Community Shares Booster Programme, administered by Co-op's UK.

## Going Forward: Plans for the future

April 2021-March 2022 has been an exciting financial year for EMERGE 3Rs with the move to Maynard House and the new opportunities that this promises to open up in the future. Following our Board Strategy Day our Senior Leadership and staff teams have been working on improving existing work and developing new projects for EMERGE 3Rs, keeping its founding principles at heart.

EMERGE Group Themes for our Tactical Plans for 2021-2022 were: 'Pulling together' and 'Striving for Excellence' and with a focus on better communications, staff and partner engagement, volunteer feedback and retention. Specifics include:

- Clarifying our volunteer involvement journey
- Understanding what 'ideal' means, for both us and for our volunteers (e.g. engaged, physically willing, skilled, reliable, motivated; communication methods and frequencies)
- Organisational culture – knowing our values, behaviours, code of conduct
- Holding each other to account
- Empowering staff, team and volunteers wherever possible
- Review current processes and look for improvements - use for training
- Improving speed and accuracy – order picking in FSGM for example
- Improved communications- updating everyone on our plans, objectives, news and views, events
- Virtual FS plus scope
- Support delivery of successful CAF project (16-35 age group)
- Increasing one-off or regular employer-supported volunteering days.

Going forward our strategic development themes come under the headings of 'growth', 'influence', 'sustainable operating model' and 'effective team feeling successful'. More detailed work is planned to take place in early 2023. As part of this process we will be consulting our teams and involve them in the strategic planning for 2022-25.

A key plank in our forward plan and thinking is to engage more of our partners fully, through a specific engagement strategy, with criteria around mutual and active involvement.

## Governance & Structure

EMERGE 3Rs is a charitable company limited by guaranteed (no 3556346), originally incorporated on 1<sup>st</sup> May 1998 under the name 'EMERGE Recycling'. We registered with the

Charity Commission as a charity in England and Wales (no 1132944), on 24<sup>th</sup> November 2009 and changed the name and company rules. EMERGE 3Rs continues to be governed under its rules (known as Memorandum and Articles of Association) which underwent a thorough review during the year by EMERGE 3Rs' Board and CEO, bringing them up to date and in line with charity best practice.

The Trustees are simultaneously company directors and members of the charity; this entitles them to voting rights but no beneficial interest in the charity. Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

All Trustees give their time voluntarily and receive no benefits from the charity, other than as disclosed in Note 11 to the accounts.

Trustees are recruited with a wide range of skills, experience and diverse backgrounds to meet any gaps that need to be filled to ensure the sound governance and decision making towards the mission and strategy of EMERGE. Newly appointed Trustees receive an induction based on their current knowledge including making them aware of their legal responsibilities, EMERGE policies, decision making and strategic plan.

The Trustees constitute the Board that is the charities governing body. The Board meets quarterly with sub-committees, listed below, meeting in between Board meetings and reporting discussions.

Fiona King and Rob Barnett continued to act as Interim Chair (in Brigit Egan's absence due to ongoing treatment) and Vice Chair during this period. Fiona led the Board in overseeing the implementation of the Governance sub-committee (GSC) specifically to ensure the Board is fulfilling its duties. Areas of focus during 2022 for the GSC were the overall skillset of the Board including formal Board Trustee requirements, and the development of the Risk Management Policy and Framework.

There are several established sub-committees and they continued to mature:

- Finance Sub-Committee – overseen by Shirley Jones, Treasurer
- Governance Sub-Committee – overseen by Maggie Walker
- HR Sub-Committee – overseen by Fiona King
- Health and Safety Sub-Committee – overseen by Andy Chicken

Additional support is provided to the charity's staff using Board member expertise in other areas such as fundraising, marketing and volunteer safeguarding. Recruitment for certain roles continue to be challenging but we are using all available recruitment methods, with a number of roles filled by volunteers, graduates or work placements, as appropriate and with the ethos of growing our own talent, wherever possible.

The Trustees approve the strategic plan and annual budgets as well as overseeing policy changes and regularly reviewing the financial position and the year-end accounts. The Senior Leadership Team (SLT), led by the Chief Executive, is responsible for implementing the organisation's strategy and for progressing towards agreed key aims and objectives. All key

operational decisions are delegated by the Trustees to the Chief Executive and SLT. The SLT are listed on page 2. Cohesiveness and collaboration between the Board of Trustees and Senior Team was rekindled, post COVID, during 2021/22 and plenty of ideas were generated at a joint strategy away day.

Huge thanks to all Trustees for their continued support, expertise and guidance throughout the year. We would like to thank Ben Barnaby for his dedication and time and we are sorry to see him go during this financial year.

In terms of the methods we use to recruit and appoint new charity trustees, we follow the good practice charity governance code; we have an open and inclusive recruitment ethos and actively seek to represent our wider community in terms of race, ethnicity, gender, disability and sexuality. We have a formal application process which we use for both co-options (in between Annual General Meetings) and annually, we follow our constitutional provisions for appointment, with election to post at our Annual General Meeting. EMERGE Recycling (our fellow Community Benefit Society) is entitled to appoint one of our charity trustees to their Non-Executive Board, for the purpose of accountability, in relation to the stated objective, to apply up to 33% of net annual profits to EMERGE 3Rs.

## Structure

In November 2019 the subsidiary of EMERGE, EMERGE Recycling, was divested and became a Community Benefit Society ('Ben Comm') 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.

In April 2021 the Board supported the decision to move Touch Wood into EMERGE Recycling. EMERGE Recycling continues to work alongside EMERGE 3Rs and we have successfully maintained an 'EMERGE Group' ethos and joint working, wherever feasible.

The charity and the ben comm are separate entities but share key personnel, support systems and their operational base as detailed in the Finance section.

Brigit Egan, Andy Chicken and Shirley Jones are Trustees of EMERGE 3Rs and also Non-Executive Directors of EMERGE Recycling (our fellow Community Benefit Society). Jayrissa Thompson and Lucy Danger are both Executive Directors of EMERGE Recycling whilst being also employees of EMERGE 3Rs.

## Staff Pay Policy

Our approach to staff pay is designed to ensure we can attract and retain the right people who have the experience, values and skills we need to achieve our mission and deliver our strategic goals. It is applied consistently across the whole organisation including the SLT.

We aim to pay competitively whilst also affordably using external salary surveys and other tools to help us benchmark our salaries. During the year the Board supported the principle of

the Real Living Wage for all employees with increases kept in line with inflation expectations and we became an accredited member of the Living Wage Foundation.

Annual increases are discussed whilst setting the budget considering inflation and the current economic conditions faced by our staff. These are approved by the Board and applied to all employees.

## **Related parties and relationships with other organisations**

Other than EMERGE Recycling, there are no other connections with other organisations outside of standard trading terms and conditions.

EMERGE 3Rs is part of the FareShare food redistribution network of independent charities and organisations wherein we formally partner with FareShare UK (the national charity) to run the FareShare operation in a geographical region. In our case, the region is Greater Manchester, High Peak and East Cheshire, at this time. Accordingly, all partner organisations, including EMERGE 3Rs, runs its FareShare operation in line with the food safety policies and procedures set out by FareShare UK, in its Operational Guidelines. There are no governance implications about this relationship at this time, as our CEO is no longer a Trustee of FareShare UK.

## **Financial Review**

EMERGE 3Rs continues at the forefront of supporting vulnerable families and individuals in Greater Manchester as the country moves into a period of high inflation, rising fuel costs and reducing food supplies. Our focus for the financial and business strategy, during the year, is to build our financial resilience for the future to maintain our operations to supply food and volunteering opportunities within the community.

We continue to strive to move our FareShare operations towards full cost recovery, with more income generated from the supply of food, however, this has been challenging in the current climate due to a reduction in volumes of food and the continued financial struggle for many of the Community Food Members whom we supply.

The charity's total income reduced by 24%, demonstrating the pressure on food supplies, offset with an increase of our Volunteering and Employability activities which were boosted with a programme of funded support from the Charities Aid Foundation (CAF). Expenditure increased by 18.7%, leading to an overall decrease in our general fund of £117,514 including a Board-agreed contribution towards the refurbishment of Maynard House. Our balance sheet currently holds an unrestricted amount of £1,289,560, which, crucially, includes the amount raised for and invested in the redevelopment, of Maynard House of £1,150,905. This amount represents the current equity of our investment in the capital refurbishments, it is a non-realisable non-cash amount. In line with our Reserves Policy (see below for more info), we hold the difference of £138,655 as 'available', unrestricted funds.

In terms of our fundraising, grants and donations remained reasonably buoyant complementing our income generation and continuing the fantastic achievement from last year in supporting and developing our activities. The reduction in funds raised in 2021-22 is

due largely to the positive effect we had seen in 2020-21 resulting from the support of Marcus Rashford towards FareShare and food poverty nationally which has been difficult to sustain without his direct involvement.

The charity's assets have been boosted by the capitalisation of Maynard House. These assets have been depreciated based on their expected economic life for the period of occupation. Year-end cash balances reflect the time of the CAF grant having been received just before year end.

Our cash position has remained healthy, but we continue to monitor cash flow and manage requirements for day-to-day operations, including investment to replace assets such as vehicles for food delivery as the fleet ages and falls outside of current emission regulations.

Achievement of the long-term goal to move to more appropriate premises significantly improved our efficiency in food distribution as well as the working environment for our volunteers and employees. We continue to fundraise and develop the facilities at Maynard House; this is further boosted by the completion of the investment by EMERGE Recycling following the very successful community share offer.

## Fundraising

Raising money remains an ongoing and clear focus going forward with a full operational cost recovery goal in place so that we can increase our reach and give stronger support to our communities in the coming years.

EMERGE 3Rs has a dedicated fundraising team involving direct support and expertise from the Chief Executive. Our approach is to strive to comply with good practice standards across all of our fundraising activities, albeit we are not currently bound by the terms of any specific scheme. All of our fundraising is currently managed by our own staff. We do not employ any third-party professional fundraising organisations to carry out our activities, other than using a third-party payment platform to receive and assist us to achieve online donations. The platform used provides security processes to protect donors and the charity, and their funds, and reduces our administrative burden and costs. We are aware of the potential for complaints from supporters (although we didn't formally receive any during the year) which tend to relate to the fees charged by the payment platform; consequently, we are mindful and attentive to the ongoing issues around value for money of this service. We are fully committed to addressing any expressions of dissatisfaction or issues raised on the part of our supporters and to examining ways to improve the levels of our service to them.

## 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 2021/22 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 flow to ensure we have the funds to pay expenses when they arise.

The reserves have been increased following the fundraising for and investment in refurbishing Maynard House and look bolstered as a result, however, these funds were raised specifically for and invested for the future operational savings purpose with income and cash flow continuing to remain tight for ordinary activities. As stated above in our financial review, we currently hold the difference of £138,655 as 'available', unrestricted funds.

## Managing Risk

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<br>A Health and Safety Officer to oversee and resolve issues.<br>Clear Health and Safety policy with employee training and awareness programme<br>FareShare National Annual Audit<br>Food Safety Regime | The health and safety of our employees continues to be a priority with the continued general unease around COVID. Staff training and safety sessions continue with the move to Maynard house and the change in operational processes and the implementation of new ones. |
| Safeguarding for Staff, Volunteers, Beneficiaries and Customers | Moderate | External professional advice<br>Clear Safeguarding policy with employee training and awareness programme<br>Knowledge and experience of supervisors to ensure compliance                                                                | Policies around safeguarding staff and volunteers against COVID 19 were strengthened. With an update to the Employee handbook for many important policies                                                                                                                |

|                                                      |                 |                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                               |
|------------------------------------------------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                      |                 |                                                                                                                                                                                                                                                                                                 | and this being a focus for the Governance Committee                                                                                                                                                                                                                                           |
| People – Attraction, Succession and Retention        | Moderate        | Dashboard overview of current staff supervision<br>Regular team meetings<br>Staff training and induction programme<br>Board HR committee                                                                                                                                                        | The HR committee continued to develop during the year alongside the revised staff handbook<br>There has been increased training to raise awareness of good practices post COVID. Recruitment has been difficult during the year, but we continue to attract employees that follow our ethos   |
| Funding and Grant maintenance                        | Major           | Clear funding plans and application process<br>Sustainable business plans and budgets to identify funding requirements<br>External professional advice<br>Build a good relationship with funding partners and comply with requirements<br>Strong Board support and experience with applications | Funding applications have been ongoing and are under constant review monitoring against the business plans and budget to ensure they remain on track                                                                                                                                          |
| Income Generation<br><br>Principle and emerging risk | Major           | Monthly review of Financial Position<br>Oversight of Finance sub-committee<br>Budget ownership and control with the management team<br>Ensuring there is a mixed income stream<br>Development of reserves to cover a period of costs                                                            | Regular Board meetings and discussion of the financial position through the Finance sub-committee<br>Development during the year of the finance papers and information supplied to the Board with key performance indicators to show the financial position<br>Clear reserves policy in place |
| Business Resilience to ensure                        | Moderate (under | Regular reviews of internal systems                                                                                                                                                                                                                                                             | Business Resilience continues to develop post COVID and with                                                                                                                                                                                                                                  |

|                                                           |                      |                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| continued operations<br><br>Principle and emerging risk   | COVID 19 conditions) | Steering Groups approach to project management utilising Board expertise<br>Clear Health and Safety policies<br>Staff training and awareness                                                                                                  | the move to Maynard House.<br>The Health and Safety committee is still in its early stages but continues to support the Charity with clear and supportive guidance                                                                                                                                                        |
| Macro-economic factors<br><br>Principle and emerging risk | Moderate             | Monthly review of Management Accounts<br>Regular Horizon scanning of the macro-economic environment<br>Maintain good relations with key stakeholders including customers<br>Awareness of the environment including new / emerging competitors | EMERGE has been a cornerstone supplying food to families who have been struggling during the pandemic and now during the economic crisis.<br>EMERGE have been grateful for the support of all donors and funders enabling EMERGE to be part of the economic solution to support families struggling to cover their costs. |

### Emerging Risks

Cost of living crisis – As we are part of the solution for many families struggling with the cost of living crisis we are monitoring GMCA and national Government policy in this area and the potential wider world economic downturn as well as talking regularly to our partners, FareShare UK, who are doing concerted work and lobbying on this, on behalf of the FareShare Network.

### 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

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.

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 the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Auditors

Slade & Cooper Ltd were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

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 15<sup>th</sup> December 2022 and signed on their behalf by



Name: Shirley Jones

Title: Treasurer

## 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 2022, which comprise the Statement of Financial Activities (including the income and expenditure account), the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the trustees' 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 trustees with respect to going concern are described in the relevant sections of this report.

## Other information

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

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

We have nothing to report in this regard.

## 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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 our 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 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 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' Annual 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 19-20, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management and those charged with governance around actual and potential litigation and claims.
- enquiry of the charity's staff, management and those charged with governance to identify any instances of non-compliance with laws and regulations.
- reviewing minutes of meetings of those charged with governance.
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

### **Use of our 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.



Christy Yun Hing Lau FCCA DChA CTA  
Senior Statutory Audit  
for and on behalf of

Slade & Cooper Limited  
Statutory Auditors  
Beehive Mill  
Jersey Street  
Manchester  
M4 6JG

29<sup>th</sup> December 2022

EMERGE 3Rs

Statement of Financial Activities  
(including Income and Expenditure account)  
for the year ended 31 March 2022

|                                                                                  | Note | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total funds<br>2022<br>£ | Total funds<br>2021<br>£ |
|----------------------------------------------------------------------------------|------|----------------------------|--------------------------|--------------------------|--------------------------|
| <b>Income from:</b>                                                              |      |                            |                          |                          |                          |
| Donations and legacies                                                           | 3    | 302,953                    | -                        | 302,953                  | 296,467                  |
| Charitable activities:                                                           | 4    |                            |                          |                          |                          |
| FareShare GM                                                                     |      | 542,401                    | 67,088                   | 609,489                  | 906,931                  |
| Building fund                                                                    |      | 24,000                     | 300,000                  | 324,000                  | 659,659                  |
| Core and Give & Gain                                                             |      | 5,252                      | 176,839                  | 182,091                  | 4,435                    |
| Touch Wood                                                                       |      | -                          | -                        | -                        | 83,812                   |
| Other trading activities                                                         | 5    | -                          | -                        | -                        | 2,532                    |
| Costs Recharged to Emerge                                                        |      |                            |                          |                          |                          |
| Recycling                                                                        |      | 73,389                     | -                        | 73,389                   | 67,569                   |
| Touch Wood                                                                       |      | 41,955                     | -                        | 41,955                   | -                        |
| <b>Total income</b>                                                              |      | <b>989,950</b>             | <b>543,927</b>           | <b>1,533,877</b>         | <b>2,021,405</b>         |
| <b>Expenditure on:</b>                                                           |      |                            |                          |                          |                          |
| Raising funds                                                                    | 6    | 12,594                     | -                        | 12,594                   | 9,971                    |
| Charitable activities:                                                           | 7    |                            |                          |                          |                          |
| FareShare GM                                                                     |      | 817,247                    | 111,637                  | 928,884                  | 732,939                  |
| Core and Give & Gain                                                             |      | 103,373                    | 14,166                   | 117,539                  | 101,347                  |
| Touch Wood                                                                       |      | -                          | -                        | -                        | 86,056                   |
| Costs Recharged to Emerge                                                        |      |                            |                          |                          |                          |
| Recycling                                                                        |      | 73,389                     | -                        | 73,389                   | 67,569                   |
| Touch Wood                                                                       |      | 41,955                     | -                        | 41,955                   | -                        |
| <b>Total expenditure</b>                                                         |      | <b>1,048,558</b>           | <b>125,803</b>           | <b>1,174,361</b>         | <b>997,882</b>           |
| <b>Net income / (expenditure) before<br/>net gains / (losses) on investments</b> |      | <b>(58,608)</b>            | <b>418,124</b>           | <b>359,516</b>           | <b>1,023,523</b>         |
| <b>Net income / (expenditure) for the<br/>year</b>                               | 9    | <b>(58,608)</b>            | <b>418,124</b>           | <b>359,516</b>           | <b>1,023,523</b>         |
| Transfer between funds                                                           |      | 311,916                    | (311,916)                | -                        | -                        |
| <b>Net movement in funds for the year</b>                                        |      | <b>253,308</b>             | <b>106,208</b>           | <b>359,516</b>           | <b>1,023,523</b>         |
| <b>Reconciliation of funds</b>                                                   |      |                            |                          |                          |                          |
| Total funds brought forward                                                      |      | 1,036,252                  | 54,700                   | 1,090,952                | 67,429                   |
| <b>Total funds carried forward</b>                                               |      | <b>1,289,560</b>           | <b>160,908</b>           | <b>1,450,468</b>         | <b>1,090,952</b>         |

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

A full comparative SOFA is available on the last page of the financial statements.

EMERGE 3Rs  
Company number 03556346  
Balance sheet as at 31 March 2022

|                                                         | Note | 2022             | 2021             |
|---------------------------------------------------------|------|------------------|------------------|
|                                                         |      | £                | £                |
| <b>Fixed assets</b>                                     |      |                  |                  |
| Tangible assets                                         | 14   | 1,259,362        | 705,934          |
| <b>Total fixed assets</b>                               |      | <b>1,259,362</b> | <b>705,934</b>   |
| <b>Current assets</b>                                   |      |                  |                  |
| Debtors                                                 | 15   | 92,040           | 192,669          |
| Cash at bank and in hand                                | 16   | 249,002          | 390,635          |
| <b>Total current assets</b>                             |      | <b>341,042</b>   | <b>583,304</b>   |
| <b>Liabilities</b>                                      |      |                  |                  |
| Creditors: amounts falling due in less than one year    | 17   | (135,717)        | (195,145)        |
| <b>Net current assets</b>                               |      | <b>205,325</b>   | <b>388,159</b>   |
| <b>Total assets less current liabilities</b>            |      | <b>1,464,687</b> | <b>1,094,093</b> |
| Creditors: amounts falling due after more than one year | 18   | (14,219)         | (3,141)          |
| <b>Net assets</b>                                       |      | <b>1,450,468</b> | <b>1,090,952</b> |
| <b>The funds of the charity:</b>                        |      |                  |                  |
| Restricted income funds                                 | 19   | 160,908          | 54,700           |
| Unrestricted income funds                               | 20   | 1,289,560        | 1,036,252        |
| <b>Total charity funds</b>                              |      | <b>1,450,468</b> | <b>1,090,952</b> |

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 28 to 45 form part of these accounts.

Approved by the trustees on 15/12/2022 and signed on their behalf by:



.....  
Shirley Jones (Treasurer)

EMERGE 3Rs  
Statement of Cash Flows  
for the year ending 31 March 2022

|                                                              | Note | 2022<br>£        | 2021<br>£        |
|--------------------------------------------------------------|------|------------------|------------------|
| <b>Cash provided by / (used in) operating activities</b>     | 22   | <b>448,550</b>   | <b>1,040,099</b> |
| <i>Cash flows from investing activities:</i>                 |      |                  |                  |
| Proceeds from sale of tangible fixed assets                  |      | 4,232            | -                |
| Purchase of tangible fixed assets                            |      | (603,434)        | (668,191)        |
| <b>Cash provided by / (used in) investing activities</b>     |      | <b>(599,202)</b> | <b>(668,191)</b> |
| <i>Cash flows from financing activities:</i>                 |      |                  |                  |
| Repayment of borrowing - HP Payments                         |      | 9,019            | (10,502)         |
| <b>Cash provided by / (used in) financing activities</b>     |      | <b>9,019</b>     | <b>(10,502)</b>  |
| Increase/(decrease) in cash and cash equivalents in the year |      | (141,633)        | 361,406          |
| Cash and cash equivalents at the beginning of the year       |      | 390,635          | 29,229           |
| <b>Cash and cash equivalents at the end of the year</b>      |      | <b>249,002</b>   | <b>390,635</b>   |

Notes to the accounts for the year ended 31 March 2022

**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), second edition - 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 and UK Generally Accepted Accounting Practice.

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.

**b 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 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.

## Notes to the accounts for the year ended 31 March 2022 (continued)

**c 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.

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

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

**d 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.

**e Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

## Notes to the accounts for the year ended 31 March 2022 (continued)

**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.

**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 straight line basis as follows:

|                             |         |
|-----------------------------|---------|
| Building                    | 3.33%   |
| Vehicle                     | 25%     |
| Office equipment            | 33%     |
| Other equipment             | 33%     |
| Other longer life equipment | 5 - 20% |

## Notes to the accounts for the year ended 31 March 2022 (continued)

**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 and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**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.

**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 £1,017 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.

## Notes to the accounts for the year ended 31 March 2022 (continued)

**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 2.

**3 Income from donations and legacies**

| <b>Current reporting period</b>  | Unrestricted<br>£         | Restricted<br>£         | Total 2022<br>£         |
|----------------------------------|---------------------------|-------------------------|-------------------------|
| Donations                        | 63,521                    | -                       | 63,521                  |
| Corporates                       | 203,050                   | -                       | 203,050                 |
| Give and Gain                    | 3,490                     | -                       | 3,490                   |
| Grants                           |                           |                         |                         |
| MCC COVID response Grant         | 9,245                     | -                       | 9,245                   |
| Kickstart                        | 23,647                    | -                       | 23,647                  |
| <b>Total</b>                     | <b>302,953</b>            | <b>-</b>                | <b>302,953</b>          |
| <b>Previous reporting period</b> | <i>Unrestricted<br/>£</i> | <i>Restricted<br/>£</i> | <i>Total 2021<br/>£</i> |
| Donations                        | 171,050                   | -                       | 171,050                 |
| Grants                           | 125,417                   | -                       | 125,417                 |
| <b>Total</b>                     | <b>296,467</b>            | <b>-</b>                | <b>296,467</b>          |

## Notes to the accounts for the year ended 31 March 2022 (continued)

**4 Income from charitable activities**

| <b>Current reporting period</b>                                  | <b>Unrestricted<br/>£</b> | <b>Restricted<br/>£</b> | <b>Total 2022<br/>£</b> |
|------------------------------------------------------------------|---------------------------|-------------------------|-------------------------|
| <b>FareShare GM</b>                                              |                           |                         |                         |
| <b>Grants</b>                                                    |                           |                         |                         |
| Broome Family Trust                                              | 15,000                    | -                       | 15,000                  |
| Manchester Guardian Society                                      | 5,000                     | -                       | 5,000                   |
| Chillag Family Trust                                             | 5,000                     | -                       | 5,000                   |
| FareShare UK (North West Construction Safety Group (NWCSG) Fund) | 3,000                     | -                       | 3,000                   |
| Souter Charitable Trust                                          | 3,000                     | -                       | 3,000                   |
| The Big Give Trust (Big Give Champion)                           | 2,120                     | -                       | 2,120                   |
| Green Match Fund (Big Give Champion)                             | 2,056                     | -                       | 2,056                   |
| Casa Stella Trust                                                | 1,000                     | -                       | 1,000                   |
| The Beaverbrooks Charitable Trust                                | 550                       | -                       | 550                     |
| MCC – Our Manchester Voluntary and Community Sector Grants       | -                         | 19,980                  | 19,980                  |
| FareShare UK – TNLCF                                             | -                         | 12,000                  | 12,000                  |
| WRAP – Small Scale Food Waste Prevention Fund                    | -                         | 13,069                  | 13,069                  |
| Young Manchester Covid Recovery Grant                            | -                         | 19,555                  | 19,555                  |
| Manchester Green Economy Employment Partnership                  | -                         | 1,500                   | 1,500                   |
| FareShare UK Volunteer Fund                                      | -                         | 984                     | 984                     |
| Other                                                            | 5,794                     | -                       | 5,794                   |
| <b>Charitable trading</b>                                        |                           |                         | -                       |
| Supply of donated goods                                          | 499,881                   | -                       | 499,881                 |
| <b>Subtotal for FareShare GM</b>                                 | <b>542,401</b>            | <b>67,088</b>           | <b>609,489</b>          |
| <b>Building fund</b>                                             |                           |                         |                         |
| <b>Grants</b>                                                    |                           |                         |                         |
| FareShare UK                                                     | -                         | 300,000                 | 300,000                 |
| CDL Software                                                     | 15,000                    | -                       | 15,000                  |
| Chris Eldridge                                                   | 9,000                     | -                       | 9,000                   |
| <b>Subtotal for Maynard House</b>                                | <b>24,000</b>             | <b>300,000</b>          | <b>324,000</b>          |
| <b>Core and Give &amp; Gain</b>                                  |                           |                         |                         |
| <b>Grants</b>                                                    |                           |                         |                         |
| Charities Aid Foundation                                         | -                         | 164,841                 | 164,841                 |
| Dowager Countess Eleanor Peel                                    | 5,000                     | -                       | 5,000                   |
| TFGM - Cycle Store                                               | -                         | 5,000                   | 5,000                   |
| GM Business Support Ltd (Business Growth Hub)                    | -                         | 4,998                   | 4,998                   |
| MCC-NIF Grant                                                    | -                         | 2,000                   | 2,000                   |
| Other                                                            | 252                       | -                       | 252                     |
| <b>Subtotal for Give and Gain</b>                                | <b>5,252</b>              | <b>176,839</b>          | <b>182,091</b>          |
| <b>Total</b>                                                     | <b>571,653</b>            | <b>543,927</b>          | <b>1,115,580</b>        |

## Notes to the accounts for the year ended 31 March 2022 (continued)

**4 Income from charitable activities (Cont.)**

| <b>Previous reporting period</b>             | <b>Unrestricted<br/>£</b> | <b>Restricted<br/>£</b> | <b>Total 2021<br/>£</b> |
|----------------------------------------------|---------------------------|-------------------------|-------------------------|
| <b>FareShare GM</b>                          |                           |                         |                         |
| <b>Grants</b>                                |                           |                         |                         |
| Derwent Capital account (AGF)                | -                         | 32,300                  | 32,300                  |
| FareShare UK                                 | -                         | 25,000                  | 25,000                  |
| FareShare UK- TNLCF                          | -                         | 49,000                  | 49,000                  |
| FareShare UK Transition fund                 | -                         | 35,000                  | 35,000                  |
| FareShare UK VAN & Driver                    | -                         | 25,700                  | 25,700                  |
| FareShare UK Volunteer Fund                  | -                         | 4,738                   | 4,738                   |
| Salford CVS - 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                  |
| 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 via FareShare UK            | 68,200                    | -                       | 68,200                  |
| We Love Manchester                           | 3,000                     | -                       | 3,000                   |
| WRAP                                         | -                         | 64,232                  | 64,232                  |
| Other Miscellaneous                          | 10,200                    | -                       | 10,200                  |
| <b>Charitable trading</b>                    |                           |                         |                         |
| Supply of donated goods                      | 307,885                   | -                       | 307,885                 |
| FareShare membership subs                    | 162,696                   | -                       | 162,696                 |
| <b>Subtotal for FareShare GM</b>             | <b>591,981</b>            | <b>314,950</b>          | <b>906,931</b>          |
| <b>Building fund</b>                         |                           |                         |                         |
| <b>Grants</b>                                |                           |                         |                         |
| 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                  |
| <b>Subtotal for Maynard House</b>            | <b>178,240</b>            | <b>481,419</b>          | <b>659,659</b>          |
| <b>Core and Give &amp; Gain</b>              |                           |                         |                         |
| <b>Grants</b>                                |                           |                         |                         |
| ESF Community Grant                          | -                         | 4,435                   | 4,435                   |
| <b>Subtotal for Give and Gain</b>            | <b>-</b>                  | <b>4,435</b>            | <b>4,435</b>            |
| <b>Touch Wood</b>                            |                           |                         |                         |
| <b>Grants</b>                                |                           |                         |                         |
| The National Lottery Community Fund - SESF   | 40,000                    | -                       | 40,000                  |
| Manchester City Council                      | 5,000                     | -                       | 5,000                   |
| <b>Charitable trading</b>                    |                           |                         |                         |
| Wood recycling                               | 38,812                    | -                       | 38,812                  |
| <b>Subtotal for Touch Wood</b>               | <b>83,812</b>             | <b>-</b>                | <b>83,812</b>           |
| <b>Total</b>                                 | <b>854,033</b>            | <b>800,804</b>          | <b>1,654,837</b>        |

# EMERGE 3Rs

## Notes to the accounts for the year ended 31 March 2022 (continued)

### 5 Income from other trading activities

|              | 2022<br>£ | 2021<br>£ |
|--------------|-----------|-----------|
| Other income | -         | 2,532     |
|              | -         | 2,532     |

All income from other trading activities is unrestricted. There were no other income generated in 2021/22.

### 6 Cost of raising funds

|                               | 2022<br>£ | 2021<br>£ |
|-------------------------------|-----------|-----------|
| Staff costs                   | 12,594    | 8,523     |
| Governance costs (see note 8) | -         | 133       |
| Support costs (see note 8)    | -         | 1,315     |
|                               | 12,594    | 9,971     |

All expenditure on cost of raising funds is unrestricted.

## Notes to the accounts for the year ended 31 March 2022 (continued)

**7 Analysis of expenditure on charitable activities**

| Current reporting period      | FareShare<br>GM<br>£ | Core and Give<br>& Gain<br>£ | Total 2022<br>£ |                 |
|-------------------------------|----------------------|------------------------------|-----------------|-----------------|
| Staff costs                   | 440,040              | 78,165                       | 518,205         |                 |
| Accommodation                 | 93,283               | 28,222                       | 121,505         |                 |
| Project costs                 | 247,824              | 1,680                        | 249,504         |                 |
| Depreciation                  | 45,774               | -                            | 45,774          |                 |
| Loan interest                 | 2,789                | -                            | 2,789           |                 |
| Governance costs (see note 8) | 11,212               | 480                          | 11,692          |                 |
| Support costs (see note 8)    | 87,962               | 8,992                        | 96,954          |                 |
|                               | 928,884              | 117,539                      | 1,046,423       |                 |
|                               |                      |                              |                 |                 |
| Previous reporting period     | FareShare<br>GM<br>£ | Core and<br>Give & Gain<br>£ | Touch Wood<br>£ | Total 2021<br>£ |
| Staff costs                   | 370,443              | 32,774                       | 48,665          | 451,882         |
| Accommodation                 | 29,364               | 19,684                       | 8,027           | 57,075          |
| Project costs                 | 253,245              | 43,320                       | 20,730          | 317,295         |
| Depreciation                  | 14,860               | -                            | 365             | 15,225          |
| Loan interest                 | 2,080                | -                            | -               | 2,080           |
| Governance costs (see note 8) | 5,787                | 512                          | 760             | 7,059           |
| Support costs (see note 8)    | 57,160               | 5,057                        | 7,509           | 69,726          |
|                               | 732,939              | 101,347                      | 86,056          | 920,342         |
|                               |                      |                              |                 |                 |
|                               |                      |                              | 2022<br>£       | 2021<br>£       |
| Restricted expenditure        |                      |                              | 125,803         | 243,233         |
| Unrestricted expenditure      |                      |                              | 920,620         | 677,109         |
|                               |                      |                              | 1,046,423       | 920,342         |

EMERGE 3Rs

Notes to the accounts for the year ended 31 March 2022 (continued)

**8 Analysis of governance and support costs**

| <b>Current reporting period</b>  | <b>Basis of apportionment</b> | <b>Support<br/>£</b> | <b>Governance<br/>£</b> | <b>Total 2022<br/>£</b> |
|----------------------------------|-------------------------------|----------------------|-------------------------|-------------------------|
| Staff costs                      | Salary costs                  | 82,450               | 6,892                   | 89,342                  |
| Premises                         | Floor area                    | 10,539               | -                       | 10,539                  |
| Administration                   | Usage                         | 3,364                | -                       | 3,364                   |
| Consultancy                      | Usage                         | 601                  | -                       | 601                     |
| Accountancy fees                 | Usage                         | -                    | 1,800                   | 1,800                   |
| Audit fees                       | Usage                         | -                    | 3,000                   | 3,000                   |
|                                  |                               | <hr/>                | <hr/>                   | <hr/>                   |
|                                  |                               | 96,954               | 11,692                  | 108,646                 |
|                                  |                               | <hr/>                | <hr/>                   | <hr/>                   |
| <b>Previous reporting period</b> | <b>Basis of apportionment</b> | <b>Support<br/>£</b> | <b>Governance<br/>£</b> | <b>Total 2021<br/>£</b> |
| Staff costs                      | Salary costs                  | 57,701               | 5,443                   | 63,144                  |
| Premises                         | Salary costs                  | (9,126)              | -                       | (9,126)                 |
| Administration                   | Salary costs                  | 17,626               | -                       | 17,626                  |
| Depreciation                     | Salary costs                  | 4,840                | -                       | 4,840                   |
| Accountancy fees                 | Salary costs                  | -                    | 1,700                   | 1,700                   |
| Audit fees                       | Salary costs                  | -                    | 4,000                   | 4,000                   |
|                                  |                               | <hr/>                | <hr/>                   | <hr/>                   |
|                                  |                               | 71,041               | 11,143                  | 82,184                  |
|                                  |                               | <hr/>                | <hr/>                   | <hr/>                   |

## EMERGE 3Rs

### Notes to the accounts for the year ended 31 March 2022 (continued)

#### 9 Net income / (expenditure) for the year

|                                            |             |             |
|--------------------------------------------|-------------|-------------|
| This is stated after charging/(crediting): | 2022<br>£   | 2021<br>£   |
| Depreciation                               | 45,774      | 20,358      |
| Interest payable                           | 2,789       | 2,080       |
| Auditor's remuneration - audit fees        | 3,000       | 4,000       |
| Auditor's remuneration - accountancy fees  | 1,800       | 1,700       |
|                                            | <hr/> <hr/> | <hr/> <hr/> |

#### 10 Staff costs

Staff costs during the year were as follows:

|                              |             |             |
|------------------------------|-------------|-------------|
|                              | 2022<br>£   | 2021<br>£   |
| Wages and salaries           | 559,542     | 519,768     |
| Social security costs        | 47,157      | 32,272      |
| Pension costs                | 13,442      | 10,953      |
|                              | <hr/>       | <hr/>       |
|                              | 620,141     | 562,993     |
|                              | <hr/> <hr/> | <hr/> <hr/> |
| <b>Allocated as follows:</b> |             |             |
| Cost of raising funds        | 12,594      | 8,523       |
| Charitable activities        | 518,205     | 491,326     |
| Support costs                | 82,450      | 57,701      |
| Governance costs             | 6,892       | 5,443       |
|                              | <hr/>       | <hr/>       |
|                              | 620,141     | 562,993     |
|                              | <hr/> <hr/> | <hr/> <hr/> |

No employees has employee benefits in excess of £60,000 (2021: Nil).

The average number of staff employed during the period was 33 (2021: 23).

The average full time equivalent number of staff employed during the period was 24.29 (2021: 19.2).

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 £169,322 (2021: £138,017).

#### 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 (2021: Nil).

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

Project Energy Ltd., of which Andrew Chicken is a director, received £3,953 (£3,294 net of VAT) for consultancy services (2021: £2,000) and Robin Barnett (T/A What's going on?), received £1,462 for consultancy services (2021: £2,500), on normal commercial terms.

Brigit Egan, Andrew Chicken and Shirley Jones are Trustees of EMERGE 3Rs and also Non-Executive Directors of EMERGE Recycling Limited (our fellow Community Benefit Society). Jayrissa Thompson and Lucy Danger are both Executive Directors of EMERGE Recycling whilst being also Key Management Personnel/employees of EMERGE 3Rs. EMERGE Recycling trades with Emerge 3Rs. During the year Emerge 3Rs paid £34,956 for services received from Emerge Recycling, and received £115,344 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 (2021: nil).

## Notes to the accounts for the year ended 31 March 2022 (continued)

**12 Government grants**

The government grants recognised in the accounts were as follows:

|                                                    | 2022<br>£     | 2021<br>£      |
|----------------------------------------------------|---------------|----------------|
| FareShare UK - The National Lottery Community Fund | -             | 49,000         |
| Manchester City Council                            | 31,225        | 24,980         |
| Big Lottery Community fund                         | -             | 40,000         |
|                                                    | <u>31,225</u> | <u>113,980</u> |

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

**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**

| <b>Cost</b>           | <b>Buildings<br/>£</b> | <b>Vehicles<br/>£</b> | <b>Office<br/>equipment<br/>£</b> | <b>Other<br/>equipment<br/>£</b> | <b>Total<br/>£</b> |
|-----------------------|------------------------|-----------------------|-----------------------------------|----------------------------------|--------------------|
| At 1 April 2021       | 592,801                | 176,525               | 34,174                            | 32,471                           | 835,971            |
| Additions             | 347,526                | 19,000                | 4,542                             | 232,366                          | 603,434            |
| Disposals             | -                      | -                     | -                                 | (5,871)                          | (5,871)            |
|                       | <u>940,327</u>         | <u>195,525</u>        | <u>38,716</u>                     | <u>258,966</u>                   | <u>1,433,534</u>   |
| At 31 March 2022      | 940,327                | 195,525               | 38,716                            | 258,966                          | 1,433,534          |
| <b>Depreciation</b>   |                        |                       |                                   |                                  |                    |
| At 1 April 2021       | -                      | 76,932                | 30,664                            | 22,441                           | 130,037            |
| Charge for the year   | 7,836                  | 29,190                | 1,068                             | 7,680                            | 45,774             |
| Disposals             | -                      | -                     | -                                 | (1,639)                          | (1,639)            |
|                       | <u>7,836</u>           | <u>106,122</u>        | <u>31,732</u>                     | <u>28,482</u>                    | <u>174,172</u>     |
| At 31 March 2022      | 7,836                  | 106,122               | 31,732                            | 28,482                           | 174,172            |
| <b>Net book value</b> |                        |                       |                                   |                                  |                    |
| At 31 March 2022      | 932,491                | 89,403                | 6,984                             | 230,484                          | 1,259,362          |
| At 31 March 2021      | 592,801                | 99,593                | 3,510                             | 10,030                           | 705,934            |

## EMERGE 3Rs

## Notes to the accounts for the year ended 31 March 2022 (continued)

**15 Debtors**

|                                | 2022<br>£   | 2021<br>£   |
|--------------------------------|-------------|-------------|
| Trade debtors                  | 50,544      | 91,522      |
| Other debtors                  | 30,485      | 95,466      |
| Prepayments and accrued income | 11,011      | 5,681       |
|                                | <hr/>       | <hr/>       |
|                                | 92,040      | 192,669     |
|                                | <hr/> <hr/> | <hr/> <hr/> |

**16 Cash at bank and in hand**

|                          | 2022<br>£   | 2021<br>£   |
|--------------------------|-------------|-------------|
| Cash at bank and on hand | 249,002     | 390,635     |
|                          | <hr/>       | <hr/>       |
|                          | 249,002     | 390,635     |
|                          | <hr/> <hr/> | <hr/> <hr/> |

**17 Creditors: amounts falling due within one year**

|                                    | 2022<br>£   | 2021<br>£   |
|------------------------------------|-------------|-------------|
| Trade creditors                    | 88,626      | 138,036     |
| Other creditors and accruals       | 26,935      | 35,508      |
| Taxation and social security costs | 12,163      | 11,549      |
| Hire purchase liabilities          | 7,993       | 10,052      |
|                                    | <hr/>       | <hr/>       |
|                                    | 135,717     | 195,145     |
|                                    | <hr/> <hr/> | <hr/> <hr/> |

**18 Creditors: amounts falling after more than one year**

|                           | 2022<br>£   | 2021<br>£   |
|---------------------------|-------------|-------------|
| Hire purchase liabilities | 14,219      | 3,141       |
|                           | <hr/>       | <hr/>       |
|                           | 14,219      | 3,141       |
|                           | <hr/> <hr/> | <hr/> <hr/> |

## Notes to the accounts for the year ended 31 March 2022 (continued)

**19 Analysis of movements in restricted funds****Current reporting period**

|                                                               | Balance at 1<br>April 2021<br>£ | Income<br>£    | Expenditure<br>£ | Transfers<br>£   | Balance at<br>31 March<br>2022<br>£ |
|---------------------------------------------------------------|---------------------------------|----------------|------------------|------------------|-------------------------------------|
| <b>FareShare GM</b>                                           |                                 |                |                  |                  |                                     |
| FareShare UK:                                                 |                                 |                |                  |                  |                                     |
| National Lottery Community Fund                               | 10,855                          | 12,000         | (22,855)         | -                | -                                   |
| UK Transition fund                                            | 10,000                          | -              | (10,000)         | -                | -                                   |
| VAN & Driver                                                  | 4,985                           | -              | (4,985)          | -                | -                                   |
| National Lottery Community Fund<br>(Volunteer Fund)           | 2,482                           | 984            | (3,466)          | -                | -                                   |
| Greater Manchester Mayor's Charity                            | 11,087                          | -              | (11,087)         | -                | -                                   |
| Recharge: Food Acquisition Worker                             | 4,559                           | -              | (4,559)          | -                | -                                   |
| MCC – Our Manchester Voluntary and<br>Community Sector Grants | -                               | 19,980         | (19,980)         | -                | -                                   |
| WRAP – Small Scale Food Waste<br>Prevention Fund              | -                               | 13,069         | (10,469)         | (2,600)          | -                                   |
| Young Manchester Covid Recovery<br>Grant                      | -                               | 19,555         | (18,755)         | -                | 800                                 |
| Manchester Green Economy<br>Employment Partnership            | -                               | 1,500          | (1,500)          | -                | -                                   |
|                                                               | <b>43,968</b>                   | <b>67,088</b>  | <b>(107,656)</b> | <b>(2,600)</b>   | <b>800</b>                          |
| <b>Building fund</b>                                          |                                 |                |                  |                  |                                     |
| FareShare UK IT infrastructure                                | 6,297                           | -              | (3,981)          | (2,316)          | -                                   |
| FareShare UK                                                  | -                               | 300,000        | -                | (300,000)        | -                                   |
|                                                               | <b>6,297</b>                    | <b>300,000</b> | <b>(3,981)</b>   | <b>(302,316)</b> | <b>-</b>                            |
| <b>Core and Give &amp; Gain</b>                               |                                 |                |                  |                  |                                     |
| ESF Community Grant                                           | 4,435                           | -              | (4,435)          | -                | -                                   |
| Charities Aid Foundation                                      | -                               | 164,841        | (4,733)          | -                | 160,108                             |
| TFGM - Cycle Store                                            | -                               | 5,000          | -                | (5,000)          | -                                   |
| Resource Efficiency Grant (Heat<br>Recovery)                  | -                               | 4,998          | (4,998)          | -                | -                                   |
| MCC-NIF Grant                                                 | -                               | 2,000          | -                | (2,000)          | -                                   |
|                                                               | <b>4,435</b>                    | <b>176,839</b> | <b>(14,166)</b>  | <b>(7,000)</b>   | <b>160,108</b>                      |
| <b>Total</b>                                                  | <b>54,700</b>                   | <b>543,927</b> | <b>(125,803)</b> | <b>(311,916)</b> | <b>160,908</b>                      |

# EMERGE 3Rs

Notes to the accounts for the year ended 31 March 2022 (continued)

## 19 Analysis of movements in restricted funds (Cont.)

| <b>Previous reporting period</b>             | <b>Balance at 1<br/>April 2020<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Transfers<br/>£</b> | <b>Balance at<br/>31 March<br/>2021<br/>£</b> |
|----------------------------------------------|------------------------------------------|---------------------|--------------------------|------------------------|-----------------------------------------------|
| <b>FareShare GM</b>                          |                                          |                     |                          |                        |                                               |
| Derwent Capital account (AGF)                | -                                        | 32,300              | (32,300)                 | -                      | -                                             |
| <b>FareShare UK:</b>                         |                                          |                     |                          |                        |                                               |
| 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)                 | -                      | -                                             |
|                                              | <b>20,073</b>                            | <b>314,950</b>      | <b>(242,030)</b>         | <b>(49,025)</b>        | <b>43,968</b>                                 |
| <b>Building fund</b>                         |                                          |                     |                          |                        |                                               |
| 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                                         |
|                                              | <b>-</b>                                 | <b>481,419</b>      | <b>(1,203)</b>           | <b>(473,919)</b>       | <b>6,297</b>                                  |
| <b>Core and Give &amp; Gain</b>              |                                          |                     |                          |                        |                                               |
| ESF Community Grant                          | -                                        | 4,435               | -                        | -                      | 4,435                                         |
|                                              | <b>-</b>                                 | <b>4,435</b>        | <b>-</b>                 | <b>-</b>               | <b>4,435</b>                                  |
| <b>Total</b>                                 | <b>20,073</b>                            | <b>800,804</b>      | <b>(243,233)</b>         | <b>(522,944)</b>       | <b>54,700</b>                                 |

| <b>Name of<br/>restricted fund</b> | <b>Description, nature and purposes of the fund</b>                                      |
|------------------------------------|------------------------------------------------------------------------------------------|
| FareShare GM                       | to support the operation of FareShare                                                    |
| Building Fund                      | funding for the refurbishment of Maynard House                                           |
| Core and Give & Gain               | funding to support our "Give and Gain" Volunteering and Employability Training Programme |

### Transfers

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

# EMERGE 3Rs

Notes to the accounts for the year ended 31 March 2022 (continued)

## 20 Analysis of movement in unrestricted funds

| <b>Current reporting period</b>  | Balance at 1<br>April 2021<br>£ | Income<br>£ | Expenditure<br>£ | Transfers<br>£ | As at 31<br>March 2022<br>£ |
|----------------------------------|---------------------------------|-------------|------------------|----------------|-----------------------------|
| General fund                     | 256,169                         | 965,950     | (1,048,558)      | (34,906)       | 138,655                     |
| Designated funds:                |                                 |             |                  |                | -                           |
| Building fund                    | 74,149                          | 24,000      | -                | 1,052,756      | 1,150,905                   |
| Fixed assets reserve             | 705,934                         | -           | -                | (705,934)      | -                           |
|                                  | <hr/>                           | <hr/>       | <hr/>            | <hr/>          | <hr/>                       |
|                                  | 1,036,252                       | 989,950     | (1,048,558)      | 311,916        | 1,289,560                   |
|                                  | <hr/>                           | <hr/>       | <hr/>            | <hr/>          | <hr/>                       |
| <b>Previous reporting period</b> | Balance at<br>1 April 2020<br>£ | Income<br>£ | Expenditure<br>£ | Transfers<br>£ | As at 31<br>March 2021<br>£ |
| General fund                     | 47,356                          | 1,042,361   | (754,649)        | (78,899)       | 256,169                     |
| Designated funds:                |                                 |             |                  |                |                             |
| Building fund                    | -                               | 178,240     | -                | (104,091)      | 74,149                      |
| Fixed assets reserve             | -                               | -           | -                | 705,934        | 705,934                     |
|                                  | <hr/>                           | <hr/>       | <hr/>            | <hr/>          | <hr/>                       |
|                                  | 47,356                          | 1,220,601   | (754,649)        | 522,944        | 1,036,252                   |
|                                  | <hr/>                           | <hr/>       | <hr/>            | <hr/>          | <hr/>                       |

### Name of unrestricted fund

### Description, nature and purposes of the fund

General fund

The free reserves after allowing for all designated funds

Building fund

Funds set aside for the net book value of Maynard House (this includes the refurbishment of the building and other longer life equipment).

Fixed assets reserve

The net book value of the fixed assets, as these funds are not freely available for the charity's operations.

## Notes to the accounts for the year ended 31 March 2022 (continued)

**21 Analysis of net assets between funds**

| <b>Current reporting period</b>  | <b>General<br/>fund<br/>£</b> | <b>Designated<br/>funds<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------------|-------------------------------|-----------------------------------|-----------------------------------|--------------------|
| Tangible fixed assets            | 108,457                       | 1,150,905                         | -                                 | 1,259,362          |
| Net current assets/(liabilities) | 44,417                        | -                                 | 160,908                           | 205,325            |
| Creditors of more than one year  | (14,219)                      | -                                 | -                                 | (14,219)           |
| <b>Total</b>                     | <b>138,655</b>                | <b>1,150,905</b>                  | <b>160,908</b>                    | <b>1,450,468</b>   |
| <b>Previous reporting period</b> | <b>General<br/>fund<br/>£</b> | <b>Designated<br/>funds<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>Total<br/>£</b> |
| Tangible fixed assets            | -                             | 705,934                           | -                                 | 705,934            |
| Net current assets/(liabilities) | 259,310                       | 74,149                            | 54,700                            | 388,159            |
| Creditors of more than one year  | (3,141)                       | -                                 | -                                 | (3,141)            |
| <b>Total</b>                     | <b>256,169</b>                | <b>780,083</b>                    | <b>54,700</b>                     | <b>1,090,952</b>   |

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

|                                                              | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
|--------------------------------------------------------------|-------------------|-------------------|
| <b>Net income / (expenditure) for the year</b>               | <b>359,516</b>    | <b>1,023,523</b>  |
| <b>Adjustments for:</b>                                      |                   |                   |
| Depreciation charge                                          | 45,774            | 20,358            |
| Decrease/(increase) in debtors                               | 100,629           | (134,624)         |
| Increase/(decrease) in creditors                             | (57,369)          | 130,842           |
| <b>Net cash provided by / (used in) operating activities</b> | <b>448,550</b>    | <b>1,040,099</b>  |

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

|                                                                                  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total funds<br>2021<br>£ | Total funds<br>2020<br>£ |
|----------------------------------------------------------------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| <b>Income from:</b>                                                              |                            |                          |                          |                          |
| Donations and legacies                                                           | 296,467                    | -                        | 296,467                  | 134,496                  |
| Charitable activities:                                                           |                            |                          |                          |                          |
| FareShare GM                                                                     | 591,981                    | 796,369                  | 1,388,350                | 414,763                  |
| Building fund                                                                    | 178,240                    | -                        | 178,240                  | -                        |
| Core and Give & Gain                                                             | -                          | 4,435                    | 4,435                    | -                        |
| Touch Wood                                                                       | 83,812                     | -                        | 83,812                   | 54,643                   |
| Other trading activities                                                         | 2,532                      | -                        | 2,532                    | 7,208                    |
| Costs Recharged to Emerge<br>Recycling                                           | 67,569                     | -                        | 67,569                   | 77,073                   |
| <b>Total income</b>                                                              | <b>1,220,601</b>           | <b>800,804</b>           | <b>2,021,405</b>         | <b>688,183</b>           |
| <b>Expenditure on:</b>                                                           |                            |                          |                          |                          |
| Raising funds                                                                    | 9,971                      | -                        | 9,971                    | 3,384                    |
| Charitable activities:                                                           |                            |                          |                          |                          |
| FareShare GM                                                                     | 489,706                    | 243,233                  | 732,939                  | 520,443                  |
| Core and Give & Gain                                                             | 101,347                    | -                        | 101,347                  | 38,966                   |
| Touch Wood                                                                       | 86,056                     | -                        | 86,056                   | 71,766                   |
| Costs Recharged to Emerge<br>Recycling                                           | 67,569                     | -                        | 67,569                   | 77,073                   |
| <b>Total expenditure</b>                                                         | <b>754,649</b>             | <b>243,233</b>           | <b>997,882</b>           | <b>711,632</b>           |
| <b>Net income / (expenditure) before<br/>net gains / (losses) on investments</b> | <b>465,952</b>             | <b>557,571</b>           | <b>1,023,523</b>         | <b>(23,449)</b>          |
| <b>Net income / (expenditure) for the<br/>year</b>                               | <b>465,952</b>             | <b>557,571</b>           | <b>1,023,523</b>         | <b>(23,449)</b>          |
| Transfer between funds                                                           | 522,944                    | (522,944)                | -                        | -                        |
| <b>Net movement in funds for the year</b>                                        | <b>988,896</b>             | <b>34,627</b>            | <b>1,023,523</b>         | <b>(23,449)</b>          |
| <b>Reconciliation of funds</b>                                                   |                            |                          |                          |                          |
| Total funds brought forward                                                      | 47,356                     | 20,073                   | 67,429                   | 90,878                   |
| <b>Total funds carried forward</b>                                               | <b>1,036,252</b>           | <b>54,700</b>            | <b>1,090,952</b>         | <b>67,429</b>            |