



Company number: 7101349

Charity number: 1134423

FoodCycle

Report and financial statements

For the year ended 31 December 2020



Reference and administrative information	1
Trustees' annual report	2
Audit report	16
Statement of financial activities (incorporating an income and expenditure account)	20
Balance sheet	21
Statement of cash flow	22
Notes to the financial statements	23



Company number	7101349	
Charity number	1134423	
Registered office and operational address	2.16 The Food Exchange New Covent Garden Market London SW8 5EL	
Country of registration	England & Wales	
Country of incorporation	United Kingdom	
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:	
	Mr. Stephen John Catling	(Chair)
	Mr. David John Mcbean West	(appointed trustee & Treasurer 3 rd April 2020)
	Ms. Philippa Jane Garland	
	Mr. Mark Anthony Game	
	Ms. Lindsay Levkoff Lynn	(resigned 18 th September 2020)
	Mr. Steven Lock	
Company secretary	Mrs Nicola Jane Coulson	(resigned 10 th December 2020)
	Ms. Mary McGrath	(acting Company Secretary)
Key management personnel	Ms. Mary McGrath	Chief Executive
	Ms. Sophia Tebbetts	Head of Programmes
	Ms. Victoria Meier	Head of Fundraising
	Ms. Carly Shutes	Head of Marketing
Bankers	NatWest Bank, 403 Bethnal Green Road, London, E2 0AF	
Auditor	Sayer Vincent LLP Invicta House 108-114 Golden Lane LONDON EC1Y 0TL	

The trustees present their report and financial statements for the year ended 31 December 2020.

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

Objectives and activities

Purposes and aims

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum and Articles of Association dated 2 December 2009.

The objects of the charity as set out in our governing document are:

1. The relief of poverty and the preservation and promotion of good nutrition, good health and social improvement among people who are suffering from social, economic or emotional distress.
2. The advancement of the education of the public in reclamation of waste food and preparing healthy food.
3. The promotion and enhancement of human health through providing information and advice in relation to healthy eating and nutrition.
4. The conservation, protection and improvement of the environment for the public benefit by the promotion of reduction of food waste and the use of surplus food.
5. Such other objects, as shall be exclusively charitable by the law of England and Wales, as the trustees shall decide.

Vision: A society where no one is hungry or lonely

Mission: To nourish communities using surplus food

Aims:

- **Strengthen communities**, by bringing people together around a healthy meal and creating opportunities to talk, exchange and build lasting relationships.
- **Encourage friendships**, by creating spaces for people from all backgrounds and walks of life to have fun together, to share experiences and to meet new people.
- **Improve nutrition and reduce hunger**, by cooking healthy meals for those in need and sharing essential information on food and nutrition.
- **Change attitudes to food to reduce food waste**, by using surplus food and spreading our passion for food and the environment.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting year. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to



help. The review also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance 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.

Achievements and performance 2020 – delivering public benefit

During the year we ran four different services to ensure we served our guests through the provision of nourishing meals and combating loneliness. Three of these services were developed during the Covid pandemic as a response to the pandemic and the various stages of lockdown. **In total we provided 775,644 meals and spent 1.2 million minutes talking to people.**

FoodCycle Projects – pre Covid

FoodCycle Projects are located across England. They are volunteer-powered community Projects serving vegetarian nutritious meals for people at risk of food poverty and social isolation. At each Project, volunteers are trained, supported and empowered to collect surplus food, cook it in community kitchens, and serve it to vulnerable adults and children.

Working with community partners, our Projects welcome vulnerable people into a warm and welcoming environment. We work with groups including older people, mental health service users, people affected by homelessness, low-income families, asylum seekers and refugees, and people who are long-term unemployed.

FoodCycle HQ provides essential support throughout the year, including:

- the recruitment, induction and training of Project Leaders
- liaising with suppliers to secure surplus food
- managing a database of volunteers
- liaising with venues regarding timings/storage/outreach to vulnerable people
- supporting Projects with monitoring and evaluation to demonstrate how essential we are to communities
- providing marketing and communication to support the success of each Project with guest outreach, volunteer recruitment, securing surplus food and celebrating achievement.

At the start of 2020 we were in 42 locations across England and 17,000 people ate with us between 1st January and 23rd March. We had developed a pipeline of five new project openings for the first half of the year, with teams trained and ready to start in Felling (Gateshead) and Chelmsford, Essex. Sadly these new openings had to be put on hold as Covid struck.



COVID-19

FoodCycle recognised we had to act fast last March 2020 when lockdown first occurred. Our organisation has been very agile and pivoted to ensure our beneficiaries still received our services in some way in 2020. During the year we launched three new services to compensate for the lack of community meals and ensure we fulfilled our aims of providing wholesome, nutritious food and good conversation to combat loneliness using surplus food.

FoodCycle Delivers

Once the impact of COVID-19 became clear and our projects were paused, we decided to shift our model of support to food parcel deliveries, primarily to ensure our guests - who are generally very vulnerable anyway - maintained access to food. It was also clear from the beginning that people who may have until now been quite secure, may suddenly be plunged into food insecurity and even poverty due to the impact of COVID-19. Supermarket stock outs, becoming infected with COVID-19, being told to shield, being put on furlough or made redundant at short notice have all taken their toll. Indeed, the Food Foundation reports 5m people now live in a food insecure household and there has been an increase of 50% of food insecure households with children living in them, due to COVID-19.

To launch our new delivery service we: developed new roles, policies and procedures for our volunteers; integrated a delivery service app into our work (to ensure delivery routes were efficient and that vulnerable people's addresses were instantly deleted from volunteers' phones); arranged surplus food collection with suppliers; created a referral system and spoke to other local charities and councils to work collaboratively to ensure efficiency and sustainability of the new service and to identify vulnerable people who could be referred to us. We developed our IT to ensure guest data was stored securely, and some of our staff changed roles to handle hundreds of calls every week from people needing our help. We also invested heavily in PPE, plastic bags, text messaging and travel expenses associated with delivery to ensure the successful running of this service.

As FoodCycle pivoted quickly at the start of lockdown, and as we'd made the assumption that COVID-19 would be over in a matter of months, we developed different delivery models depending on what resources we had available in each location.

- Birmingham – we set up two warehouses to manage and store food. The warehouses were based in Longbridge and Falcon Lodge, operating five days per week, with surplus food coming in, being checked, stored appropriately and being bagged, so that we could deliver to large parts of the city from these two sites.
- Newcastle – we worked in partnership with FareShare and the council, where our volunteers went to FareShare premises to bag food and, using our referral system, we were able to direct council workers who were on furlough to deliver the food. This was a city-wide initiative.
- Rest of the country – we operated where possible out of the venue space where community meals normally took place. Some of our normal venues were unable to open though as their staff were on furlough and there was no-one to open buildings. Encouraging venues such as community centres and church halls to open their doors to us proved to be one of the greatest challenges we encountered during lockdown.



Operating across 27 locations, our volunteers made 62,076 food parcel deliveries to vulnerable households across England in 2020, supporting 161,400 people. Each food parcel was packed full of fruit and vegetables and our guests told us a parcel would last them, on average, three days.

We recently surveyed people who received food parcel deliveries to understand the impact of our support since the COVID-19 crisis began:

- 83% ate more fruit and vegetables thanks to our deliveries
- 92% said that the deliveries helped them during the pandemic
- 62% said they relied on FoodCycle as they could not afford to buy food
- The delivery service received a 4/5 rating

"I just wanted to say thank you so much. Someone put me in touch with you guys because they knew our personal circumstances and that we were struggling. You guys lifted our spirits yesterday with that lovely food parcel, thank you for all your hard work guys. You really are making such a difference to people x" – Food Parcel Recipient in Birmingham

"I just got a food parcel delivery & I feel so cared for! I almost cried. I don't meet any of the government official 'vulnerable' list even though I have fairly high support needs & felt very left out so I'm very glad to be noticed & cared for" – Food Parcel Recipient in Cambridge

Ultimately, whilst we were incredibly pleased to have been able to operate in this way to continue benefiting vulnerable people during this year, it reinforced our commitment to FoodCycle's modus operandi as a provider of community meals. These deliver additional benefits for guests over and above a food parcel in providing a nutritionally-balanced cooked meal as well as the opportunity for social interaction which benefits both mental well-being and feeling part of a community.

Check-in and Chat – keeping people connected during COVID-19

Our meals provide guests with a chance to connect with their community, boost their confidence and self-esteem through conversations with others, meet people from different backgrounds and make new friends. All of this ultimately tackles the issue of isolation and loneliness. Sadly, COVID-19-related measures have exacerbated an already growing loneliness epidemic in the UK. A recent study by the Office for National Statistics revealed that 30% of adults in England reported feeling lonely in the last five days. Whilst community meals as a tool for bringing people together are not possible, it was essential we did all we could to reduce the loneliness that many of the people we were supporting were feeling.

To tackle this, we introduced a new over-the-phone befriending service called Check-in and Chat. We have trained hundreds of volunteers to have conversations with our food parcel recipients, discussing what they'd cooked with their ingredients and touching on nutrition, as well as how to handle difficult calls with people who may be struggling. We further developed our IT systems to log calls safely and raise safeguarding concerns should any arise from these calls.



Since May 2020, our volunteers have been calling food parcel recipients to have a friendly chat. Many of our recipients have been shielding or self-isolating, unable to see or speak to others, so a call from our volunteers has been most welcome. **We made 8,774 calls to vulnerable people in 2020, and spent 1,242,720 minutes talking to relieve loneliness.** This service has been so well received by our guests that we intend to continue after the crisis.

Cook and Collect

In August, when restrictions were initially lifted, but community dining was still deemed unsafe, we transitioned to a hybrid service called Cook and Collect, whereby our volunteers returned to the kitchen to start cooking again. This service requires guests to return to venues to collect take-away hot meals and a bag of essential food items for the week.

For many people who attended our meals before COVID-19 hit, our meals represented a chance to enjoy a special meal packed full of nutritious, tasty ingredients that they may have struggled to make on their own as many of our usual guests lack access to a well-equipped kitchen or worry about the cost of using fuel for cooking. Thus, a return to providing them with this meal has provided that special moment in the week for people who have had too few since the crisis began.

In order to set up Cook and Collect, we liaised with venues to allow us access, risk assessed kitchens for socially distanced cooking and cleaning, reduced the number of volunteer slots on offer to ensure social distancing, provided policies, procedures and training to volunteers about this new way of working, taking into consideration how to give hot take-away food safely and managing guests in a queue. Initially to facilitate track and trace we started to collect guest data in the queue – such as first name, mobile phone number and number of people in the household.

We then identified that some people joining the queue would really welcome a call during the week – hence our Check-in and Chat service expanded to include those who signed up. By collecting this data we have also been quick to communicate with our guests to all the changes that have taken place – such as tiered lockdowns and full national lockdowns. Each time we have been able to reassure our guests, through phone calls and text messaging, that our services are continuing and that we look forward to seeing them in the queue. This communication has been essential when so many services within communities have stopped, and there has been so much uncertainty over rules.

We have also invested considerably in the Cook-and-Collect service, with PPE, take-away boxes, plastic bags, cones and street markings. We were also concerned that guests would have to queue outside in wet conditions, so where space allows we have invested in gazebos.

Cook and Collect has now been up and running since August, is now operating at 24 locations, and we have distributed 74,073 hot dishes*(WRAP equivalent meal portions).

Reducing Food Waste

Our volunteers continued to reclaim surplus food throughout the year - either through cycling around their cities to secure as much surplus as possible or through collection on foot or by car. **During 2020 our**



volunteers made 1,445 surplus food collections rescuing 359 tonnes of food for either FoodCycle Community Meals, FoodCycle Delivers or Cook and Collect. This volume of food is the equivalent of 775,644 meals using WRAP figures.

In London we work with City Harvest and Felix Project who deliver food to our Projects there. This frees up volunteer time to focus on providing the best possible meals and community setting for our guests.

Safeguarding and keeping everyone in the organisation safe

As a values-led organisation, we are committed to keeping our staff, volunteers and guests (beneficiaries) protected from harm, and provide training and briefings at each Project to ensure volunteers know what to do in the event of an incident. We have comprehensive insurance in place to cover all our activities.

During the year we continued to train our trustees, staff and volunteers in safeguarding policies and procedures. All new members of staff and Project Leaders are DBS checked, ensuring they are legally and suitably able to act in their positions.

Volunteer achievements

FoodCycle volunteers are the lifeblood of the organisation. During 2020 they rose to the challenge of helping us deliver three brand new services. Each new service required different training and skill sets to our normal community dining model. These new roles included;

- **Bagging volunteer** – our volunteers bagged 124,000 bags of surplus food ensuring each bag included a mix of food and some other essentials
- **Driving volunteer** – our volunteers learnt how to use the Circuit app, drove 27,395 miles and overcame all the difficulties associated with delivery (such as doorbells not working, people not being in etc)
- **Check-in and Chat volunteer** – volunteers learnt how to log onto our system to receive their allocation of calling four guests per week to talk about nutrition and best use of food. They logged all calls and our training equipped them to deal with difficult calls and knowing how to raise the alarm should a recipient be in need of help (such as personal circumstances causing additional challenges during lockdown)
- **Warehouse volunteer** – rotating and managing stock in FoodCycle's Longbridge food storage space to ensure freshness of supply

Other roles, such as surplus food co-ordinator, cooking volunteer and hosting volunteer were adapted to suit either the Delivery Service or Cook and Collect.

During the year we ensured all Project Leaders (those who take on leadership roles) were registered on our new food and hospitality training system – Hospitality Flow – which ensured volunteers received additional training in Covid safe procedures, food safety and allergens.



FoodCycle Regional Managers adapted their roles too to deliver training remotely or in very small groups so that Project Leaders and other volunteers were fully aware of our policies and procedures. This was especially important as we transitioned into different services throughout the year.

Volunteers dedicated 38,600 hours to FoodCycle 2020. At living wage this equates to a £366,600 contribution to FoodCycle.

Support of volunteers

FoodCycle has a tiered system of volunteers – Project Leaders and those who do not want to be leaders but sign up for specific roles such as cooking volunteer or hosting volunteer. When returning to the kitchen for Cook and Collect, and as we hope to transition back to community dining, we will have up to eight Project Leaders managing their Projects locally with support and assistance from FoodCycle paid staff, including Regional Managers, Marketing Manager and Training and Recruitment Manager.

Project Leaders work as a team and there is at least one present at each cooking and hosting session to help manage the service.

We train Project Leaders in Food Safety Level 2, our safeguarding policies and procedures, conflict management, running the cooking and hosting sessions, giving new volunteers an induction and First Aid.

Ad hoc and regular volunteers sign up for a shift on our website and volunteer to collect surplus food, cook the meal or to act as hosts for the guests. These volunteers are trained when they register and in-situ at each Project in how to make a meal from surplus and cooking for large numbers.

Food safety

We continued to have all the kitchens we use (either hired or with partnership organisations) registered with the EHO for inspection. Project Leaders are trained to use our Kitchen Handbook to ensure food is safely prepared and that guests are aware of any allergens that may have been used in food preparation. During the year no kitchens were inspected by EHO.

Participating in Xcess

FoodCycle joined a new collaborative organisation formed in 2020 working in the surplus food space. The aim of Xcess is to share surplus food amongst re-distribution charities and to work with the food industry to make its food surpluses more widely available. The current group includes The Bread and Butter Thing, City Harvest, His Church, Egg Cup, Blackpool Food Bank, Harvest UK, Open Kitchen and the FoodWorks.

Financial review

Income received for the year totaled £1,600,036 of which £1,568,763 was received as grants and donations (including gifts in kind) from supporters and funders and £25,708 was generated from Project and other fundraising events and use of the FoodCycle logo by corporates.



No grants have been deferred to the financial year 2021. Further forward commitments from a range of funders totaled £425,000 at 31st December for the financial year 2021.

Principal risks and uncertainties

The trustees have ultimate responsibility for risk management and FoodCycle's internal control systems. They are satisfied that appropriate systems and processes are in place to identify key risks and mitigate against them. For example: the senior leadership team reviews organisational risks and ensures that internal control measures are in place and are adequate.

The team regularly considers new and emerging risks, reviews internal reports, and assesses progress against mitigating actions. The senior leadership team ensures that risk management processes are embedded across the organisation through the effective implementation of relevant policies and procedures. The trustees review the strategic risks and the internal control measures. They regularly monitor performance against objectives although this was difficult in 2020 as our normal service was disrupted for nine months of the year. Hence, we moved to quarterly objectives which were reviewed with the move to dashboards set up especially for Covid.

We have policies and procedures for raising complaints and concerns.

The trustees are responsible for ensuring that an effective system of internal financial control is maintained and operated by the charity. The system of internal financial control is based on a framework of regular management information, administrative procedures and a system of delegation and accountability. In particular it includes:

- A comprehensive budgeting system, with a strategic plan and an annual budget, which is reviewed and agreed by the trustees at the October Board meeting.
- Regular reviews by the trustees of quarterly and annual financial reports, which indicate financial performance against approved budget and forecast;
- Procedures for monitoring progress against the strategic plan. As part of the monitoring process, the trustees have implemented a risk management strategy, which comprises:
 - Regular review by management and an annual review by the Board of the risks which the Charity may face and actions taken to mitigate identified risks
 - The establishment of systems and procedures to mitigate these risks identified; and
 - The implementation of procedures designed to minimise any potential impact to the charity should any of those risks materialise.

Our principal risks are:

- COVID-19 continuing for long into 2021 thereby impacting on our ability to re-open in locations where we previously had a community meal. We are seeking alternative venues in areas where this may occur.
- COVID-19 adversely affecting funding as corporates have less income available for charity support and trusts and foundations receive lower income from their investments to distribute to charities. We will expand our fundraising team and widen our income streams.

- Quality and effectiveness of our work relies on the continued motivation, support and commitment of our staff and volunteers. We continue to attract large numbers of high calibre volunteers with our excellent marketing and comprehensive volunteer training.
- Venue partners having been closed for over a year struggling to re-open due to staff changes and/or lack of funding. We will seek alternative venues in similar areas.
- External events such as Brexit impacting on food supply, or coronavirus affecting an area where we have to close services. We have plans for pausing if necessary and have been working hard by participating in Xcess to find alternative supplies of surplus food.

Reserves policy and going concern

The amount of the total funds the charity held at the end of December 31st 2020 was £1,099,094, which included restricted funds of £279,925. The Board of trustees has agreed to designate £450,000 over three years towards FoodCycle's expansion across the country. This will fund new positions such as

- Research Officer – to determine locations for expansion
- Development Managers – to network and start new Projects in new locations
- Additional Regional Managers/Area managers – to support and manage Projects in new locations
- Fundraising – to expand the team to increase fundraising to support growth plans
- Finance – to efficiently keep track of income and spending associated with expansion

As and when funding becomes available for some of these positions then the designated fund will be set aside for future expansion/future positions that may be required.

The amount of free reserves at the end of the reporting year after making allowances for any restricted funds and designations is £361,352.

Our reserves policy is set to ensure that our work is protected from the risk of disruption at short notice due to a lack of funds, whilst at the same time ensuring that we do not retain income for longer than required. The trustees have determined that the charity needs free reserves for the following purposes:

- To protect against unforeseen income fluctuations.
- To provide working capital for the effective running of the organisation and manage fluctuations in expenditure levels.

The trustees further determined that FoodCycle should be holding enough cash, at its financial year end on 31 December, to cover unbudgeted fluctuations in income and/or expenditure, equivalent to six months of resources to be expended from unrestricted funds at budgeted activity levels. This would equate to £589,848. We currently have £361,352, equivalent to 3.75 months of cash reserves, but with the assurance of significant unrestricted future forward commitments for January 2021 from a major donor and Just Eat, which will restore our reserves to agreed levels. Hence FoodCycle has no material uncertainty for 2021 having had a successful 2020 in terms of fundraising.

Fundraising

We are hugely grateful to all our incredible supporters in 2020 who were keen to support our response to Covid 19 helping us achieve an outstanding year for fundraising with corporates, trusts and individuals keen



to support our response to COVID-19. During the year we achieved £1,600,036 (including gifts in kind) which was 92% above budget.

Principal grant funding came from the National Lottery Community Fund, The Henry Smith Charity, The Dulverton Trust, the Fishmongers' Company, CAF Resilience Fund, The Albert Gubay Foundation and Morrison's Foundation.

We continued to grow corporate income strongly by developing deeper relations with existing corporate partners and increasing the breadth of organisations we work with. Octopus Investments concluded their three-year partnership with a final corporate donation and concerted employee fundraising. COOK continued their support derived from plastic bag tax and Macquarie's Graduate Volunteer Network fundraised for FoodCycle for a second year. It was another successful year for our long-term partnership with Just Eat who ran a Christmas Meal Appeal, with the company matching customer donations (some of the proceeds of which to be received in January 2021). We forged new relationships with Redevco, with a grant from its foundation; Ocado, who supported via their You Give We Give scheme; and Evercore who encouraged employees to pledge donations.

To round off the year, FoodCycle was chosen by the Old Vic as charity partner for their live-streamed production of A Christmas Carol, which saw audiences donate in their hundreds. Their support was generously matched by the show's writer and his partner.

We do not use professional fundraisers, but we do use commercial participator agreements. We are a member of the Fundraising Regulator and comply with its codes. We have also signed up to the Fundraising Preference Service and have received no complaints. Helping people is at the heart of FoodCycle's values as an organisation and consequently we endeavour to never ask a vulnerable person for funding. We believe this approach protects vulnerable people.

Plans for the future

We know we will not be able to move back to running our usual community meals whilst the current social distancing measures are still in place. Our current aim is to encourage as many of our previous projects as possible to operate as Cook and Collect. We are confident that Projects running as Cook and Collect will be able to transition back to community dining fairly quickly once restrictions are finally lifted.

We are currently working on policies, procedures and training to re-introduce community dining from June 2021. Bringing communities together over a meal lies at the heart of FoodCycle, so we are keen to return to this model when we can do so without putting guests' or volunteers' safety at undue risk.

In addition to getting all pre-Covid Projects up and running as community meals when it is safe to do so, FoodCycle is keen to expand during 2021 and beyond. We have put in place a three year plan which includes expansion into new areas such as Wales, Yorkshire and Humber, the East Midlands as well as continuing to expand in our existing regions.



To facilitate growth we will bring on board a Research Officer in 2021, to research locations based on need, availability of suitable venues, geographical spread, our ability to recruit volunteers and reach out to guests. This research will help refine the three-year plan for expansion.

In addition we will introduce new roles that will primarily look at development of new projects and regions. Currently expansion/finding new projects is carried out by Regional Managers who have to juggle expansion with the day to day running of Projects in their remit. By introducing a Development Team we hope to expand quicker and into more locations. We believe this is very important as we know many more people are already food insecure and lonely as a result of Covid.

We will continue to run our Check-in and Chat service even when Covid restrictions are fully lifted. We know from our guests that this service is vital to them and a great way to connect with guests outside of the community meal. We have developed nutritional training for volunteers so that they can provide top tips on cooking, nutrition and recipes to beneficiaries during these calls.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 2nd December 2009 and registered as a charity on 2nd December 2009.

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

The governance of the charity is overseen by a Board of trustees (the Board). The trustees are recruited to fill specific skill sets identified by the Board as being required to ensure the effective management of the organisation. The current skill sets are: organisational strategy, financial management, legal, digital marketing and surplus food.

The Board met remotely five times during the year. There are annual business plans that move the organisation towards its vision. These annual business plans are created using the following process: the Board sets out the parameters within which it wishes the organisation to create the annual business plan. The Senior Management examines the activities in more depth. Senior Management develop the annual business plan and associated budget which are presented to the Board for discussion and approval in October.

The day to day management of the charity is delegated to Mary McGrath, the Chief Executive, who was appointed in September 2013. Trustees are required to disclose all relevant interests and register them with the charity and, in accordance with the charity's policy, withdraw from decisions where a conflict of interest arises.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

Appointment of trustees

If and when there is a requirement for new trustees, these will be identified and appointed by the remaining Board. New trustees are interviewed by the Chair and Chief Executive, with a follow up call with all the other remaining trustees. Potential trustees are then invited to the next Board meeting for them to observe before final appointment.

Trustee induction and training

The Chair is responsible for the induction of any new trustees, which involves awareness of a trustee's responsibilities, administrative procedures and the history and philosophical approach of the charity and the role we expect the new trustees to take on.

New trustees are required to volunteer at one of our Projects as part of their induction as well as meet the staff team. Most trustees took part in the Check-in and Chat service in 2020. Each trustee has a specific area of expertise on which they are expected to give guidance.

Related parties and relationships with other organisations

We work in collaboration with a number of organisations who provide kitchen space and outreach to guests or signpost them to their services including Birmingham Settlement; Barton Hill Settlement in Bristol; Creative Living Centre, Prestwich; Langworthy Cornerstone, as well as church halls and council-run community halls.

We also have partnerships with organisations who run FoodCycle services as a franchise – whereby they have a manager who carries out the work of a FoodCycle Regional Manager but is based within their organisation. These partners are St Paul's Church, Lisson Grove, London; Rushey Green Time Bank, Lewisham, London.

Remuneration policy for key management personnel

The trustees consider the Board of trustees, the Chief Executive, the Head of Programmes, the Head of Fundraising and the Head of Marketing as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year.

Details of trustee expenses and related party transactions are disclosed in notes 6 & 8 to the accounts.

The pay of the charity's Chief Executive and SMT is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity and its economy of operations, the trustees consider that a multiple of between one and a half up to a maximum of two and half times the median average salary for UK employees is appropriate for these roles. The remuneration is also bench-marked with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

Under the Pensions Act 2008, all staff are auto enrolled onto a pension scheme.



Statement of responsibilities of the trustees

The trustees (who are also directors of FoodCycle for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic 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 year. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- 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 adequate 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 auditor is 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 auditor is 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December was 6 (2019:7). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.



Auditor

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 19th April 2021 and signed on their behalf by

David West
Treasurer

Independent auditor's report to the members of Foodcycle

Opinion

We have audited the financial statements of Foodcycle (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 December 2020 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
- 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 Foodcycle's ability to continue as a going concern for a year 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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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 directors 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 statement of trustees' responsibilities set out in the trustees' annual report, 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 extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those 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: www.frc.org.uk/auditorsresponsibilities. 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.

Other Matter

The financial statements of Foodcycle for the year-ended 31 December 2019 were not audited. They were independently examined by Joanna Pittman of Sayer Vincent LLP.

Joanna Pittman (Senior statutory auditor)

23 April 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Foodcycle

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2020

							16 months to 31 December 2019
	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	Total £
Income from:							
Donations	2	810,982	757,781	1,568,763	552,677	257,498	810,175
Charitable activities							
Franchise fees for community meals		2,913	–	2,913	17,091	–	17,091
Recharge to partner organisations		995	–	995	–	–	–
Other trading activities	3	21,775	3,933	25,708	128,111	13,218	141,329
Investments		1,657	–	1,657	1,145	–	1,145
Total income		838,322	761,714	1,600,036	699,024	270,716	969,740
Expenditure on:							
Raising funds		125,028	–	125,028	156,486	–	156,486
Charitable activities							
Community meals		276,836	546,276	823,112	553,798	287,719	841,517
Total expenditure	4	401,864	546,276	948,140	710,284	287,719	998,003
Net income / (expenditure) for the year	5	436,458	215,438	651,896	(11,260)	(17,003)	(28,263)
Reconciliation of funds:							
Total funds brought forward		382,711	64,487	447,198	393,971	81,490	475,461
Total funds carried forward		819,169	279,925	1,099,094	382,711	64,487	447,198

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16a to the financial statements.

Foodcycle

Balance sheet

Company no. 7101349

As at 31 December 2020

		As at 31 December 2020		As at 31 December 2019	
	Note	£	£	£	£
Fixed assets:					
Tangible assets	10		8,721		8,870
Investments	11		1		1
			<u>8,722</u>		<u>8,871</u>
Current assets:					
Debtors	12	286,576		65,521	
Cash at bank and in hand		861,764		401,790	
		<u>1,148,340</u>		<u>467,311</u>	
Liabilities:					
Creditors: amounts falling due within one year	13	(57,968)		(28,984)	
Net current assets			<u>1,090,372</u>		<u>438,327</u>
Total net assets			<u><u>1,099,094</u></u>		<u><u>447,198</u></u>
The funds of the charity:	16a				
Restricted income funds			279,925		64,487
Unrestricted income funds:					
General funds		369,169		382,711	
Designated funds		450,000		–	
		<u></u>		<u></u>	
Total unrestricted funds			<u>819,169</u>		<u>382,711</u>
Total charity funds			<u><u>1,099,094</u></u>		<u><u>447,198</u></u>

Approved by the trustees on 19 April 2021 and signed on their behalf by

David West
Treasurer

Statement of cash flows

For the year ended 31 December 2020

Reconciliation of net income / (expenditure) to net cash flow from operating activities

	12 months to 31 December 2020 £	16 months to 31 December 2019 £
Net income / (expenditure) for the reporting year (as per the statement of financial activities)	651,896	(28,263)
Depreciation charges	7,840	6,506
Dividends, interest and rent from investments	(1,657)	(1,145)
(Profit)/loss on the disposal of fixed assets	503	73
(Increase)/decrease in debtors	(221,055)	(50,184)
Increase/(decrease) in creditors	28,984	(406)
Net cash provided by / (used in) operating activities	466,511	(73,419)

	Note	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by / (used in) operating activities			466,511		(73,419)
Cash flows from investing activities:					
Dividends, interest and rents from investments		1,657		1,145	
Purchase of fixed assets		(8,194)		(2,588)	
Net cash provided by / (used in) investing activities			(6,537)		(1,443)
Change in cash and cash equivalents in the year			459,974		(74,862)
Cash and cash equivalents at the beginning of the year			401,790		476,653
Cash and cash equivalents at the end of the year			861,764		401,790

1 Accounting policies

a) Statutory information

Foodcycle is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is Unit 2.16 The Food Exchange, New Covent Garden Market, LONDON SW8 5EL.

b) 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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Foodcycle has a trading subsidiary, Foodcycle Trading Limited but this company is dormant. These accounts are presented for Foodcycle as a charitable company.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Like many organisations, FoodCycle has had to adapt its services in light of the restrictions introduced as a result of the covid-19 pandemic, but the charity is in a good position to use its experience and contacts to continue providing food for people in need and has the ongoing support of its major funders. The trustees therefore see no reason why FoodCycle should not be able to continue as a going concern and anticipate that the need for FoodCycle's services may be even greater when the restrictions are relaxed.

Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the value of venues that are provided free of rent and the treatment of funding from multi-year grant commitments.

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 amounts of assets and liabilities within the next reporting year.

e) Income

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

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

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

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation 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), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, 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 year of receipt.

g) 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.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) 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 relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of providing community meals to further the purposes of the charity and their associated support costs

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

1 Accounting policies (continued)

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration, comprising the salary and overhead costs of the central function, is apportioned based on an estimate of staff time attributable to each activity.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £100. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|-------------------------|---------|
| ● Office equipment | 4 years |
| ● Fixtures and fittings | 4 years |

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) 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.

o) 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.

p) 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.

q) 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.

r) Pensions

FoodCycle contributes to a defined contributions scheme. Payments in respect of the current service contributions are charged in the accounts as they fall due.

2 Income from donations

				16 months to 31 December 2019		
	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	Total £
Gifts	640,250	368,168	1,008,418	406,674	28,807	435,481
Grants and donations from trusts and foundations	84,594	389,613	474,207	88,420	228,292	316,712
Gifts in Kind	86,138	–	86,138	57,583	399	57,982
	<u>810,982</u>	<u>757,781</u>	<u>1,568,763</u>	<u>552,677</u>	<u>257,498</u>	<u>810,175</u>

3 Income from other trading activities

				16 months to 31 December 2019		
	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	Total £
Fundraising gala	–	–	–	72,556	–	72,556
Sales of merchandise	4,886	–	4,886	113	–	113
Central fundraising initiatives	4,625	–	4,625	–	–	–
Project fundraising and events	9,405	3,933	13,338	18,213	13,218	31,431
Fees for use of the charity logo	2,859	–	2,859	37,229	–	37,229
	<u>21,775</u>	<u>3,933</u>	<u>25,708</u>	<u>128,111</u>	<u>13,218</u>	<u>141,329</u>

Foodcycle

Notes to the financial statements

For the year ended 31 December 2020

4a Analysis of expenditure (current reporting year)

	Raising funds £	Community meals and other food provision £	Governance costs £	Support costs £	2020 £	16 months to 31 December 2019 £
Staff costs (Note 6)	100,993	339,543	-	116,489	557,025	507,248
Purchases	-	26,506	-	-	26,506	21,362
Marketing and advertising	-	4,981	-	-	4,981	30,120
Volunteer training	-	5,018	-	-	5,018	20,533
Conference and seminars	-	-	-	-	-	40,376
Printing, postage and stationery	-	907	-	4,321	5,228	4,832
Travel (including food pick-ups)	-	77,257	-	2,730	79,987	38,025
Venue hire	-	53,693	-	-	53,693	79,288
Volunteer costs	-	16,335	-	-	16,335	19,512
Monitoring and evaluation	-	-	-	-	-	2,853
Kitchen equipment	-	22,883	-	-	22,883	25,019
Insurance	-	2,844	-	-	2,844	3,859
Establishment costs	-	-	-	34,030	34,030	64,453
Other	-	-	-	1,081	1,081	1,881
Office expenses	-	3,482	-	1,707	5,189	6,514
Staff training	820	3,756	-	1,390	5,966	6,151
Computer expenses	-	-	-	14,553	14,553	12,628
Bookkeeping fees	-	-	-	2,187	2,187	2,393
Bank charges	-	-	-	5,898	5,898	3,193
Staff welfare	-	-	-	989	989	541
Other staff costs	-	-	-	4,068	4,068	7,183
Consultancy	-	14,626	524	2,052	17,202	35,211
Depreciation	-	-	-	7,840	7,840	6,506
Fundraising and central marketing	23,215	-	-	-	23,215	52,634
Trustee training and expenses	-	-	86	-	86	537
Independent examiner's remuneration	-	-	-	-	-	3,360
Auditor's remuneration	-	-	8,700	-	8,700	-
Accountancy fees	-	-	1,200	-	1,200	(650)
Legal fees	-	-	-	1,733	1,733	2,441
Covid-19 service specific costs	-	39,703	-	-	39,703	-
	125,028	611,534	10,510	201,068	948,140	998,003
Support costs	-	201,068	-	(201,068)	-	-
Governance costs	-	10,510	(10,510)	-	-	-
Total expenditure 2020	125,028	823,112	-	-	948,140	-
Total expenditure 2019	156,486	841,517	-	-	-	998,003

Foodcycle

Notes to the financial statements

For the year ended 31 December 2020

4b Analysis of expenditure (prior year)

	Raising funds £	Community meals and other food provision £	Governance costs £	Support costs £	16 months to 31 December 2019 £
Staff costs (Note 6)	85,102	357,790	–	64,357	507,249
Purchases	–	21,362	–	–	21,362
Marketing and advertising	–	30,120	–	–	30,120
Volunteer training	–	20,533	–	–	20,533
Conference and seminars	–	40,376	–	–	40,376
Printing, postage and stationery	–	905	–	3,927	4,832
Travel	–	31,028	–	6,997	38,025
Venue hire	–	79,288	–	–	79,288
Volunteer costs	–	19,512	–	–	19,512
Monitoring and evaluation	–	2,853	–	–	2,853
Kitchen equipment	–	25,019	–	–	25,019
Insurance	–	3,858	–	–	3,858
Establishment costs	–	–	–	64,453	64,453
Other	–	–	–	1,881	1,881
Office expenses	–	–	–	6,514	6,514
Staff training	–	–	–	6,151	6,151
Computer expenses	–	–	–	12,628	12,628
Bookkeeping fees	–	–	–	2,393	2,393
Bank charges	–	–	–	3,193	3,193
Staff welfare	–	–	–	541	541
Other staff costs	–	–	–	7,183	7,183
Consultancy	18,750	12,814	276	3,371	35,211
Depreciation	–	–	–	6,506	6,506
Fundraising and central marketing	52,634	–	–	–	52,634
Trustee training and expenses	–	–	537	–	537
Independent examiner's remuneration	–	–	3,360	–	3,360
Accountancy fees	–	–	(650)	–	(650)
Legal fees	–	–	–	2,441	2,441
Covid-19 service specific costs	–	–	–	–	–
	156,486	645,458	3,523	192,536	998,003
Support costs	–	192,536	–	(192,536)	–
Governance costs	–	3,523	(3,523)	–	–
Total expenditure 2019	156,486	841,517	–	–	998,003

Notes to the financial statements

For the year ended 31 December 2020

5 Net income / (expenditure) for the reporting year

This is stated after charging / (crediting):

	2020 £	2019 £
Depreciation	7,840	6,506
Loss or profit on disposal of fixed assets	503	74
Operating lease rentals:		
Property	21,000	34,482
Other	546	565
Independent examiner's remuneration (excluding VAT):		
Audit	7,250	-
Independent examination	-	2,800
Other services	1,000	(650)
	7,250	-
	-	2,800
	1,000	(650)

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	499,895	455,396
Social security costs	42,849	40,139
Employer's contribution to defined contribution pension schemes	12,677	10,651
Other forms of employee benefits	1,604	1,062
	557,025	507,248

No employee earned more than £60,000 during a calendar year (2019: no employee earned more than £60,000 in a calendar year but one earned more than £60,000 in the course of the 16 month period).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £202,400 (2019: £145,739).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). None of the current charity trustees were paid for professional services supplied to the charity in the year (2019: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2019: £493) incurred by none (2019: 1) member relating to attendance at meetings of the trustees. In addition, the charity spent £86 (2019: £44) on leaving and life event gifts for 2 (2019: 1) trustees. The charity did not pay for any trustee training (2019: £nil).

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 18.6 (2019: 14).

8 Related party transactions

With the exception of the trustee disclosures in note 6, there are no other related party transactions to disclose for 2020 (2019: none).

There was a total of £76 of donations received from 2 trustees in 2020 (2019: nil) and no restricted donations from related parties.

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At the start of the year	3,291	25,260	28,551
Additions in year	365	7,829	8,194
Disposals in year	-	(503)	(503)
At the end of the year	3,656	32,586	36,242
Depreciation			
At the start of the year	2,913	16,768	19,681
Charge for the year	223	7,617	7,840
At the end of the year	3,136	24,385	27,521
Net book value			
At the end of the year	520	8,201	8,721
At the start of the year	378	8,492	8,870

All of the above assets are used for charitable purposes.

Foodcycle

Notes to the financial statements

For the year ended 31 December 2020

11 Investments

FoodCycle holds a £1 investment (2019: £1) in its wholly owned subsidiary, FoodCycle Trading Limited. Within the year the trading subsidiary was dormant.

12 Debtors

	2020 £	2019 £
Trade debtors	16,487	31,882
Prepayments	14,195	10,204
Accrued income	255,894	23,435
	286,576	65,521

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	14,957	9,105
Taxation and social security	11,455	7,718
Other creditors	3,148	2,146
Accruals	28,408	6,070
Deferred income (see note 14)	-	3,945
	57,968	28,984

14 Deferred income

Deferred income comprises grants received for future years.

	2020 £	2019 £
Balance at the beginning of the year	3,945	5,788
Amount released to income in the year	(3,945)	(5,788)
Amount deferred in the year	-	3,945
Balance at the end of the year	-	3,945

15a Analysis of net assets between funds (current year)

	General unrestricted £	Designated unrestricted £	Restricted £	Total funds £
Tangible fixed assets	7,816	-	905	8,721
Investments	1	-	-	1
Net current assets	361,352	450,000	279,020	1,090,372
Net assets at 31 December 2020	369,169	450,000	279,925	1,099,094

15b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated unrestricted £	Restricted £	Total funds £
Tangible fixed assets	4,677	-	4,193	8,870
Investments	1	-	-	1
Net current assets	378,033	-	60,294	438,327
Net assets at 31 December 2019	382,711	-	64,487	447,198

16a Movements in funds (current reporting year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
Small grants for programmes	4,579	34,553	(21,629)	-	17,503
Big Lottery Fund (Our Environment Our Future)	4,193	-	(3,287)	-	906
John James Bristol Foundation	4,772	-	(4,772)	-	-
Chrysalis Grant Making Trust	-	5,000	(3,311)	-	1,689
The David Gibbons Foundation	1,862	2,500	(2,186)	-	2,176
The Roger and Douglas Turner Charitable Trust	23	3,000	(591)	-	2,432
The Dulverton Trust	27,431	35,000	(28,705)	-	33,726
Quartet Community Foundation (Bristol)	-	2,000	(613)	-	1,387
Albert Gubay Foundation	-	25,000	(25,000)	-	-
University of Cambridge RAG	-	3,218	(1,369)	-	1,849
Morrisons Foundation	-	21,333	(1,586)	-	19,747
The 29th May 1961 Charitable Trust	-	3,000	(600)	-	2,400
The Fishmongers' Company's Charitable Trust	137	-	(137)	-	-
The Fishmongers' Company's Charitable Trust – Covid-19 response	-	31,000	(31,000)	-	-
Octopus Giving	10,830	-	(10,830)	-	-
Irwell Valley Foundation	3,536	-	(621)	-	2,915
Yellow Car Charitable Fund – Essex Community Foundation	7,630	-	(7,630)	-	-
Your Homes Newcastle Community Investment Fund	-	3,945	(3,837)	-	108
Sutton Coldfield Charitable Trust	(506)	4,541	(5,452)	-	(1,417)
Sutton Coldfield Charitable Trust – Emergency Response Grant	-	2,552	(2,552)	-	-
The Drapers' Charitable Fund	-	15,000	(13,074)	-	1,926
The Better Trust	-	10,000	(4,825)	-	5,175
Westminster Foundation – London Community Response Fund	-	4,832	(4,832)	-	-
North East Controls Ltd	-	10,000	(10,000)	-	-
Just Eat	-	250,000	(138,182)	-	111,818
WRAP UK	-	9,810	(9,810)	-	-
The Arsenal Foundation – Gunners Fund	-	2,500	(1,971)	-	529
Citylife Line	-	6,600	(3,450)	-	3,150
Covid-19 responses – all locations	-	81,834	(81,834)	-	-
Camden Giving	-	5,000	(5,000)	-	-
Ocado – You Give We Give	-	20,000	(9,783)	-	10,217
Eveson Charitable Trust	-	10,000	(8,983)	-	1,017
The Barbour Foundation	-	5,000	(4,215)	-	785
The Edward Cadbury Charitable Trust	-	10,000	(6,042)	-	3,958
National Lottery Community Fund – Coronavirus Community Response Fund	-	79,109	(66,930)	-	12,179
Worshipful Company of Basketmakers 2011 Charitable Trust	-	4,000	(2,976)	-	1,024
Marsh Communities Fund	-	5,000	(843)	-	4,157
Medicash	-	5,000	(1,247)	-	3,753
The Geoffrey Watling Charity	-	2,500	(730)	-	1,770
Cambridge City Council	-	1,500	(778)	-	722
Quartet Community Foundation (Bath)	-	4,874	(788)	-	4,086
Westerleigh Group Ltd	-	6,005	-	-	6,005
Norfolk Community Foundation – Norfolk Winter Resilience Fund	-	4,016	(694)	-	3,322
Sagentia (Science Group plc)	-	3,000	-	-	3,000
CAF Resilience Fund	-	29,492	(13,581)	-	15,911
Total restricted funds	64,487	761,714	(546,276)	-	279,925
General funds	382,711	875,514	(439,056)	(450,000)	369,169
Designated funds	-	-	-	450,000	450,000
Total unrestricted funds	382,711	875,514	(439,056)	-	819,169
Total funds	447,198	1,637,228	(985,332)	-	1,099,094

The narrative to explain the purpose of each fund is given at the foot of the note below.

16b Movements in funds (prior year)

	At 1 September 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
Restricted funds:					
Small grants for programmes	12,688	32,686	(40,795)	-	4,579
Balcombe Charitable Trust	11,695	-	(11,695)	-	-
Big Lottery Fund (Our Environment Our Future)	15,038	52,395	(63,240)	-	4,193
John James Bristol Foundation	-	5,000	(228)	-	4,772
Sir James Knott Trust	3,965	-	(3,965)	-	-
The Co-operative Local Community Fund	8,013	1,940	(9,953)	-	-
Mrs LD Rope's 2nd Charitable Settlement	1,814	-	(1,814)	-	-
The David Gibbons Foundation	-	2,500	(638)	-	1,862
City Bridge Trust	(576)	47,583	(47,007)	-	-
The Roger and Douglas Turner Charitable Trust	1,829	3,000	(4,806)	-	23
The Dulverton Trust	-	70,000	(42,569)	-	27,431
Quartet Community Foundation (Bristol)	899	-	(899)	-	-
Colne Community Builders Fund – Essex Community Foundation	1,540	1,372	(2,912)	-	-
Albert Gubay Foundation	13,111	-	(13,111)	-	-
Peter Stebbings Memorial Charity	424	-	(424)	-	-
University of Cambridge RAG	-	6,100	(6,100)	-	-
Morrisons Foundation	11,050	-	(11,050)	-	-
The Larkfleet Homes Community Fund – Cambridge Community Foundation	-	5,000	(5,000)	-	-
The 29th May 1961 Charitable Trust	-	6,000	(6,000)	-	-
The Fishmongers' Company's Charitable Trust	-	5,000	(4,863)	-	137
Octopus Giving	-	20,000	(9,170)	-	10,830
Irwell Valley Foundation	-	3,640	(104)	-	3,536
Yellow Car Charitable Fund – Essex Community Foundation	-	8,500	(870)	-	7,630
Sutton Coldfield Charitable Trust	-	-	(506)	-	(506)
Total restricted funds	81,490	270,716	(287,719)	-	64,487
General funds	393,971	699,024	(710,284)	-	382,711
Total unrestricted funds	393,971	699,024	(710,284)	-	382,711
Total funds	475,461	969,740	(998,003)	-	447,198

Purposes of restricted funds

Small grants for programmes – This fund is made up of a number of small grants (under £2,500) that have been restricted to FoodCycle's project work.

Balcombe Charitable Trust – A grant was given in August 2018 for projects around the country that help the homeless. This was the second of a two year grant originally intended for our project in Cricklewood, but when that project closed, the trust agreed to continue the grant with a wider geographical allocation.

Big Lottery Fund (Our Environment Our Future) – This was a three year grant, paid in instalments, to support our work with young volunteers between the ages of 18–24, contributing towards related expenditure such as training and conference costs, our volunteer management system and project staff costs. The grant came to an end in December 2018, but a balance remains due to the capitalisation of some assets purchased using the grant – this has been spent as the assets have been depreciated and the final allocation will be made in 2021.

John James Bristol Foundation – This foundation supports the running costs of FoodCycle's project in Barton Hill, Bristol.

The Sir James Knott Trust – In August 2018 we received a grant from the Sir James Knott Trust towards the costs of our projects in Durham and Chester-le-Street.

The Co-operative Local Community Fund – In 2017 FoodCycle was nominated to receive a grant from this fund by store staff in Bristol and Finsbury Park. In 2018 we also received a small grant for Peterborough. All these grants were spent in full by the end of 2019.

16 Movements in funds (continued)

Mrs LD Rope's 2nd Charitable Settlement – For some years, this fund supported the running costs of our project in Clacton-on-Sea.

The Chrysalis Grant Making Trust – This grant, received in January 2020, was restricted to the costs of our project in Chester-le-Street. However, the project was unable to move to a food collection model when the coronavirus pandemic began so we were given permission to use the grant for other projects in the North East.

The David Gibbons Foundation – The foundation has made a number of grants to support the FoodCycle project in Exeter. The latest of these was a grant of £2,500 made in October 2020.

City Bridge Trust – In 2017/18, the City of London continued their support of FoodCycle with a 2-year grant to fund staff and volunteer training costs in London. This grant had come to an end by the close of 2019.

The Roger and Douglas Turner Charitable Trust – Grants from this trust are restricted to the work of our projects in the West Midlands.

The Dulverton Trust – In 2018 the Dulverton Trust entered into a 3 year grant agreement to support FoodCycle's projects outside London. Because of the extension to our year end, two years worth of grants (£30,000 each) were received in 2018/19 and the final tranche of funding in 2020. In addition, in 2019 the trust provided £10,000 in matched funding for our Christmas fundraising campaign with The Big Give, also restricted to projects outside the London area.

Quartet Community Foundation (Bristol) – The grant of £2,000 received in 2020 was restricted to FoodCycle's Bristol project at Barton Hill.

Colne Community Builders Fund (via Essex Community Foundation) – This grant, received in November 2017, was to fund our project in Clacton-on-Sea for one year.

Albert Gubay Charitable Foundation – In 2017 a grant was made to enable us to continue our operations in Liverpool and Manchester and to open a new project in the North West of England; this work was completed in 2018/19. In 2020 we received a grant to cover specific costs associated with our food delivery programme around the country over a 6 month period during the pandemic.

Peter Stebbings Memorial Charity – This grant, received in October 2017, was a contribution to the costs of running our project in Finsbury Park. We finished spending it in 2018/19. A further grant was made in 2020 for our adapted work arising from covid-19 – see below.

University of Cambridge RAG – For a number of years, the University of Cambridge has donated some of the proceeds of their annual RAG appeal as a contribution towards the costs of running FoodCycle's projects in Cambridge. A further award of £3,218 was made from funds raised in 2020.

Morrisons Foundation – In 2018 Morrisons gave a grant of £49,698 to enable us to open 3 new projects in the North of England. This programme was completed in 2018/19. In February 2020, Morrisons donated £21,333 towards the costs of opening another 4 new projects in England. As a result of the pandemic, these openings have been delayed and in some cases it may no longer be possible to open projects in the areas originally envisaged. However, we were able to launch a new project in Felling and at the end of the year, another project in Kingstanding was close to launch. Morrisons have agreed to be flexible about the timing and location of the remaining openings.

The Larkfleet Homes Community Fund (via Cambridge Community Foundation) – In 2018 this community fund awarded a grant to support the costs of running the FoodCycle project in Peterborough. This grant was spent in full within the financial year.

The 29th May 1961 Charitable Trust – During 2018/19 we received two grants of £3,000 each. The first of these was restricted to our project in Aston; the second to our work across Birmingham. We received a further grant of £2,000 for our projects in Birmingham in 2020.

The Fishmongers' Company's Charitable Trust – In addition to providing us with a free venue for our fundraising gala in 2019, The Fishmongers' Company supported us with a grant of £5,000 towards the running costs of our Dalston project for refugee and asylum seeking women with babies. A separate grant was made in 2020 – see below.

The Fishmongers' Company's Charitable Trust – Covid-19 Response – This grant was made to cover the salaries of our London Regional Manager and our Programmes Coordinator for a period of 6 months during our covid-19 response.

Octopus Giving – Octopus Giving made a 3 year commitment to give unrestricted funding of £25,000 a year to FoodCycle for 3 years. During 2019 they also made an additional restricted grant to cover the costs of employing a Regional Coordinator in the South West, which was a new role.

Irwell Valley Foundation – This grant, received in late 2019, was given to support activity and volunteer costs at FoodCycle's community meal project in Salford Central. In May 2020 we received permission to repurpose the grant for our food delivery service in the area.

16 Movements in funds (continued)

Yellow Car Charitable fund (via Essex Community Foundation) – The grant of £8,500, made at the end of 2019, is to support the work of FoodCycle's project in Clacton-on-Sea as it moves to a new venue.

Your Homes Newcastle Community Investment Fund – This grant, to support our community meals in the Westgate area of Newcastle, was originally intended to cover a period of a year from January 2020. When community dining had to stop, an extension to the grant period was agreed. We have now been given permission to use the funds for our cook and collect model in Westgate.

Sutton Coldfield Charitable Trust – Sutton Coldfield Charitable Trust is supporting FoodCycle's existing project in Sutton Coldfield and a new project at Falcon Lodge, which launched in 2020. A grant of £13,510 was agreed, to be spent within one year. With the start of the pandemic we were unable to continue the activities outlined in the grant agreement, but were given permission to extend the grant term so that we can spend it as we return to normal operations. Our Falcon Lodge project is now running a cook and collect model under the terms of this grant; our Sutton Coldfield project remains closed as at the end of the year but we hope to reopen it in 2021. The grant is received in arrears upon invoicing the trust for expenditure incurred: the deficit on the fund at year end represents expenditure incurred but not yet invoiced.

Sutton Coldfield Charitable Trust – Emergency Response Grant – Although FoodCycle's original grant from SCCT could not be spent on costs relating to our food delivery model, we received a second grant towards the costs of our covid-19 response in Falcon Lodge.

The Drapers' Charitable Fund – This grant was made for our Finsbury Park project.

The Better Trust – The FoodCycle projects in Peckham have previously operated as a franchise, but in 2020 the franchise partner withdrew and the projects became directly delivered. A gift was received from The Better Trust to support FoodCycle Peckham through the transition and beyond.

Westminster Foundation – London Community Response Fund – This grant was given to fund selected costs arising from our covid-19 response in London for a 3 month period in 2020.

North East Controls Ltd – This corporate donation was restricted to our work in the North East of England and was spent in full during 2020.

Just Eat – In 2020, Just Eat donated funds to us from their 2019 Black Friday promotion, in which they agreed to give a gift to FoodCycle for every takeaway meal ordered. These funds were intended to cover our normal operations and community meals. With the onset of the pandemic we have been able to use some of the funds for ongoing costs that are not specifically related to the food delivery or cook and collect models.

WRAP UK – Also to help with salary costs, the grant from WRAP UK funded our warehouse manager in the Longbridge area of Birmingham, to enable us to further develop our food delivery service in the area.

The Arsenal Foundation – Gunners Fund – This grant was a contribution towards activity and volunteer costs at 4 of our projects in London: Kilburn, Islington, Hackney and Finsbury Park.

Citylife Line – This grant of £6,600 was for food purchases for distribution in Newcastle as part of our covid-19 response.

Covid-19 Response – All locations – FoodCycle was fortunate to receive a number of grants for our response to the covid-19 pandemic around England. This fund comprises grants and donations that were restricted to the covid-19 response but not to a specific geographical region or specific costs. It includes gifts from Redevco, The Antonio Carluccio Foundation, CAF, Peter Stebbings Memorial Charity, Aviva and Tesco Bags of Help scheme as well as restricted donations made via our website.

Camden Giving – Working in partnership with the local Mutual Aid Group we were successful in obtaining this grant for food distribution costs in Kilburn over a period of 3 months during the pandemic.

Ocado – You Give We Give – We received £15,000 from Ocado in June and a further £5,000 in November. These are restricted to our London projects, with a particular focus on Islington.

Eveson Charitable Trust – This grant is restricted to our work in Birmingham but can be used for all aspects of that work as needed (community meal, food delivery and cook and collect costs).

The Barbour Foundation – The Barbour Foundation's gift is a contribution towards the costs of our projects in the North East of England.

The Edward Cadbury Charitable Trust – This grant, received in July 2020, is a contribution towards the costs of our projects in Birmingham.

National Lottery Community Fund – Coronavirus Community Response Fund – FoodCycle received an award from the National Lottery Community Fund to cover the employment costs of 3 of our regional managers, our check in and chat coordinator as well as administrative and marketing staff over a 6 month period during the pandemic.

Worshipful Company of Basketmakers 2011 Charitable Trust – FoodCycle's cook and collect project in Kilburn was supported by this grant.

Marsh Communities Fund – The fund made a grant of £5,000 towards the employment costs of our Check In and Chat Coordinator. This was a new role established during the pandemic, as it was recognised that our guests missed the social contact of our community meals.

16 Movements in funds (continued)

Medicash – This grant is to support FoodCycle Liverpool and must be spent within a year of its receipt in August 2020.

The Geoffrey Watling Charity – FoodCycle's project in Norwich is supported by this grant.

Cambridge City Council – This grant towards the costs of our food delivery service in Cambridge is to cover a 6 month period between October 2020 and March 2021.

Quartet Community Foundation (Bath) – Part of the NET coronavirus response fund, this grant is to support FoodCycle Bath for a period of 4 months ending in March 2021.

Westerleigh Group Ltd – Based in Bristol, Westerleigh Group donated £6,005 in December 2020 to support FoodCycle's projects in Bristol.

Norfolk Community Foundation – From the Norfolk Winter Resilience Fund, this grant supports FoodCycle Norwich for a period of 4 months from December 2020 – March 2021.

Sagentia (Science Group plc) – Donations from the Harston office of Sagentia have been restricted to FoodCycle's Cambridge projects.

CAF Resilience Fund – The CAF Resilience Fund distributes grants from the Department for Culture, Media, Digital and Sport. This grant was made to cover the employment costs of some of our regional managers for a 6 month period.

Purposes of designated funds

Expansion Fund – The Board of trustees has agreed to designate £450,000 from unrestricted funds, to be spent over three years on costs relating to FoodCycle's expansion across the country.

17 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2020 £	2019 £	Equipment 2020 £	2019 £
Less than one year	8,400	21,000	474	334
One to five years	–	6,533	1,674	1,336
	8,400	27,533	2,148	1,670

18 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.