



Company number: 7101349

Charity number: 1134423

FoodCycle

Report and financial statements

For the year ended 31 December 2021

Reference and administrative information	1
Trustees' annual report	2
Independent auditor's 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

Reference and administrative information For the year ended 31 December 2021

Company number 7101349
Country of incorporation United Kingdom

Charity number 1134423
Country of registration England & Wales

Registered office and operational address 2.16 The Food Exchange
New Covent Garden Market
London
SW8 5EL

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	
Ms. Philippa Jane Garland	
Mr. Mark Anthony Game	
Mr. Steven Lock	(resigned 19 th July 2021)
Mr. Gareth Michael Germer	(appointed 19 th July 2021)
Ms Kalyani Gupta	(appointed 19 th July 2021)

Company secretary Ms Alice Rusbridger (appointed 25th March 2021, resigned 23rd December 2021)

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
	Ms. Karen Hamilton	Head of Programmes (Maternity Cover)

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 2021.

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

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.

FoodCycle's Vision

To make food poverty, loneliness and food waste a thing of the past for every community.

FoodCycle's Mission

Week in, week out we nourish the hungry and lonely in our communities with delicious meals and great conversation, using food which would otherwise go to waste.

Company Aims

Connect communities

Help strengthen and build resilient communities by bringing people together to share healthy, delicious meals.

Support mental health, wellbeing and reduce loneliness

Enhance the health and mental wellbeing of all by creating welcoming spaces for people from all backgrounds and walks of life to have conversations together.

Nourish the hungry

Improve nutrition and reduce hunger by cooking healthy meals for those in need, leading to improved food knowledge and changes in behaviour.

Promote sustainability

Change attitudes to food and society's impact on the environment by cooking with surplus ingredients.

Inspire change

Share the virtues of our community dining model and the voices of our guests to gain greater support and speed our expansion, enabling us to help more people and more communities.

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 2021 – delivering public benefit

During the year we continued to operate 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 initial stages of Covid pandemic in 2020.

Achievements across all services

47 local communities benefitted from FoodCycle services throughout the year

455,000 meals served*

191 tonnes of food saved from going to waste

6,083 Check-in and Chat telephone conversations

3,600 volunteers donated 63,880 hours of their time

1.9 million minutes spent engaging with our guests

* Equivalent meals served based on assumption an average meal is 420g – FSA 2008

FoodCycle Community Meals – Post lockdown July 2021

FoodCycle Projects are located across England with a first Project in Wales. 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, FoodCycle welcomes 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.
- Supporting Projects with introduction of Natasha's law in October 2021

Only once Covid restrictions finally eased in July 2021 were we able to reintroduce our community meals. Our Regional Managers and volunteers worked tirelessly to roll out the service across our network as quickly as possible. By the end of 2021, we were operating 40 community meal Projects and three Cook and Collect Projects that were in the process of transitioning to community meals, when the Omicron variant took a grip on the country.

Project launches

We have also managed to open 16 new Projects in the past year, an incredible feat given the challenges Covid 19 restrictions entailed.

January:	Felling, Gateshead (originally due to open just as Covid struck)
March:	Kingstanding, Birmingham
April:	Benwell, Newcastle
May:	West Heath, Birmingham
July:	Gloucester and Chelmsford
August:	East Ham, Oldham and Hartlepool
September:	Leeds, Walsall, Sittingbourne and Newport (our first in Wales)
October	Liverpool Old Swan
November	Middlesbrough and Wandsworth Road, London

Additionally, a number of Projects relocated, including East Acton to White City, Byker in Newcastle moving down the road and FoodCycle Manchester moving from the Roby to the Inspire Centre. Sittingbourne went on pause in December 2021 as the kitchen required essential maintenance and refurbishment.

What does community dining mean to our guests

We surveyed our guests about the return to community dining in December:

- 85% said it gives them a reason to leave the house
- 83% said they feel happier after attending a FoodCycle meal
- 81% said they eat more fruit and vegetables



"Great to come back to the Saturday night group, to a place where I belong, it makes my mood happier to come back to the centre." **FoodCycle guest, Prestwich**

"FoodCycle is amazing! You meet up with other lonely people. You make friends. It's like a family evening when we come to you. We are so welcomed from the volunteers. We are given a beautifully cooked meal. The volunteers come round to each table and talk to us. They are so caring. Thank you for all the hard work you do for the community." **FoodCycle guest, Marylebone**

"I think it is a great way to rebuild the community. This is what society needs more than ever in my opinion." **FoodCycle guest, Cambridge**

"I've loved being able to attend the sit in meals and trying food I wouldn't think to cook or try at home (the mushroom on the bread blew me away). I love the atmosphere - it is so friendly and being able to sit and talk with new faces has helped me mentally not feel so alone. I would give it 100% - Thank you." **FoodCycle guest, Birmingham West Heath**

FoodCycle Delivers

The delivery model was developed in the first lockdown of 2020 as a temporary measure to ensure our guests continued to have a service despite venue closures.

In 2021 we had scaled this model back five communities: Cambridge, Exeter, Liverpool Dingle, Longbridge and Marylebone. A total of 5,977 deliveries were made until May 2021.

Each food parcel was packed full of store cupboard staples, fruit and vegetables and our guests told us a parcel would last them, on average, three days.

The delivery model reinforced FoodCycle's commitment to community meals, which deliver additional benefits for guests over and above a food parcel, such as a nutritionally-balanced cooked meal and the opportunity for social interaction. We are delighted we were able to step in and help people through our delivery service, but ultimately the benefits of community dining are deeper and longer lasting.

Cook and Collect

From the start of 2021, despite the country returning to full lock-down, FoodCycle was determined to encourage volunteers to return to our kitchens to safely provide cooked take-away meals for our guests. We continued to roll out our Cook and Collect model and provided 31 communities across the country with this service.

Our aim was to encourage our guests to return to the community spaces where they had once enjoyed our sit-down meals. We anticipated that this would also speed up the transition back to community dining.

We continued to invest considerably in the Cook-and-Collect service, with PPE, take-away boxes, plastic bags, cones and street markings.

In June 2021 we conducted a survey of guests who had benefitted from the Cook and Collect service.

- 93% agreed that they had eaten more fruit and vegetables due to this service
- 95% stated this service helped them during the pandemic
- 72% agreed that coming to the service helped them feel less lonely

"We have had a very hard time financially due to my wife losing her job during the pandemic. The fruit veg, bread and occasional tinned food we have received has been a huge help in managing to feed our family. The hot meal and desserts have also been hugely helpful, because we have at least one meal a week that we have not had to make ends meet for. I would like to say a huge thank you to all the volunteers at FoodCycle, your help and friendly faces over this period have been greatly appreciated." **FoodCycle Guest Kingstanding, Birmingham**

"Lifeline. Social contact. Practical advice and signposting about helplines. A reason for me to go out. A fixed point in my week. Human love and concern when I felt abandoned by everyone else. Something to look forward to." **FoodCycle guest, Bristol Barton Hill**

Check-in and Chat

This service has continued to be in demand, beyond the end of lockdown restrictions, providing welcome social contact for people feeling isolated. **We held 6,083 telephone conversations with vulnerable people in 2021.** It is helping people's mental well-being, as our volunteer logs show:

"In our chat she was really appreciative of the calls from FoodCycle, it seems out of all the organisations she's reached out to for help, FoodCycle has been the only organisation to consistently keep in touch with the guests."

"She can't leave the house as is very high risk so can't get the parcels but says getting the calls every week has helped her so much during the lockdown. The calls had been a big help to her through a tough year."

This service has been so well received by our guests that we intend to continue after the crisis.

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 2021 our volunteers rescued 191 tonnes of food for either FoodCycle Community Meals, FoodCycle Delivers or Cook and Collect.** This volume of food is the equivalent of 455,000 meals using WRAP figures.



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 able to act in their positions.

Support of volunteers

FoodCycle has a tiered system of volunteers – Project Leaders, who commit to helping the project run and take responsibility for each community dining session and regular volunteers, who sign up on the Volunteer Management Portal for specific roles such as food collection, cooking or hosting.

Each Project is managed by up to eight Project Leaders 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. Ad hoc and regular 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.

Volunteer achievements

FoodCycle volunteers are the lifeblood of the organisation and they delivered four different services in 2021. During the year we continued to make further investment in our Volunteer Management System, making it more user-friendly for our volunteer Project Leaders.

We continued to improve volunteer training, including accredited first aid training, safeguarding, conflict training, food safety and nutrition and allergen training, all of which will result in them being better able to meet the needs of our guests and manage any issues that arise at our projects.

We also trialled new methods of volunteer recruitment using Facebook advertising and Expression of Interest forms. We required a large volunteer recruitment drive from July 2021 when we returned to community dining and these new methods helped enormously to get us back to full teams.

During the pandemic our volunteer teams were working either in different roles, or on skeleton teams. Many of our older volunteers shielded and had not volunteered with us for some time. We invested in recruiting Project Support Officers to help us build the volunteer levels back up in the later half of 2021.

Volunteers dedicated 63,880 hours to FoodCycle 2021. At the real living wage (hourly rate £9.90) this equates to a £632,400 contribution to FoodCycle.

Food safety and allergens

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.

In October 2021 Natasha's Law was introduced. We have developed an Allergen Policy to ensure guests can advise us if they are allergic to any foodstuffs and to provide them with the ingredients in a meal if they state they do suffer from a food allergy so that they can make an informed choice about what foods to eat. Due to the nature of how we collect food and what may have happened at a suppliers premises (unknown to us) we do advise that there is a very strong possibility that there may be cross contact of food.

Participating in Xcess

FoodCycle continued to collaborate with other food redistribution charities in 2021 as part of Xcess. 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 totalled £1,261,972 of which £1,227,972 was received as grants and donations (including gifts in kind) from supporters and funders and £34,000 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. We designated £450,000 in 2020 over three years for our expansion plans and spent £88,901 of these funds in 2021, leaving £361,099 to be designated for the next 2 years. Further forward commitments from a range of funders totaled £612,388 for 2022.

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.

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:

- A new strain of COVID-19 emerging in 2022 forcing FoodCycle to change our model back from community dining to other services that we have previously run. We are confident we can run these services very well and switch quickly if we need to and will maintain the Check-in and Chat service so we can still address loneliness.
- Nervousness of both guests and volunteers to return to community dining. We have left our guidance in place around socially distancing and wearing masks and will review this as Government guidance around this has lifted.
- Higher levels of funding in 2020 compared to many charities that experienced a huge drop in income leading to trusts and foundations requiring to fund charities with low level of reserves first. We will expand our fundraising team and widen our income streams in 2022.
- 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.

- 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 2021 was £1,034,290 which included restricted funds of 82,557. In 2020 the Board of trustees agreed to designate £450,000 over three years towards FoodCycle's expansion across the country. During 2021 £88,901 was used to fund the following new positions

- Research Officer – successfully determining new locations for expansion
- Development Manager – developing new networks to assist in project opening
- Additional Regional Managers in the Yorkshire and Teeside area
- Area managers – for London and the North to support and manage Projects and staff 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
- Project Support Officer – to help recruit new volunteers across the country

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 £574,925. This figure excludes fixed assets.

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 £600,000

We currently have £574,925 equivalent to 5.7 months of cash reserves. Hence FoodCycle has no material uncertainty for 2022 having had a successful 2021 in terms of fundraising.

Fundraising

2021 saw grant funders, corporates and individuals continue to recognise our proactive response to Covid. Thanks to their generous support, we raised £1,261,972 against a budget of £803,704. Principal grant funding was provided by the Fishmongers' Company, Henry Smith Charity, Drapers' Charitable Fund, Charities Aid Foundation, The Eveson Charitable Trust, EQ Foundation, The Moondance Foundation, Sir James Knott Trust, Society of the Holy Child Jesus, The Steel Charitable Trust and The Swire Charitable Trust.

We had another strong year's performance from corporate partnerships with our long-term partner, Just Eat, running their Christmas Meal Appeal for a second time, encouraging customers to donate and matching their donations, with additional support from Just Eat's partner, Coca Cola. COOK continued their support from the sale of bags and also helped us launch a new Project close to their headquarters in Sittingbourne. We also began a new partnership with Quorn. Their support, whilst unrestricted, enabled us to recruit a Regional Manager for Yorkshire and Humber and underpinned our expansion, including three Projects in the region. Redevco supported for a further year, with a grant from their foundation assisting our return to community dining. Boursin ran a Christmas campaign, supporting our work and teaming up with MasterChef winner Kenny Tutt who ran a cook-along and created a series of recipes to help prevent food going to waste over the festive period.

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 financial support. We believe this approach protects vulnerable people.

Plans for the future

FoodCycle plans to continue expanding in 2022 and beyond. We made great progress in 2021 by extending our reach into Wales, Yorkshire and Teesside and will further our growth in those regions as well as existing regions.

The Research Officer and Development Manager have been building a pipeline of Projects where FoodCycle can expand to. This involves researching an area, networking with local food poverty groups, councils and other service providers. These networks are vital to ensuring we expand where we are needed and on the day/time of week that suits potential guests and volunteers.

We will continue to run our Check-in and Chat. 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.

The guests and volunteers repeatedly tell us that our service is an incredible way of building community, changing eating behaviour by eating more healthily and a great way to make friends. We want to campaign for more community dining projects to be funded and operating all around the country. We will work with a corporate partner to analyse and assess our guest surveys and



conduct background research on the importance of community dining and the health benefits it offers. We aim to launch this research in late 2022/early 2023.

We will review and assess our surveys and partnerships to determine how we can continue to innovate and make our model more suitable for target groups.

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, risk management, operations, research, diversity and charity.

The Board met remotely four 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 Team (SMT) examines the activities in more depth. SMT 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. 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.

Mark Game is a trustee of FoodCycle and CEO of The Bread and Butter Thing. FoodCycle's CEO (Mary McGrath) is a trustee of the board of TBBT. In addition, some of our projects in the north benefit from food surplus which we collect from TBBT. Food distribution is a large part of what they do and we benefit from it in the same way as the other organisations who collect from them; we also incur expenditure to collect the food (mileage) in the same way as when we collect from FareShare or a supermarket so there are no beneficial arrangements.

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.

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 7(2020:7). 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 re-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 prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 25 April 2022 and signed on their behalf by

David West
Treasurer

Opinion

We have audited the financial statements of Foodcycle (the 'charitable company') for the year ended 31 December 2021 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 2021 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.

Joanna Pittman (Senior statutory auditor)

Date: 9 May 2022

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 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations	2	932,168	295,804	1,227,972	810,982	757,781	1,568,763
Charitable activities							
Franchise fees for community meals		4,792	–	4,792	2,913	–	2,913
Recharge to partner organisations		229	–	229	995	–	995
Other trading activities	3	27,160	320	27,480	21,775	3,933	25,708
Investments		604	–	604	1,657	–	1,657
Other income		895	–	895	–	–	–
Total income		965,848	296,124	1,261,972	838,322	761,714	1,600,036
Expenditure on:							
Raising funds		193,909	–	193,909	125,028	–	125,028
Charitable activities							
Community meals		639,375	493,492	1,132,867	276,836	546,276	823,112
Total expenditure	4a	833,284	493,492	1,326,776	401,864	546,276	948,140
Net income / (expenditure) for the year	5	132,564	(197,368)	(64,804)	436,458	215,438	651,896
Reconciliation of funds:							
Total funds brought forward		819,169	279,925	1,099,094	382,711	64,487	447,198
Total funds carried forward		951,733	82,557	1,034,290	819,169	279,925	1,099,094

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 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	10		15,708		8,721
Investments	11		1		1
			<u>15,709</u>		<u>8,722</u>
Current assets:					
Debtors	12	103,221		286,576	
Cash at bank and in hand		981,155		861,764	
		<u>1,084,376</u>		<u>1,148,340</u>	
Liabilities:					
Creditors: amounts falling due within one year	13	(65,795)		(57,968)	
			<u>1,018,581</u>		<u>1,090,372</u>
Net current assets					
			<u>1,034,290</u>		<u>1,099,094</u>
Total net assets					
			<u>1,034,290</u>		<u>1,099,094</u>
The funds of the charity:	16a				
Restricted income funds			82,557		279,925
Unrestricted income funds:					
General funds		590,634		369,169	
Designated funds		361,099		450,000	
		<u>951,733</u>		<u>819,169</u>	
Total unrestricted funds					
			<u>1,034,290</u>		<u>1,099,094</u>
Total charity funds					
			<u>1,034,290</u>		<u>1,099,094</u>

Approved by the trustees on 25 April 2022 and signed on their behalf by

David West
Treasurer

Foodcycle

Statement of cash flows

For the year ended 31 December 2021

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

	2021 £	2020 £
Net (expenditure)/ income for the reporting year (as per the statement of financial activities)	(64,804)	651,896
Depreciation charges	8,290	7,840
Dividends, interest and rent from investments	(604)	(1,657)
Loss/(profit) on the disposal of fixed assets	99	503
Decrease/(increase) in debtors	183,355	(221,055)
Increase/(decrease) in creditors	7,827	28,984
Net cash provided by / (used in) operating activities	134,163	466,511

	2021 £	£	2020 £	£
Cash flows from operating activities				
Net cash provided by / (used in) operating activities		134,163		466,511
Cash flows from investing activities:				
Dividends, interest and rents from investments	604		1,657	
Purchase of fixed assets	(15,376)		(8,194)	
Net cash provided by / (used in) investing activities		(14,772)		(6,537)
Change in cash and cash equivalents in the year		119,391		459,974
Cash and cash equivalents at the beginning of the year		861,764		401,790
Cash and cash equivalents at the end of the year		981,155		861,764

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.

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 deferral of funding from multiyear 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.

1 Accounting policies (continued)

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.

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

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Gifts	801,756	71,680	873,436	640,250	368,168	1,008,418
Grants and donations from trusts and foundations	98,294	224,124	322,418	84,594	389,613	474,207
Gifts in Kind	32,118	–	32,118	86,138	–	86,138
	932,168	295,804	1,227,972	810,982	757,781	1,568,763

3 Income from other trading activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted	Restricted	2020 Total £
Sales of merchandise	3,996	–	3,996	4,886	–	4,886
Central fundraising initiatives	3,568	–	3,568	4,625	–	4,625
Project fundraising and events	2,547	320	2,867	9,405	3,933	13,338
Fees for use of the charity logo	17,049	–	17,049	2,859	–	2,859
	27,160	320	27,480	21,775	3,933	25,708

Foodcycle

Notes to the financial statements

For the year ended 31 December 2021

4a Analysis of expenditure (current year)

	Raising funds £	Community meals and other food provision £	Governance costs £	Support costs £	2021 £	2020 £
Staff costs (Note 6)	144,280	483,038	-	161,395	788,713	557,025
Purchases	-	37,197	-	-	37,197	26,506
Marketing and advertising	-	14,754	-	-	14,754	4,981
Volunteer training	-	22,465	-	-	22,465	5,018
Printing, postage and stationery	-	1,516	-	3,599	5,115	5,228
Travel (including food pick-ups)	-	28,002	-	3,143	31,145	79,987
Venue hire	-	77,076	-	-	77,076	53,693
Volunteer costs	-	27,060	-	-	27,060	16,335
Monitoring and evaluation	-	7,857	-	-	7,857	-
Kitchen equipment	-	42,873	-	-	42,873	22,883
Insurance	-	2,979	-	-	2,979	2,844
Establishment costs	-	-	-	33,068	33,068	34,030
Other	-	-	-	1,629	1,629	1,081
Office expenses	-	3,499	-	1,591	5,090	5,189
Staff training	1,599	4,217	-	360	6,176	5,966
Computer expenses	-	-	-	32,754	32,754	14,553
Bookkeeping fees	-	-	-	6,425	6,425	2,187
Bank charges	-	-	-	4,123	4,123	5,898
Staff welfare	-	-	-	1,130	1,130	989
Other staff costs	-	-	-	12,322	12,322	4,068
Consultancy	-	64,085	1,662	-	65,747	17,202
Depreciation	-	-	-	8,290	8,290	7,840
Fundraising and central marketing	48,030	-	-	-	48,030	23,215
Trustee training and expenses	-	-	365	-	365	86
Auditor's remuneration	-	-	9,120	-	9,120	8,700
Accountancy fees	-	-	2,040	-	2,040	1,200
Legal fees	-	-	-	2,076	2,076	1,733
Covid-19 service specific costs	-	31,157	-	-	31,157	39,703
	193,909	847,775	13,187	271,905	1,326,776	948,140
Support costs	-	271,905	-	(271,905)	-	-
Governance costs	-	13,187	(13,187)	-	-	-
Total expenditure 2021	193,909	1,132,867	-	-	1,326,776	-
Total expenditure 2020	125,028	823,112	-	-	-	948,140

Foodcycle

Notes to the financial statements

For the year ended 31 December 2021

4b Analysis of expenditure (prior year)

	Raising funds £	Community meals and other food provision £	Governance costs £	Support costs £	2020 £
Staff costs (Note 6)	100,993	339,543	-	116,489	557,025
Purchases	-	26,506	-	-	26,506
Marketing and advertising	-	4,981	-	-	4,981
Volunteer training	-	5,018	-	-	5,018
Printing, postage and stationery	-	907	-	4,321	5,228
Travel (including food pick-ups)	-	77,257	-	2,730	79,987
Venue hire	-	53,693	-	-	53,693
Volunteer costs	-	16,335	-	-	16,335
Kitchen equipment	-	22,883	-	-	22,883
Insurance	-	2,844	-	-	2,844
Establishment costs	-	-	-	34,030	34,030
Other	-	-	-	1,081	1,081
Office expenses	-	3,482	-	1,707	5,189
Staff training	820	3,756	-	1,390	5,966
Computer expenses	-	-	-	14,553	14,553
Bookkeeping fees	-	-	-	2,187	2,187
Bank charges	-	-	-	5,898	5,898
Staff welfare	-	-	-	989	989
Other staff costs	-	-	-	4,068	4,068
Consultancy	-	14,626	524	2,052	17,202
Depreciation	-	-	-	7,840	7,840
Fundraising and central marketing	23,215	-	-	-	23,215
Trustee training and expenses	-	-	86	-	86
Auditor's remuneration	-	-	8,700	-	8,700
Accountancy fees	-	-	1,200	-	1,200
Legal fees	-	-	-	1,733	1,733
Covid-19 service specific costs	-	39,703	-	-	39,703
	125,028	611,534	10,510	201,068	948,140
Support costs	-	201,068	-	(201,068)	-
Governance costs	-	10,510	(10,510)	-	-
Total expenditure 2020	125,028	823,112	-	-	948,140

5 Net income / (expenditure) for the reporting year

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation	8,290	7,840
Loss or profit on disposal of fixed assets	99	503
Operating lease rentals:		
Property	21,000	21,000
Other	418	546
Independent auditor's remuneration (excluding VAT):		
Audit	7,600	7,250
Other services	1,700	1,000
	<u>788,713</u>	<u>557,025</u>

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

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	715,422	499,895
Social security costs	53,269	42,849
Employer's contribution to defined contribution pension schemes	18,205	12,677
Other forms of employee benefits	1,817	1,604
	<u>788,713</u>	<u>557,025</u>

One employee earned between £60,000–£69,999 during a calendar year (2020: no employee earned more than £60,000 in the year).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £239,187 (2020: £202,400).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). None of the current charity trustees were paid for professional services supplied to the charity in the year (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £96 (2020: £nil) incurred by 1 (2020: 0) member relating to attendance at meetings of the trustees. In addition, the charity spent £nil (2020: £86) on leaving and life event gifts for 0 (2020: 2) trustees. The charity paid £249 for trustee training (2020: £nil).

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 25.4 (2020: 18.6).

8 Related party transactions

With the exception of the trustee disclosures in note 6, Mark Game is a trustee of FoodCycle and CEO of The Bread and Butter Thing. FoodCycle's CEO (Mary McGrath) is a trustee of the board of TBBT. In addition, some of our projects in the north benefit from food surplus which we collect from TBBT. Food distribution is a large part of what they do and we benefit from it in the same way as the other organisations who collect from them; we also incur expenditure to collect the food (mileage) in the same way as when we collect from FareShare or a supermarket so there are no beneficial arrangements. There are no other related party transactions to disclose for 2021.

There was a total of £163 of donations received 3 donations from trustees in 2021 (2020: £76 from 2 trustees) 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	3,656	32,586	36,242
Additions in year	169	15,207	15,376
Disposals in year	(132)	–	(132)
At the end of the year	3,693	47,793	51,486
Depreciation			
At the start of the year	3,136	24,385	27,521
Charge for the year	232	8,058	8,290
Eliminated on disposal	(33)	–	(33)
At the end of the year	3,335	32,443	35,778
Net book value			
At the end of the year	358	15,350	15,708
At the start of the year	520	8,201	8,721

All of the above assets are used for charitable purposes.

11 Investments

FoodCycle holds a £1 investment (2020: £1) in its wholly owned subsidiary, FoodCycle Trading Limited. Within the year the trading subsidiary was dormant.

12 Debtors

	2021 £	2020 £
Trade debtors	5,970	16,487
Prepayments	17,660	14,195
Accrued income	79,591	255,894
	103,221	286,576

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	10,818	14,957
Taxation and social security	15,674	11,455
Other creditors	5,148	3,148
Accruals	25,905	28,408
Deferred income (see note 14)	8,250	–
	65,795	57,968

14 Deferred income

Deferred income comprises advance payments received for Corporate Cooking Challenges (2021) and grants (2020) for future years.

	2021 £	2020 £
Balance at the beginning of the year	–	3,945
Amount released to income in the year	–	(3,945)
Amount deferred in the year	8,250	–
Balance at the end of the year	8,250	–

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

	General unrestricted £	Designated unrestricted £	Restricted £	Total funds £
Tangible fixed assets	15,708	–	–	15,708
Investments	1	–	–	1
Net current assets	574,925	361,099	82,557	1,018,581
Net assets at 31 December 2021	590,634	361,099	82,557	1,034,290

15b Analysis of net assets between funds (prior 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

16a Movements in funds (current reporting year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Restricted funds:					
Community meals and general project activity	233,465	267,569	(421,772)	–	79,262
Covid-19 activity	42,155	13,707	(55,861)	–	1
Check in and chat	4,305	14,848	(15,859)	–	3,294
Total restricted funds	279,925	296,124	(493,492)	–	82,557
General funds	369,169	965,845	(744,380)	–	590,634
Designated funds	450,000	–	(88,901)	–	361,099
Total unrestricted funds	819,169	965,845	(833,281)	–	951,733
Total funds	1,099,094	1,261,969	(1,326,773)	–	1,034,290

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 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
Community meals and general project activity	64,487	459,786	(290,808)	–	233,465
Covid-19 activity	–	296,781	(254,626)	–	42,155
Check in and chat	–	5,147	(842)	–	4,305
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

Purposes of restricted funds

Community meals and general project activity – Every year FoodCycle benefits from a number of grants and donations that fund our core activity of providing community meals. The majority of these are restricted to specific projects or geographical regions and each grant is tracked separately to ensure these requirements are met. During covid-19 restrictions, some grant providers advised us that funds which they had donated prior to the pandemic could not be used for our alternative delivery / takeaway services (see below), so expenditure on those grants was put on hold until we were able to recommence community meals in those areas. Other funders were happy for us to use their grants for whatever services we were able to offer, as long as it benefited the same region.

Covid-19 activity – During the lockdown arising from the covid-19 pandemic, it was not possible for us to serve community meals. While some of our projects had to be put on pause, in many areas we were able to instead deliver food bags both to our own guests and to others who were referred to us. As restrictions eased we were able to move to a ‘cook and collect’ model, offering takeaway meals. A number of grants were given to us specifically to fund this activity and to cover programme staff costs during this period. Some of the grants were restricted to specific areas of expenditure (such as food, salaries or takeaway containers) and some others were restricted to particular projects or parts of the country.

Check in and chat – In the course of 2020 we introduced a ‘check in and chat’ service, as a way to provide the ‘community’ that our guests usually enjoyed when they came to our community meals, but were missing when we could only deliver food parcels or offer takeaways, through making regular telephone conversations to guests who had signed up to receive them. We have received a small number of grants to fund this service.

Purposes of designated funds

Expansion Fund – In 2020 the Board of trustees agreed to designate £450,000 from unrestricted funds, to be spent over three years on costs relating to FoodCycle's expansion across the country. £88,901 was spent in 2021, with increased costs expected to accelerate as we open more new projects over the next 2 years.

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 2021 £	2020 £	Equipment 2021 £	2020 £
Less than one year	21,000	8,400	520	474
One to five years	7,000	–	1,155	1,674
	28,000	8,400	1,675	2,148

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.