



Company number: 7101349
Charity number: 1134423

FoodCycle

Report and financial statements

For the year ended 31 December 2022



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Reference and administrative information For the year ended 31 December 2022

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	(Treasurer)
Ms. Philippa Jane Garland	
Mr. Mark Anthony Game	
Mr. Gareth Michael Germer	
Ms Kalyani Gupta	
Mr. Matthew Bushby	(appointed 17/10/2022)
Dr .Olivia Barata Cavalcanti	(appointed 23/01/2023)
Mr. Frances Le Guys	(appointed 23/01/2023)
Mr. Nick Johnson	(appointed 23/01/2023)

Company secretary Ms. Mary McGrath (appointed 01/01/2022)

Key management personnel	Ms. Mary McGrath	Chief Executive
	Ms. Sophie 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 2022.

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 2022 – delivering public benefit

During the year we returned fully to our community dining model, providing nourishing three-course meals for people at risk of loneliness and food poverty.

Achievements across all services

62 local communities benefitted from FoodCycle services throughout the year

497,552 meals served*

209 tonnes of food saved from going to waste

3,123 Check-in and Chat telephone conversations

5,458 volunteers donated 91,784 hours of their time

124,780 hours spent engaging with our guests

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

FoodCycle Community Meals

FoodCycle Projects are located across England and Wales. They are volunteer-powered community Projects serving nutritious, vegetarian 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 adults and children in need.



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
- Ensuring all Projects are safe, warm and welcoming and that we fulfil our statutory safeguarding duties
- 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 the ramifications of the introduction of Natasha's Law in October 2021

At the start of the year, we focussed on rebuilding our volunteer teams in the locations that had launched or re-opened following the ending of lockdown rules in July 2021. We went on to launch a further 18 Projects, extending our reach into new areas of England and Wales such as Hull, Swindon, Cardiff and Luton.

As we headed into the autumn, the number of guests attending our meals swelled to our highest levels ever with some venues reaching capacity. Simultaneously we have faced the challenge of both a drop off in quantity and quality of surplus food, with reduced items selling out in store as food prices increase.

Project launches

These are the locations that FoodCycle opened up in during 2022.

Leeds Beeston	March	Aylesbury	July
Portsmouth	March	Weoley Castle	August
Bootle	April	Sheffield	September
Hull Marfleet	May	Dalston relaunch	September
Dudley	May	Thornton Heath	September
Swansea Townhills	May	Havant	September
Luton	June	Salford Angel	October
King's Cross relaunch	June	Wolverhampton	October
Cardiff Riverside	July	Kingstanding relaunch	November
Walthamstow	July	Swindon	November



Sadly Birmingham Aston closed due to the level of resourcing required at every meal to best support this community.

What does community dining mean to our guests?

FoodCycle meals continue to be at the heart of the community - a warm and safe space to socialise, make new friends, and share a tasty meal. In 2022 we were able to bring FoodCycle community meals to many more towns and cities across England and Wales.

Guests attend FoodCycle's weekly community meals for a number of reasons: some come for the company, some come for the food. We pride ourselves on the fact that 'everyone is welcome', which means we see people from all walks of life, meeting together, sharing stories, making friends and enjoying a hot, nutritious meal. Each year we undertake an annual survey with our guests to understand their circumstances and the benefits of attending FoodCycle.

43% live on their own

68% feel lonely

39% have a long term physical health condition

68% worry that they can't afford to buy the food they need

68% struggle to pay the bills

92% are worried that the price of food will continue to increase

But the benefits are clear:

87% of guests and 80% of volunteers said that coming to a FoodCycle meal makes them feel part of their community

91% of guests and 91% of volunteers said they had met people from different backgrounds

93% of guests and 90% of volunteers say they look forward to coming to FoodCycle

86% of guests and 71% of volunteers said they feel happier after attending a FoodCycle meal

"Absolutely brilliant initiative. The food is delicious. Being on a low income and with times being tight to have a free meal is a big help. Thank you." FoodCycle guest, Bath.

"It feels like a family, we are all there as a team and like to talk and it gives us a place to be. The volunteers are amazing and the people who come in are just as good, the characters that I see on a weekly basis, it's just like where I grew up, everyone is unique and brings something to the party." FoodCycle volunteer, Bristol Easton.

"Amazing service, friendly staff who are hardworking and kind. Delicious food - always tasty and a lovely atmosphere." FoodCycle guest, Lewisham.

"It's a great opportunity to give back to the community, to connect with others and tackle loneliness/social isolation, food waste and poverty. It's also great fun! The group of volunteers are always friendly as are local residents and it's exciting to figure out what to cook together using donated ingredients on the day." FoodCycle Volunteer, Peckham.

Your Place at the Table

In 2022 with funding from Quorn, FoodCycle surveyed 2000 people from the general public and commissioned social eating and community food systems expert, Dr Marsha Smith of Coventry University to produce the [‘Your Place at the Table’ report](#).

This report shows why eating together is important in sustaining not just the physical body, but in creating the sense of belonging that underpins a healthy society and highlights why everyone should be invited to take ‘a place at the table’, regardless of income or status.

The survey commissioned by FoodCycle and conducted by ‘Vital Research’ highlighted that we are a nation of solo diners, with 24% saying that they eat alone every day of the week, yet, one in two believe mental health is benefited by eating together.

In terms of hurdles to finding social connection, it found that **96% of the population have not heard of community dining projects** but near to **one in two would attend if one was available in their area**.

The report found that “anchor organisations at the heart of delivering services to communities” like FoodCycle “will help us build more resilience into our society”. It also said, during a time of crisis in the UK “the value of being able to eat with others, to share food, to feed people and to build social connections is particularly significant.”

Why is community dining so good for us?

- Eating together in groups is about more than food – shared mealtimes are social activities that deliver health and environmental benefits.
- People feel welcome and cared for and it’s an opportunity to make and meet friends.
- It builds community and social resilience, in ways that are enjoyable and destigmatising.
- The benefits aren’t just for those eating. Volunteers gain too by, giving them an opportunity to contribute to their community.

Finally, the report found that “FoodCycle creates moments of commensality showing that they are responding to people’s need to socialise in warm, welcoming, social spaces. Sitting and eating a nutritious hot meal and having time to digest food in a relaxed, warm, and comfortable setting is something everyone cherishes. For people experiencing hardships, this need is even greater. Mealtimes are not about the making the world a better place as much as making a place for better worlds.”

Check-in and Chat

Developed during the Covid lockdowns. Our telephone service continues to be a popular addition to FoodCycle’s services. Each week volunteers make calls to those that might be feeling lonely or in need of social contact.

3,123 Check-in and Chat telephone conversations

93% of Check-in and chat beneficiaries said the service has a positive impact on them

80% said they feel happier following their weekly call



Rosie is a student and has been volunteering with Check-in and Chat since 2020.

She says "It's a really great way of getting to know people, getting to talk to people that you wouldn't usually meet in everyday life, especially as a student. I also find it really great that it's a virtual volunteering experience, it's really relaxed and flexible."

"The calls are a godsend and the difference they make is amazing. Thank you to all the different people who go out of their way to call me - they are unsung heroes!" Check-in and Chat beneficiary.

Reducing food waste

Our volunteers continued to reclaim surplus food throughout the year - either through cycling around their cities or through collection on foot or by car. During 2022 our volunteers rescued 209 tonnes of food for FoodCycle community meals. This volume of food is the equivalent of 497,552 meals. Equivalent meals served is based on assumption an average meal is 420g – FSA 2008.

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 for specific roles such as food collection, cooking or hosting – both types of volunteers sign up for sessions on the Volunteer Management Portal.

Each Project is managed by up to eight Project Leaders who take it in turns to run each session, with support and assistance from FoodCycle employees, including Regional Managers, a Marketing Manager and a 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.



We continued to deliver 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.

Volunteers join us for various reasons, some to help their community, some to help tackle loneliness. However, with many still adjusting to life post pandemic, alongside increasing living costs, we're seeing that a lot of our volunteers have similar experiences to our guests with 10% volunteering so they have access to a free meal and 26% to help themselves feel less lonely.

The positive impact on our volunteers

The following statistics are from our annual survey of volunteers which took place in November 2022.

46% say their mental health has improved through volunteering

80% feel more connected to their local community

70% have a greater understanding of food waste

60% say it gives their lives a new sense of purpose

90% look forward to volunteering with us

"As I work at home, on my own, I really enjoy being part of the volunteer team during the session. It's really good to be with other people; all the volunteers are really friendly, come from different backgrounds, and work together to ensure the session runs well. My working day is on a computer screen so I really enjoy the practical element of volunteering at FoodCycle. It's so good to get to know the guests, chat to different people, and feel part of the FoodCycle community." FoodCycle volunteer, Gloucester

"I enjoy meeting new people from different ages, abilities, etc everyone has their own unique story and experiences to talk about. I can honestly say I come away from FoodCycle feeling uplifted, happy and with a smile on my face." FoodCycle volunteer, Birmingham Longbridge.

"Since I am from Ukraine, volunteering helps to improve my English language skills, volunteering helps me understand people better and treat everyone with great respect. Volunteering teaches me to love what I do and I really feel happy attending, I really like the team which (is) helping people, amazing organization and I am happy to be a part of team." FoodCycle volunteer, Havant

Volunteers dedicated 91,784 hours to FoodCycle 2022. At the real living wage (hourly rate £10.90) this equates to a £1,000,445 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. We introduced kitchen audits during the year, as a way of assessing if we are following all our policies and procedures around kitchen safety and allergens.

Financial review

Income received for the year totalled £1,853,643 of which £1,817,728 was received as grants and donations (including gifts in kind) from supporters and funders and £28,769 was generated from Projects, other fundraising events and the licensing of the FoodCycle logo.

No grants have been deferred to the financial year 2022. We designated £450,000 in 2020 over three years for our expansion plans and spent £65,466 of these funds in 2022, leaving £295,633 to be designated for the next 3 years, as we agreed to extend the period we could use designated funds. Further forward commitments from a range of funders totalled £1,150,242 for 2023.

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 with minor tweaks presented at the Q4 Board meeting in January
- 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:

- Safeguarding incident that could lead to reputational damage. Every year we conduct a full review of our Safeguarding policies and procedures ensuring that Project Leaders, staff and trustees are fully up to date with our policy and procedures.
- Reliance on systems that could be hacked and data exploited. All our systems are cloud-based with multi factor authentication. Our platforms are owned and managed by IT companies that globally manage this risk
- Requirement for funding to grow year on year as we expand whilst simultaneously experiencing an increase in costs. We have continued to steward very important fundraising relationships and developed our pipeline for new funders, both corporate and trusts and foundations. We will expand our fundraising team and widen our income streams further in 2023.
- 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 affecting imports and surplus food supply. We have plans to increase our spending on food to ensure our meals continue to be nutritious.
- Cost-of-living driving up costs –increase in venue hire and salary costs to retain staff; increased volume of volunteers claiming expenses.
- Outgrowing our finance system – we will be implementing a new finance system in 2023

Reserves policy and going concern

The total funds the charity held at the end of December 31st 2022 was £1,188,429 which included restricted funds of £345,628. In 2020 the Board of trustees agreed to designate £450,000 over three years towards FoodCycle's expansion across the country. During 2022 £65,466 was used to fund the following new positions

- Additional Regional Managers in the South East, North East and the East Midlands
- Area managers for Wales, South West and South East

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 £529,055. 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.

We currently have £1,118,359, equivalent to 6 months of cash reserves. Hence FoodCycle has no material uncertainty for 2023, having had a successful 2022 in terms of fundraising.

Fundraising

During 2022 we saw generous support from corporates, trusts and individuals, recognising FoodCycle's contribution to tackling the cost-of-living crisis and enabling us to raise £1,853,643. Principle grant funding was provided by The Julia and Hans Rausing Trust, City Bridge Trust, Rothschild Foundation, the Fishmongers' Company's Charitable Trust, Garfield Weston Foundation and Moondance Foundation.

It proved another strong year for corporate support. We are grateful to our long-standing partner, Just Eat, who ran an extended Winter Meal Appeal which yet again saw the company support financially and encourage customers to donate at checkout, whilst our partnership with Quorn went from strength to strength in its second year and we were delighted our work together was shortlisted in the Third Sector Business Charity Awards 2022. Our thanks go to employees of AKO Capital for nominating FoodCycle to benefit from their Give Back Initiative and to Compass Group Foundation for including FoodCycle among its inaugural grant round. Redevco and Calastone both continued their support, as did Boursin, whilst Fortem Capital and Zurich Community Trust both embarked on new partnerships with FoodCycle too alongside numerous other corporates.

2022 was a busy year for our Food Invention Challenges, with 18 companies taking part. These sessions bring corporate teams together to create three-course meals using surplus food which are then donated to local organisations supporting communities in south London.

We do not use external 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.

Press and Marketing

The cost-of-living has been at the forefront of the media agenda, which has given FoodCycle the perfect opportunity to talk about our services and how they can benefit the community and are available to anyone that needs them. In 2022 FoodCycle were mentioned or featured in 248 news articles including Sky News, numerous national and regional BBC TV and Radio, The Big Issue, The Guardian, The Metro, BBC Good Food Magazine, Evening Standard, Sainsbury's Magazine and Charity Times.

We also launched a new website making it easier for volunteers to sign up and for guests to find their nearest meal.

Plans for the future

FoodCycle plans to continue expanding in 2023 and beyond. We made great progress in 2022 by extending our reach into the South East and will further our growth in this region as well as existing regions. At end of 2022 we recruited an East Midlands Regional Manager and intend to open at least 4 Projects in this region in 2023.

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 for us to connect with guests outside of the community meal.

In 2023 we will build upon the work of the Your Place at the Table report, engaging with food system stakeholders, social prescribers and local councils to demonstrate the need for FoodCycle in their local areas.

As we have outgrown Xero we will introduce a new finance system in 2023 that will better fit our size and complexity.

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 ("TBBT"). 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 (2021:7). 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 24 April 2023 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 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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)

6 June 2023

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 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Donations	2	1,034,407	783,321	1,817,728	932,168	295,804	1,227,972
Charitable activities				–			
Franchise fees for community meals		4,132	–	4,132	4,792	–	4,792
Recharge to partner organisations		843	–	843	229	–	229
Other trading activities	3	27,686	1,083	28,769	27,160	320	27,480
Investments		2,137	–	2,137	604	–	604
Other income		34	–	34	895	–	895
Total income		1,069,239	784,404	1,853,643	965,848	296,124	1,261,972
Expenditure on:							
Raising funds		224,720	–	224,720	193,909	–	193,909
Charitable activities							
Community meals		953,827	520,957	1,474,784	639,375	493,492	1,132,867
Total expenditure	4a	1,178,547	520,957	1,699,504	833,284	493,492	1,326,776
Net income / (expenditure) for the year	5	(109,308)	263,447	154,139	132,564	(197,368)	(64,804)
Transfers between funds		376	(376)	–	–	–	–
Net income / (expenditure) before other recognised gains and losses		(108,932)	263,071	154,139	132,564	(197,368)	(64,804)
Reconciliation of funds:							
Total funds brought forward		951,733	82,557	1,034,290	819,169	279,925	1,099,094
Total funds carried forward		842,801	345,628	1,188,429	951,733	82,557	1,034,290

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 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	10		18,112		15,708
Investments	11		1		1
			<u>18,113</u>		<u>15,709</u>
Current assets:					
Debtors	12	179,075		103,221	
Short term deposits		461,625		–	
Cash at bank and in hand		656,734		981,155	
		<u>1,297,434</u>		<u>1,084,376</u>	
Liabilities:					
Creditors: amounts falling due within one year	13	(127,118)		(65,795)	
				<u>(65,795)</u>	
Net current assets			<u>1,170,316</u>		<u>1,018,581</u>
Total net assets			<u><u>1,188,429</u></u>		<u><u>1,034,290</u></u>
The funds of the charity:	16a				
Restricted income funds			345,628		82,557
Unrestricted income funds:					
General funds		547,168		590,634	
Designated funds		295,633		361,099	
		<u></u>		<u></u>	
Total unrestricted funds			<u>842,801</u>		<u>951,733</u>
Total charity funds			<u><u>1,188,429</u></u>		<u><u>1,034,290</u></u>

Approved by the trustees on 24 April 2023 and signed on their behalf by

David West
Treasurer

Statement of cash flows

For the year ended 31 December 2022

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

	2022 £	2021 £
Net (expenditure)/ income for the reporting year (as per the statement of financial activities)	154,139	(64,804)
Depreciation charges	8,963	8,290
Dividends, interest and rent from investments	2,137	(604)
Loss/(profit) on the disposal of fixed assets	299	99
(increase)/ decrease in debtors	(75,854)	183,355
Increase/(decrease) in creditors	61,323	7,827
Net cash provided by operating activities	<u>151,007</u>	<u>134,163</u>

	2022 £	£	2021 £	£
Cash flows from operating activities				
Net cash provided by operating activities		151,007		134,163
Cash flows from investing activities:				
Dividends, interest and rents from investments	(2,137)		604	
Purchase of fixed assets	(11,666)		(15,376)	
Purchase of short term deposits	<u>(461,625)</u>		<u>-</u>	
Net cash (used in) investing activities		<u>(475,428)</u>		<u>(14,772)</u>
Change in cash and cash equivalents in the year		<u>(324,421)</u>		<u>119,391</u>
Cash and cash equivalents at the beginning of the year		<u>981,155</u>		<u>861,764</u>
Cash and cash equivalents at the end of the year		<u>656,734</u>		<u>981,155</u>

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.

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.

1 Accounting policies (continued)

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 £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Gifts	784,319	125,788	910,107	801,756	71,680	873,436
Grants and donations from trusts and foundations	185,307	657,533	842,840	98,294	224,124	322,418
Gifts in Kind	64,781	–	64,781	32,118	–	32,118
	1,034,407	783,321	1,817,728	932,168	295,804	1,227,972

Gifts in kind received in the year largely comprise use of venues for some projects and use of a training platform for staff and volunteers.

3 Income from other trading activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted	Restricted	2021 Total £
Sales of merchandise	2,864	–	2,864	3,996	–	3,996
Central fundraising initiatives	3,567	–	3,567	3,568	–	3,568
Project fundraising and events	6,142	505	6,647	2,547	320	2,867
Fees for use of the charity logo	15,113	578	15,691	17,049	–	17,049
	27,686	1,083	28,769	27,160	320	27,480

Foodcycle

Notes to the financial statements

For the year ended 31 December 2022

4a Analysis of expenditure (current year)

	Raising funds £	Community meals and other food provision £	Governance costs £	Support costs £	2022 £	2021 £
Staff costs (Note 6)	175,540	678,146	–	173,779	1,027,465	788,713
Project running costs	–	255,977	–	–	255,977	160,125
Office costs	–	8,913	–	71,507	80,420	64,151
Consultancy and legal fees	–	69,558	620	1,751	71,929	67,823
Travel (including food pick-ups)	–	49,383	–	10,730	60,113	31,145
Fundraising and central marketing	48,114	–	–	–	48,114	48,030
Volunteer costs	–	39,554	–	–	39,554	49,525
IT costs	–	–	–	27,958	27,958	32,754
Staff recruitment and training	1,066	10,251	–	12,594	23,911	19,628
Marketing and advertising	–	20,634	–	–	20,634	14,754
Monitoring and evaluation	–	18,797	–	–	18,797	7,857
Trustee recruitment, training and expenses	–	–	12,000	–	12,000	365
Audit fees	–	–	10,020	–	10,020	9,120
Other	–	–	13	2,599	2,612	1,629
Covid-19 service specific costs	–	–	–	–	–	31,157
	224,720	1,151,213	22,653	300,918	1,699,504	1,326,776
Support costs	–	300,918	–	(300,918)	–	–
Governance costs	–	22,653	(22,653)	–	–	–
Total expenditure 2022	224,720	1,474,784	–	–	1,699,504	–
Total expenditure 2021	193,909	1,132,867	–	–	–	1,326,776

Foodcycle

Notes to the financial statements

For the year ended 31 December 2022

4b Analysis of expenditure (prior year)

	Raising funds £	Community meals and other food provision £	Governance costs £	Support costs £	2021 £
Staff costs (Note 6)	144,280	483,038	–	161,395	788,713
Project running costs	–	160,125	–	–	160,125
Office costs	–	5,015	2,040	57,096	64,151
Consultancy and legal fees	–	64,085	1,662	2,076	67,823
Travel (including food pick-ups)	–	28,002	–	3,143	31,145
Fundraising and central marketing	48,030	–	–	–	48,030
Volunteer costs	–	49,525	–	–	49,525
IT costs	–	–	–	32,754	32,754
Staff recruitment and training	1,599	4,217	–	13,812	19,628
Marketing and advertising	–	14,754	–	–	14,754
Monitoring and evaluation	–	7,857	–	–	7,857
Trustee recruitment, training and expenses	–	–	365	–	365
Audit fees	–	–	9,120	–	9,120
Other	–	–	–	1,629	1,629
Covid-19 service specific costs	–	31,157	–	–	31,157
	193,909	847,775	13,187	271,905	1,326,776
Support costs	–	271,905	–	(271,905)	–
Governance costs	–	13,187	(13,187)	–	–
Total Expenditure 2021	193,909	1,132,867	–	–	1,326,776

5 Net income / (expenditure) for the reporting year

This is stated after charging / (crediting):

	2022 £	2021 £
Depreciation	8,963	8,290
Loss or profit on disposal of fixed assets	299	99
Operating lease rentals:		
Property	20,986	21,000
Other	521	418
Independent auditor's remuneration (excluding VAT):		
Audit	8,350	7,600
Other services	1,700	1,700
	<u> </u>	<u> </u>

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

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	919,638	715,422
Social security costs	79,395	53,269
Employer's contribution to defined contribution pension schemes	25,849	18,205
Other forms of employee benefits	2,583	1,817
	<u>1,027,465</u>	<u>788,713</u>

One employee earned between £60,000–£69,999 during the calendar year (2021: one employee between £60,000 – £69,999).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £260,994 (2021: £239,187).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). None of the current charity trustees were paid for professional services supplied to the charity in the year (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2021: £96). The charity paid £nil for trustee training (2021: £249) and £12,000 for trustee recruitment (2021: £nil).

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 33.58 (2021: 25.4).

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 2022.

There was a total of £18.99 of donations received from one trustee in 2022 (2021: £163 from 3 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	3,693	47,793	51,486
Additions in year	303	11,363	11,666
Disposals in year	–	(4,385)	(4,385)
At the end of the year	3,996	54,771	58,767
Depreciation			
At the start of the year	3,335	32,443	35,778
Charge for the year	292	8,671	8,963
Eliminated on disposal	–	(4,086)	(4,086)
At the end of the year	3,627	37,028	40,655
Net book value			
At the end of the year	369	17,743	18,112
At the start of the year	358	15,350	15,708

All of the above assets are used for charitable purposes.

11 Investments

FoodCycle holds a £1 investment (2021: £1) in its wholly owned subsidiary, FoodCycle Trading Limited. Within the year the trading subsidiary was dormant.

12 Debtors

	2022 £	2021 £
Trade debtors	64,730	5,970
Prepayments	25,108	17,660
Accrued income	89,237	79,591
	179,075	103,221

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	28,746	10,818
Taxation and social security	43,650	15,674
Other creditors	7,306	5,148
Accruals	45,616	25,905
Deferred income (see note 14)	1,800	8,250
	127,118	65,795

14 Deferred income

Deferred income comprises advance payments received for Corporate Cooking Challenges.

	2022 £	2021 £
Balance at the beginning of the year	8,250	–
Amount released to income in the year	(8,250)	–
Amount deferred in the year	1,800	8,250
Balance at the end of the year	1,800	8,250

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

	General unrestricted £	Designated unrestricted £	Restricted £	Total funds £
Tangible fixed assets	18,112	–	–	18,112
Investments	1	–	–	1
Net current assets	529,055	295,633	345,628	1,170,316
Net assets at 31 December 2022	547,168	295,633	345,628	1,188,429

15b Analysis of net assets between funds (prior 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

16a Movements in funds (current reporting year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Restricted funds:					
Community meals and general project activity	79,262	744,235	(496,345)	(376)	326,776
Covid-19 activity	1	–	(1)	–	–
Check in and chat	3,294	15,169	(15,820)	–	2,643
Community dining Research	–	25,000	(8,791)	–	16,209
Total restricted funds	82,557	784,404	(520,957)	(376)	345,628
General funds	590,634	1,069,239	(1,113,081)	376	547,168
Designated funds	361,099	–	(65,466)	–	295,633
Total unrestricted funds	951,733	1,069,239	(1,178,547)	376	842,801
Total funds	1,034,290	1,853,643	(1,699,504)	–	1,188,429

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 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

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. One project unfortunately had to close and the funder agreed that the funds remaining could be transferred to unrestricted use.

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 and later transition to a 'cook and collect' model, offering takeaway meals. By 2022 restrictions had eased and the small amount of funding remaining was spent on food provision, in agreement with the funder.

Check in and chat – Our check in and chat service involves a team of volunteers making regular telephone conversations to guests who have signed up to receive them, in order to combat loneliness and provide additional support. We have received a small number of grants to fund this service.

Community dining research – FoodCycle has received a gift from a corporate partner, to enable us to commission Dr Marsha Smith of Coventry University to compile research to demonstrate the social and nutritional value of community meals and eating together. The aim of the research is to initiate the change in conversations from Food Banks and instead highlight the need for community dining. This research will be compiled into a report and launched using media outlets in 2023.

Purposes of designated funds

Expansion Fund – In 2020 the Board of trustees agreed to designate £450,000 from unrestricted funds, to be spent on costs relating to FoodCycle's expansion across the country. £154,367 has been spent to date, with increased costs expected to accelerate as we continue to expand into new areas of the country and open new projects.

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 2022 £	2021 £	Equipment 2022 £	2021 £
Less than one year	7,000	21,000	520	520
One to five years	–	7,000	632	1,155
	7,000	28,000	1,152	1,675

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.