



FOODCYCLE REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

COMPANY NUMBER: 07101349

CHARITY NUMBER: 1134423



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01. REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Number	1134423 England and Wales		
Country of Registration			
Company Number	07101349 United Kingdom		
Country of incorporation			
Registered Office and operational address	2.16 The Food Exchange, New Covent Garden Market London, SW8 5EL		
Board of 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:		
Chair and Treasurer	Ms. Mary McGrath MBE (Chair) (appointed 04/01/2024) Mr. David John Mcbean West (Treasurer) Mr. Stephen John Catling (Chair resigned 01/12/2023)		
Trustees	Ms. Kalyani Gupta Mr. Mathew Bushby Mr. Gareth Michael Germer (resigned 24/04/2023) Mr. Mark Game (Resigned 30/10/2023) Ms. Philippa Jane Garland (resigned 01/12/2023) Ms. Frances Le Grys (appointed 23/01/23) Mr. Nick Johnson (appointed 23/01/23) Ms. Samantha Denney (appointed 17/11/23) Dr. Olivia Barata Cavalcanti (appointed 23/01/2023, resigned 29/01/2024)		
Senior Leadership Team	Ms. Sophie Tebbetts (Chief Executive Officer from 01/01/2024, Head of Programmes until 31/12/2023) Ms. Mary McGrath MBE (Chief Executive Officer until 31/12/2023) Ms. Marylyn McQuaide (Head of Finance) Ms. Carly Shutes (Head of Marketing) Mr Peter McCabe (Head of Programmes) Ms. Victoria Meier (Head of Fundraising)		
Professional Advisers	Bankers NatWest Bank 216 Bishopsgate Liverpool Street London EC2M 4QB	Independent Auditors Sayer Vincent LLP 110 Golden Lane London EC1Y 0TG	Insurance Brokers Artemis Insurance Brokers Provident House, 13 Russell Hill Road Purley Surrey CR8 2LE

A word from the Chair of Trustees

I am honoured to welcome you to FoodCycle 2023 Annual Report. As the Chair of FoodCycle, I am delighted to share with you the journey we have embarked upon over the past year.

This report serves as a demonstration of the dedication, commitment, and unwavering support of our staff, supporters, volunteers and community partners who have joined us in our vision to make food poverty, loneliness and food waste a thing of the past for every community.

In these pages, you will find an overview of our achievements, our learnings, and the impact we have had on the lives of communities across the country.

I would like to take this opportunity to acknowledge and thank my colleagues on the board, staff and volunteers. Navigating a year of rising costs due to the impact of the cost of living crisis and ambitious growth, was never going to be straightforward, but the organisation ended the year in a strong position thanks to their commitment and leadership.

As newly appointed chair of Trustees I look forward to working closely with the Senior leadership team and the rest of the board to ensure the future success and positive impact we can have on our guests lives.

Mary McGrath MBE*
Chair of Trustees

A word from the CEO

I am enormously proud of what we achieved in 2023, it was an exceptional year of growth and ended with us serving 3,000 community guests a week. Our aim was to open 20 new Projects but in true FoodCycle style, we exceeded this and launched 22, including establishing ourselves in the East Midlands for the first time.

None of it would have been possible without staff, volunteers and supporters who have worked tirelessly to help us achieve this outcome.

As we have grown, so has the support of our fantastic charitable trusts and corporate partners and it has been wonderful to build new partnerships as well as strengthen existing ones, helping us to carry on our invaluable work.

Last year was not without its challenges. Access to surplus food continues to peak and trough, but we are working hard to secure sustainable partnerships so we can keep serving nutritious and well-balanced meals. The increased cost-of-living continues to bite, resulting in rising running costs we have seen an increase on food spend. This is hugely impacting our guests with 76% worrying that their financial situation will continue to get worse.

FoodCycle community meals will run in 100 locations by the end of 2024, and we will have served over 3.5 million meals! A true cause for celebration as we mark our 15th birthday!

Thank you for your continued support in enabling FoodCycle to nourish communities through delicious food and conversation.

Sophie Tebbetts
Chief Executive Office from January 2024

02. Annual Trustee Report

The trustees present their report and financial statements for the year ended 31 December 2023

Reference and administrative information set out on page 3 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

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 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. (SORP 1.18)

FoodCycle Vision, Mission and Aims

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

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

Vision

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

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

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.



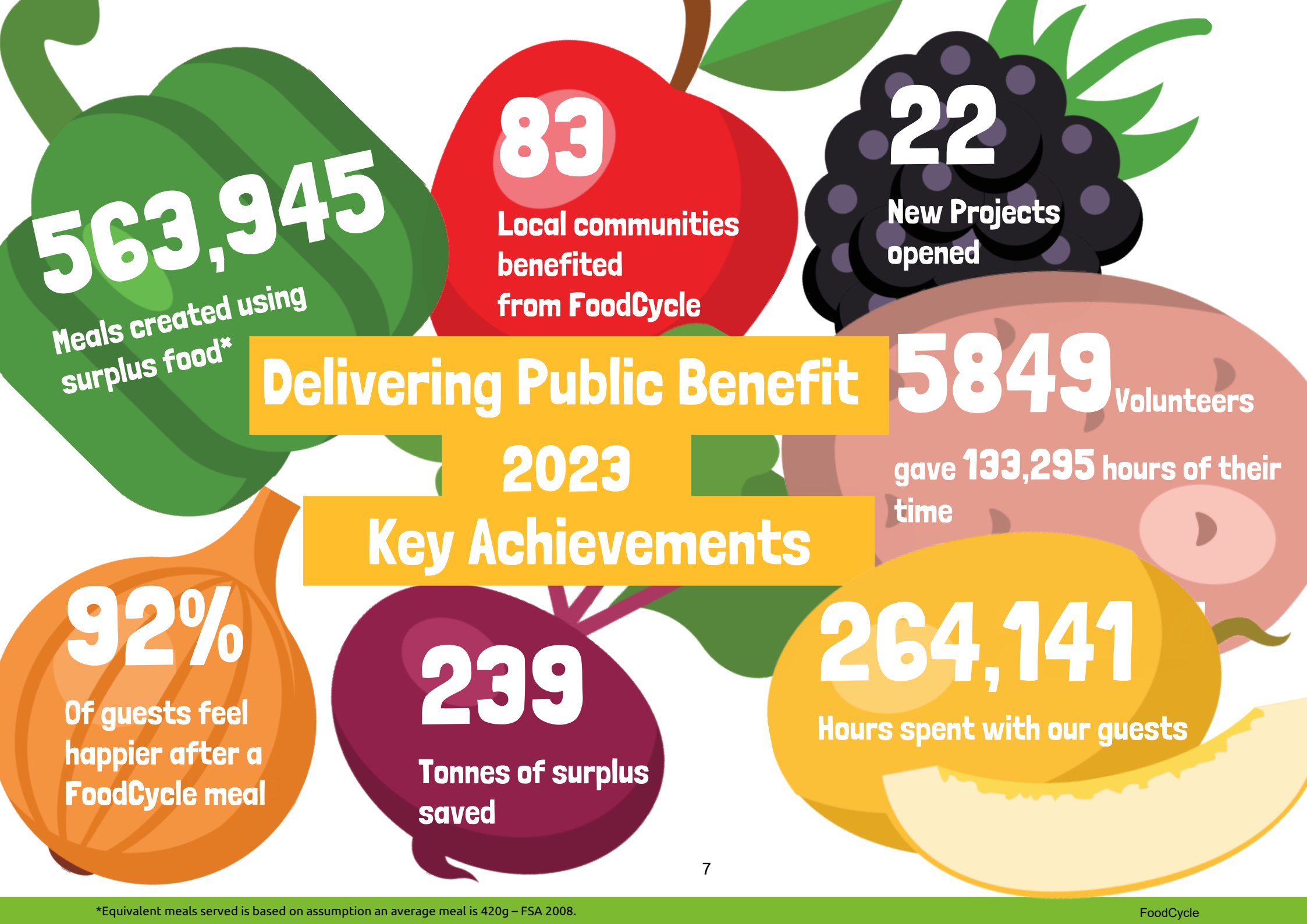
Promote sustainability

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 infographic features several stylized food items as containers for text: a green bell pepper, a red apple, a blackberry, a pink watermelon slice, a yellow cantaloupe slice, a purple onion, and an orange onion. In the center, two overlapping yellow rectangular boxes contain the main title and year.

563,945

Meals created using
surplus food*

83

Local communities
benefited
from FoodCycle

22

New Projects
opened

Delivering Public Benefit

2023

Key Achievements

5849

Volunteers

gave **133,295** hours of their
time

92%

Of guests feel
happier after a
FoodCycle meal

239

Tonnes of surplus
saved

264,141

Hours spent with our guests

Community Dining Key Achievements

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.

This year, we launched 22 new Projects, along with moving venues at our Bristol and Gloucester Projects to help support the capacity of guests attending.

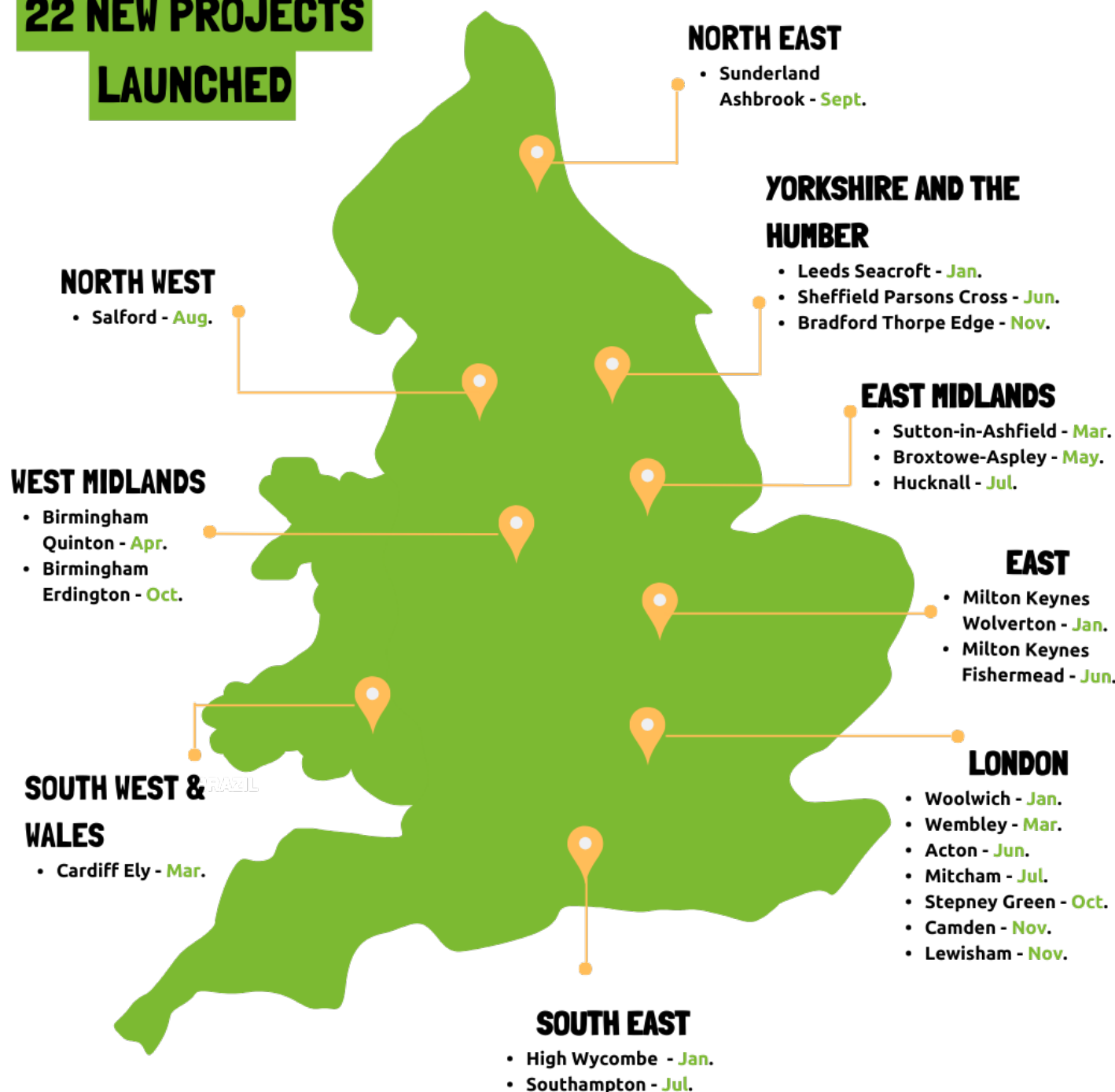
We opened up a brand new region for us in the East Midlands, which immediately saw a large guest base of 50 - 60 people a week attending.

All Projects are supported by FoodCycle HQ with:

- Recruitment, training and volunteer management
- Safeguarding
- Local Marketing support
- Relationship management with suppliers, and community partners.
- Monitoring and Evaluation through case studies and surveys to demonstrate impact

We ended the year with 83 operational projects, setting us up for success to complete our three-year strategy to reach 100 by the start of 2025.

22 NEW PROJECTS LAUNCHED



What does FoodCycle 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.

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.

Who were FoodCycle guests in 2023?

46% live on their own

72% feel lonely

40% have a long-term physical health condition

69% eat most meals alone (when not at FoodCycle)

72% worry that they can't afford to buy the food they need

63% skip meals



"Living alone I find it difficult to cook for myself. I suffer from depression and socialising is very important for me"

FoodCycle Guest



"I'm homeless and thanks to this place I'm starting to feel like a human not a zero"

FoodCycle Guest

How did community dining benefit our guests in 2023?

79% eat more fresh fruit and vegetables because of FoodCycle

85% of guests have made friends at a FoodCycle meal

88% feel part of their community after attending a FoodCycle meal

89% feel more relaxed after attending a FoodCycle meal

93% feel well fed after attending a FoodCycle meal

92% feel happier

And it is not just our guests who see the benefits...

Our volunteers see positive outputs from giving back to FoodCycle such as:

73% said they have met people from different backgrounds

46% have a better understanding of issues surrounding food waste

68% of volunteers feel good about themselves after volunteering

45% have made friends

40% have gained new skills or improved existing ones



"Amazing charity that gets me thinking about different foods to cook with they have saved my life"

FoodCycle Guest



It takes me over an hour to get here and I am pregnant but I come every Monday to see the other women from Ukraine that I have met here.

FoodCycle Guest

Supporting 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 turns to run each session, with support and assistance from FoodCycle employees, including Regional Managers, a Training Manager and Project Support Officers.

Project Leaders work as a team; at least one is 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 to make a meal from surplus and cook 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 and have introduced volunteer trainers this year. Hence, we have more peer-to-peer training.

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 experiences similar to those of our guests. This can be felt more acutely in different ages or demographics, with 10% in the East Midlands region volunteering so they have access to a free meal and 19% of volunteers aged 18-25 wanting to help volunteer so they feel less lonely.



I have built a lovely rapport with a lot of the regular guests which strengthens every week

FoodCycle Volunteer



£1,599,540

Is the equivalent contribution to FoodCycle from volunteers who gave 133,295 hours to FoodCycle in 2023. At the real living wage hourly rate – £12.00 .



I enjoy doing something for other people. It is very rewarding and also is to nice to see how you are making a difference! I always leave feeling happy!

FoodCycle Volunteer

Check-in and Chat

2,780 Check-in and Chat calls were made in 2023. The service was set up during lockdown so that even though we could connect in person, we could still support our guests. The service has now run its course, and we have decided to bring an end to the calls to focus on community dining and eating and connecting together in person. All service users now attend a FoodCycle community meal or have been signposted to an alternative service.

Safeguarding and keeping the organisation safe

As a values-led organisation, we are committed to keeping our staff, volunteers, and guests (beneficiaries) protected from harm, and we provide training and briefings at each project to ensure that volunteers know what to do in the event of an incident. We have comprehensive insurance in place to cover all our activities and conduct risk assessments on all our activities to ensure our guests, volunteers or stakeholders do not come to harm. During the year we continued to train our Trustees, staff and volunteers in safeguarding policies and procedures. All new staff members and project leaders are DBS-checked, ensuring they are legally able to act in their positions. Safeguarding is everyone's business at FoodCycle, and we have a culture of transparency and openness. This year, our area manager staff were trained in conducting DASH (Domestic Abuse Stalking and Harassment) Assessments to support guests further.

Food Safety

We continued to have all the kitchens we use (either hired or with partnership organisations) registered with the EHO for inspection. Project Leaders are trained to use our Kitchen Handbook to ensure food is safely prepared and that guests are aware of any allergens that may have been used in food preparation. We conduct kitchen audits during the year, as a way of assessing if we are following all our policies and procedures around kitchen safety and allergens. This year, we started the Primary Authority relationship with Peterborough Local Authority. This is a legal partnership with the local authority (known as the primary authority). Your primary authority can then provide FoodCycle with assured, consistent regulatory advice that makes it simpler and easier to comply with environmental health, trading standards and fire safety legislation.

Reducing Food Waste and Sustainability

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 2023, our volunteers rescued 239 tonnes of food for FoodCycle community meals. This volume of food is the equivalent of 563,945 meals*. The food that we saved would have equated to 148,725 kg of CO2 emissions, had it have gone to landfill. Utilising food surplus is not the only way that we promote sustainability at FoodCycle; by serving vegetarian meals, we are highlighting to our guests and volunteers the importance of sustainable diets, which feeds into the Climate Change Committee (CCC) suggested target for a 35% reduction in meat per person by 2050 to help reach net zero targets. This year, we are investing further in our education on reducing food waste by creating training videos on food waste for our volunteers and teaching them how to best utilise their surplus food at Projects and at home.

Senior Management Changes

This year, we saw some big senior management changes, with Mary McGrath stepping down as CEO after ten years at FoodCycle, becoming a Trustee and taking on the role of Chair of Trustees. Sophie Tebbetts, who has been Head of Programmes for the last six years, will be stepping up to be the new CEO in January 2024. We also welcome our first-ever Head of Finance, Marylyn McQuaide, and new Head of Programmes, Peter McCabe. We had a six-month transition period with Sophie as the CEO designate to ensure a smooth transition.

Brand New Finance Systems

To mitigate the 2022 principle risk of “outgrowing our finance system”, effective July 2023, the new multi-dimensional accounting system iplicit went “live”. The new finance system has an integrated Purchase Order module, approval workflows and improved in-system tracking of Project Fund spend, which creates efficiencies and enhances our control environment. iplicit are British Assessment Bureau accredited for information management systems and quality management.

FoodCycle started using a new donation platform, FinDock, in October 2023. FinDock is more reliable than our previous system, and it is integrated with Salesforce, which allows for more streamlined reporting and donor management. Findock also has the capability to be directly linked with HMRC, which will reduce administration time for the processing of Gift Aid claims.

Your Place at the Table Report & Positioning Papers

In January 2023, we launched our first ever ‘Your Place at the Table’ report, which generated a lot of media interest and national and regional press coverage. This report shows why eating together is essential in sustaining not just the physical body but also 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 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.” Finally, the report found that “FoodCycle creates moments of commensality (*the act of eating together*) 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 making the world a better place as much as making a place for better worlds.” After our launch in January, we worked with a consultancy firm to put together a positioning paper and did a mapping exercise for local MPs to highlight the research and assess whether this could galvanise further government funding and grants and influence and engage different parts of the food system to raise awareness and champion community dining.

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 by its articles of association.

Board Effectiveness

The governance of the charity is overseen by a Board of Trustees (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 five times during the year, had four quarterly meetings, and then had a strategic planning and board effectiveness meeting in November 2023. There are annual business plans that move the organisation towards its vision. These yearly 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 developed 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 Sophie Tebbetts, the Chief Executive Officer, who was appointed in January 2024. The previous CEO, Mary McGrath, has become Chair of the Trustees effective 4th January 2024.

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 Officer, with a follow up call with all the other remaining Trustees. Potential Trustees are then invited to the next board meeting to observe before the 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, 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 and 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 that provide kitchen space and outreach to guests or signpost them to their services, including Barton Hill Settlement in Bristol, Creative Living Centre, Prestwich, Langworthy Cornerstone, as well as church halls and council-run community halls.

During 2023, Mark Game was a Trustee of FoodCycle and CEO of The Bread and Butter Thing ("TBBT"). FoodCycle's CEO during 2023, Mary McGrath, was a trustee of the board of TBBT. Mark Game stepped down as a Trustee in December 2023, and Mary McGrath left the TBBT in September 2023 and stepped down as CEO of FoodCycle in December 2023. Furthermore, Mary McGrath became a member of The Fishmongers' Company in January 2024, but this poses no conflict as she does not sit on the Philanthropy and Grants Committee.

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 surplus food from them; we also incur expenditure to collect the food by way of mileage in the same way as when we collect from Fareshare or a supermarket so, there are no beneficial arrangements for FoodCycle.

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

Remuneration Policy

The Board consider the Chief Executive Officer, the Head of Programmes, the Head of Fundraising, the Head of Finance and the Head of Marketing as the key management personnel. This Senior Management Team (SMT) of the charity is in charge of directing, controlling, 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 Officer 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 remuneration is also benchmarked 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 on a pension scheme following three months of service.

Equality, Diversity and Inclusion

We have a responsibility to ensure that our work is intentionally designed with and for minoritised communities if we genuinely want to connect communities and ensure that 'everyone feels welcome'. Therefore, equality, diversity, and inclusion are at the heart of our work to ensure we are truly reflective of the diverse communities in which we operate. This year, we have taken steps to improve the accessibility to volunteering with us and accessing our services; all projects are now added to Euan's Guide, which is a national charity that reviews disabled access to venues and spaces, along with improving our equal opportunities pages with case studies and videos from volunteers who are disabled. Internally, we improved our recruitment processes to ensure that we have a more diverse workforce, provided staff training on how to be LGBTQ+ inclusive, and updated our family leave policy to reflect more inclusive language. Finally, we are proud to have been recognised as a Disability Confident Employer and to have received Pioneer status from the Recruitment Industry Disability Initiative (RIDI).

Financial Review

Income received for the year totalled £2,760,280, of which £2,566,777 was received as grants and donations, including Gift-in-Kind. Trading activities generated £64,822, primarily made up of fundraising gala income of £54,701. Corporate Food Invention Challenges generated £84,463.

No grants have been deferred to the financial year 2024.

Forward commitments from a range of funders totalled £567,478 for 2024.

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. The Senior Management Team reviews organisational risks and ensures that adequate internal controls are in place and operating effectively. The SMT regularly considers new and emerging risks, reviews internal controls, and assesses progress against mitigating actions. The SMT 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 put in place by the SMT to mitigate the risks. Furthermore, we have a Complaints and Whistleblowing policy in place with a dedicated mailbox for raising concerns.

The Trustees are responsible for ensuring that an effective system of internal financial control is maintained and operated by the charity by overseeing the following:

- A comprehensive budget and strategic plan, which is reviewed and agreed upon by the Trustees at the October Board meeting with minor adjustments presented at the fourth quarter Board meeting in January

- Regular reviews of quarterly and annual financial reports, which track financial performance against approved budget and forecast
- Procedures for monitoring progress against the strategic plan.
- The risks which FoodCycle may face and actions taken by the charity 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 on the charity should any of those risks materialise.

Our principal risks are:

Safeguarding incidents 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 policies 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 2024.

The quality and effectiveness of our work rely 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.

Reserves Policy and Going Concern

The total funds the charity held at December 31st 2023, was £1,617,065 which included restricted funds of £399,322.

In 2020, the Board of Trustees agreed to designate £450,000 over three years towards FoodCycle's expansion across the country. During 2023, the Expansion Fund was charged with £139,950 to support the growth of new Projects across the country. The Expansion Fund balance of £155,683 will be used in the same manner in 2024 when this Fund is anticipated to be fully utilised.

The amount of general unrestricted reserves, excluding Fixed Assets at the end of the 2023 reporting year, after making allowances for any restricted funds and designations is £1,040,245

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 variations in expenditure levels

The Trustees further determined that FoodCycle should be holding enough disposable cash reserves, equivalent to six months of unrestricted reserves forecast activity levels.

The cash position at December 31st 2023 the accounts is £1,599,728 equivalent to over six months of cover of forecast expenditure. Accordingly, FoodCycle has no material uncertainty for 2024.

Fundraising

During 2023, we saw generous support from corporates, trusts, and individuals, recognising FoodCycle's contribution to connection communities tackling the cost-of-living crisis and enabling us to raise £2,720,377. Principle grant funding was provided by The Julia and Hans Rausing Trust, City Bridge Trust, AKO Foundation, Rothschild Foundation, the Fishmongers' Company's Charitable Trust, Dulverton Trust, and Moondance Foundation.

It proved another strong year for corporate support. We are grateful to our long-standing partner, Just Eat, whose teams have been involved in fundraising and volunteering. The year culminated with the Winter Meal Appeal, which went on until March 2023. Our partnership with Quorn went from strength to strength as well as financial support; we are grateful for their support in co-commissioning our Your Place at the Table Report. We also embarked on a major new 3-year partnership with Danone, who is supporting us with enhanced

nutritional training. FoodCycle received continued funding from the Compass Group Foundation to support volunteer training and development.

Our thanks go to employees of several corporations for nominating FoodCycle to be their charity partner of the year in 2023. Calastone Boursin, Fortem Capital and Zurich Community Trust all continued their support whilst Pen Underwriting embarked on a new partnership with FoodCycle.

Food Invention Challenges

2023 was our busiest year ever for our Food Invention Challenges, with 22 companies taking part; these fun sessions bring teams together to create three-course meals using surplus food, which are then donated to local organisations supporting communities in South London. Over the course of the year, over 360 participants produced over 880 three-course meals and rescued over a tonne of surplus food.

Roots and Shoots Gala Dinner & Italian Feast Dinner

In the Spring we held a gala dinner. Some of the UK's top chefs, including FoodCycle Patron Danilo Cortellini, Ben Tish, Luke Tipping, Stefan Pini and Lorenzo Salami, donated their time to cook an exquisite meal for over 100 diners. The event would not have been possible without our sponsor, Just Eat, and The Fishmongers' Company, who kindly gifted the use of their livery hall and their staff's time, Compass Group's chefs who created the canapés, as well as all the generous companies who gifted drinks, food and auction prizes. In the Autumn we held an Italian Feast Dinner. Supported by FoodCycle volunteers, talented chef and FoodCycle patron Danilo Cortellini whipped up a delicious four-course Italian feast. The evening was generously sponsored by Calastone, and all the food and wine were donated by Danilo's suppliers.

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.

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 who needs them. Throughout 2023, more than 360 articles, features, and mentions of FoodCycle were published. This included interviews with guests and volunteers and highlighting some of our corporate partnership activities. This also included our Community Dine with Me campaign, which saw generous media partners donate £200,000 worth of time and advertising space.

Plans for the Future

FoodCycle plans to continue expanding in 2024 to reach 100 Projects and to reach the milestone of 3.5 million meals served during our 15th birthday year.

We will be launching our pilot programme of after-school community dining meals. The aim of the schools programme is to create regular dining events outside of school hours throughout the whole year, where students and their families can come together, bond, and enjoy healthy, balanced meals that help develop a connection through conversations. We'll also integrate educational components into the dining experience, such as nutrition awareness, healthy eating habits, sustainability, and social skills. We will be piloting our first two schools in the second quarter of the year with the Ark Academy. Our intended impact is well-fed and happy students and families, a positive school environment that promotes social interaction and a sense of belonging, and students empowered with knowledge about healthy eating habits and sustainable eating practices. We will be hiring a Schools Coordinator to deliver and facilitate the programme.

At the end of last year, we designed our next 3-year strategy which launches in 2025, with a focus on championing community dining. This year, we will be focusing on ensuring that the strategy has the right reporting metrics to be as impactful as possible.

Sustainability will be a focus for us this year. FoodCycle recognises that our operations have an impact on a range of stakeholders, such as the communities we work in, our employees, our donors, and the natural resources we continue to rely upon. We aim to have a deeper review of positive and negative impacts and to take appropriate action.

We will build upon the work of the Your Place at the Table report to create an annual research report into the benefits of community dining to help influence wider systemic change; this year's focus will be on how community dining helps improve healthy eating choices.

Statement of Responsibilities of 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 a 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 to prevent and detect 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 on 31 December was 8 (2022:7). 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 29 April 2024 and signed on their behalf by

David West Treasurer

03. INDEPENDENT AUDITORS REPORT



Opinion

We have audited the financial statements of Foodcycle (the 'charitable company') for the year ended 31 December 2023, 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 Republic of Ireland (the 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 of 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure for the year that 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: 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 regarding 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 trustee's 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 concerned 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 unusual transactions 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 audit or 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 and 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)

for and on behalf of Sayer Vincent LLP, Statutory Auditor 110 Golden Lane, London, EC1Y 0TG

Date: 21 May 2024

04. STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNTS

For the year ended 31 December 2023

		Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
	Note						
Income from:							
Donations	2	1,689,876	876,901	2,566,777	984,503	783,321	1,767,824
Charitable activities							
Food Invention Challenges		84,463	–	84,463	49,904	–	49,904
Franchise fees for community meals		3,715	–	3,715	4,132	–	4,132
Recharge to partner organisations		600	–	600	843	–	843
Other trading activities	3	64,002	820	64,822	27,686	1,083	28,769
Investments		36,863	–	36,863	2,137	–	2,137
Other income		3,040	–	3,040	34	–	34
Total income		1,882,559	877,721	2,760,280	1,069,239	784,404	1,853,643
Expenditure on:							
Raising funds		318,030	–	318,030	224,720	–	224,720
Charitable activities							
Community meals		1,189,587	824,027	2,013,614	953,827	520,957	1,474,784
Total expenditure	4a	1,507,617	824,027	2,331,644	1,178,547	520,957	1,699,504
Net income / (expenditure) for the year	5	374,942	53,694	428,636	(109,308)	263,447	154,139
Transfers between funds		–	–	–	376	(376)	–
Net income / (expenditure) before other recognised gains and losses		374,942	53,694	428,636	(108,932)	263,071	154,139
Reconciliation of funds:							
Total funds brought forward		842,801	345,628	1,188,429	951,733	82,557	1,034,290
Total funds carried forward		1,217,743	399,322	1,617,065	842,801	345,628	1,188,429

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.

Food Invention Challenge income is now presented within charitable activities for both 2023 and 2022.

05. BALANCE SHEET

Company no. 07101349

As at 31 December 2023

	Note	£	2023 £	£	2022 £
Fixed assets:					
Tangible assets	10		21,814		18,112
Investments	11		1		1
			<u>21,815</u>		<u>18,113</u>
Current assets:					
Debtors	12	128,642		179,075	
Short term deposits		894,620		461,625	
Cash at bank and in hand		705,108		656,734	
			<u>1,728,371</u>	<u>1,297,434</u>	
Liabilities:					
Creditors: amounts falling due within one year	13	(133,120)		(127,118)	
Net current assets			<u>1,595,251</u>		<u>1,170,316</u>
Total net assets			<u>1,617,065</u>		<u>1,188,429</u>
The funds of the charity:	16a				
Restricted income funds			399,322		345,628
Unrestricted income funds:					
General funds		1,062,060		547,168	
Designated funds		155,683		295,633	
			<u>1,217,743</u>	<u>842,801</u>	
Total unrestricted funds					
Total charity funds			<u>1,617,065</u>		<u>1,188,429</u>

Approved by the trustees on 29 April 2024 and signed on their behalf by

David West
Treasurer

06. STATEMENT OF CASHFLOWS

For the year ended 31 December 2023

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

	2023 £	2022 £
Net income for the reporting year (as per the statement of financial activities)	428,636	154,139
Depreciation charges	9,685	8,963
Dividends, interest and rent from investments	36,863	2,137
Loss on the disposal of fixed assets	1,501	299
Decrease / (increase) in debtors	50,433	(75,854)
Increase in creditors	6,002	61,323
Net cash provided by operating activities	533,120	151,007

	2023 £	£	2022 £	£
Cash flows from operating activities				
Net cash provided by operating activities		533,120		151,007
Cash flows from investing activities:				
Dividends, interest and rents from investments	(36,863)		(2,137)	
Purchase of fixed assets	(14,888)		(11,666)	
Purchase of short term deposits	(432,995)		(461,625)	
Net cash (used in) investing activities		(484,746)		(475,428)
Change in cash and cash equivalents in the year		48,374		(324,421)
Cash and cash equivalents at the beginning of the year		656,734		981,155
and cash equivalents at the end of the year		705,108		656,734

07. NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

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.

07. NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2023

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.

07. NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2023

2 Income from donations

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Gifts	1,396,758	102,845	1,499,603	734,415	125,788	860,203
Grants and donations from trusts and foundations	209,688	774,056	983,744	185,307	657,533	842,840
Gifts in Kind	83,430	–	83,430	64,781	–	64,781
	1,689,876	876,901	2,566,777	984,503	783,321	1,767,824

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.

Food Invention Challenge income is now presented within charitable activities for both 2023 and 2022.

3 Income from other trading activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted	Restricted	2022 Total £
Sales of merchandise	(1,465)	–	(1,465)	2,864	–	2,864
Central fundraising initiatives	–	–	–	3,567	–	3,567
Project fundraising and events	3,636	820	4,456	6,142	505	6,647
Fees for use of the charity logo	7,130	–	7,130	15,113	578	15,691
Fundraising gala	54,701	–	54,701	–	–	–
	64,002	820	64,822	27,686	1,083	28,769

07. NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2023

4a Analysis of expenditure (current year)

	Raising funds £	Community meals and other food provision £	Governance costs £	Support costs £	2023 £	2022 £
Staff costs (Note 6)	226,756	842,971	–	299,179	1,368,906	1,027,465
Project running costs	–	404,244	–	7,923	412,167	255,977
Administrative and office costs	–	6,714	–	63,540	70,254	80,420
Consultancy and legal fees	–	46,461	4,770	1,693	52,924	71,929
Travel (including food pick-ups)	3,051	61,956	–	12,000	77,007	60,113
Fundraising and central marketing	82,149	500	–	–	82,649	48,114
Volunteer costs	5,970	67,011	–	–	72,981	39,554
IT costs	–	–	–	85,707	85,707	27,958
Staff recruitment and training	104	12,885	–	27,137	40,126	23,911
Project marketing and advertising - support	–	–	–	16,332	16,332	20,634
Monitoring and evaluation	–	23,067	–	–	23,067	18,797
Trustee recruitment, training and expenses	–	–	5,944	–	5,944	12,000
Audit fees	–	–	13,020	–	13,020	10,020
Other	–	–	–	10,560	10,560	2,612
	318,030	1,465,809	23,734	524,071	2,331,644	1,699,504
Support costs	–	524,071	–	(524,071)	–	–
Governance costs	–	23,734	(23,734)	–	–	–
Total expenditure 2023	318,030	2,013,614	–	–	2,331,644	–
Total expenditure 2022	224,720	1,474,784	–	–	–	1,699,504

07. NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2023

4b Analysis of expenditure (prior year)

	Raising funds £	Community meals and other food provision £	Governance costs £	Support costs £	2022 £
Staff costs (Note 6)	175,540	678,146	–	173,779	1,027,465
Project running costs	–	255,977	–	–	255,977
Administrative and office costs	–	6,873	–	71,507	80,420
Consultancy and legal fees	–	69,558	620	1,751	71,929
Travel (including food pick-ups)	–	49,383	–	10,730	60,113
Fundraising and central marketing	48,114	–	–	–	48,114
Volunteer costs	–	39,554	–	–	39,554
IT costs	–	–	–	27,958	27,958
Staff recruitment and training	1,066	10,251	–	12,594	23,911
Project marketing and advertising - support	–	–	–	20,634	20,634
Monitoring and evaluation	–	18,797	–	–	18,797
Trustee recruitment, training and expenses	–	–	12,000	–	12,000
Audit fees	–	–	10,020	–	10,020
Other	–	–	13	2,599	2,612
	224,720	1,128,539	22,653	321,552	1,699,504
Support costs	–	321,552	–	(321,552)	–
Governance costs	–	22,653	(22,653)	–	–
Total expenditure 2022	224,720	1,474,784	–	–	1,699,504

07. NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2023

5 Net income / (expenditure) for the reporting year

This is stated after charging / (crediting):

	2023 £	2022 £
Depreciation	9,685	8,963
Loss or profit on disposal of fixed assets	1,501	299
Operating lease rentals:		
Property	21,788	20,986
Other	716	521
Independent auditor's remuneration (excluding VAT):		
Audit	10,850	8,350
Other services	1,800	1,700

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

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	1,219,822	919,638
Social security costs	113,419	79,395
Employer's contribution to defined contribution pension schemes	30,770	25,849
Other forms of employee benefits	4,895	2,583
	1,368,906	1,027,465

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2023 No.	2022 No.
£60,000 – £69,999	1	1
£70,000 – £79,999	1	–

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £313,958 (2022: £260,994).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). None of the current charity trustees were paid for professional services supplied to the charity in the year (2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £300 (2022: £nil). The charity paid £844 for trustee training (2022: £nil) and £4,800 for trustee recruitment (2022: £12,000).

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 39.08 (2022: 33.58).

8 Related party transactions

With the exception of the trustee disclosures in note 6, during 2023 Mark Game was a trustee of FoodCycle and CEO of The Bread and Butter Thing ("TBBT"). FoodCycle's CEO during 2023 (Mary McGrath) was a trustee of the board of TBBT. Mark Game step down as a Trustee in December 2023 and Mary McGrath left the TBBT September 2023 and stepped down as CEO in December 2023. 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 2023.

There were donations of £50 received from one trustee in 2023 (2022: £18.99 from 1 trustee) 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.

07. NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2023

10 Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At the start of the year	3,996	54,771	58,767
Additions in year	–	14,888	14,888
Disposals in year	–	(8,335)	(8,335)
At the end of the year	3,996	61,324	65,320
Depreciation			
At the start of the year	3,627	37,028	40,655
Charge for the year	176	9,509	9,685
Eliminated on disposal	–	(6,834)	(6,834)
At the end of the year	3,803	39,703	43,506
Net book value			
At the end of the year	193	21,621	21,814
At the start of the year	369	17,743	18,112

All of the above assets are used for charitable purposes.

11 Investments

FoodCycle holds a £1 investment (2022: £1) in its wholly owned subsidiary, FoodCycle Trading Limited. Within the year the trading subsidiary was dormant.

12 Debtors

	2023 £	2022 £
Trade debtors	10,637	64,730
Prepayments	37,737	25,108
Accrued income	80,268	89,237
	128,642	179,075

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	32,069	28,746
Taxation and social security	49,432	43,650
Other creditors	9,064	7,306
Accruals	42,555	45,616
Deferred income (see note 14)	–	1,800
	133,120	127,118

14 Deferred income

Deferred income comprises advance payments received for Corporate Cooking Challenges.

	2023 £	2022 £
Balance at the beginning of the year	1,800	8,250
Amount released to income in the year	(1,800)	(8,250)
Amount deferred in the year	–	1,800
Balance at the end of the year	–	1,800

07. NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

	General unrestricted £	Designated unrestricted £	Restricted £	Total funds £
Tangible fixed assets	21,814	–	–	21,814
Investments	1	–	–	1
Net current assets	1,040,245	155,683	399,322	1,595,250
Net assets at 31 December 2023	1,062,060	155,683	399,322	1,617,065

15b Analysis of net assets between funds (prior 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

16a Movements in funds (current reporting year)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2023 £
Restricted funds:					
Community meals and general project activity	326,776	864,223	(796,906)	–	394,093
Check in and chat	2,643	13,498	(10,912)	–	5,229
Community dining Research	16,209	–	(16,209)	–	–
Total restricted funds	345,628	877,721	(824,027)	–	399,322
General funds	547,168	1,882,559	(1,367,667)	–	1,062,060
Designated funds	295,633	–	(139,950)	–	155,683
Total unrestricted funds	842,801	1,882,559	(1,507,617)	–	1,217,743
Total funds	1,188,429	2,760,280	(2,331,644)	–	1,617,065

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

07. NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2023

16b Movements in funds (prior 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

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.

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 received a gift from a corporate partner, which 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 was to initiate the change in conversations from Food Banks and instead highlight the need for community dining. The report was released in January 2023 and received several media pieces and helped highlight the impact of community dining.

Purposes of designated funds

Expansion Fund - In 2020, the Board of Trustees agreed to designate £450,000 over three years towards FoodCycle's expansion across the country. During 2023, the Expansion Fund was charged with £139,950 to support the growth of new Projects across the country. The Expansion Fund balance of £155,683 will be used in the same manner in 2024 when this Fund is anticipated to be fully utilised.

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

17

	Property 2023 £	2022 £	Equipment 2023 £	2022 £
Less than one year	5,513	7,000	492	520
One to five years	–	–	140	632
	5,513	7,000	632	1,152

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.