

Annual Report and Consolidated Financial Statements

for the year ending 31 March 2024

City Catering Southampton
(A charitable company limited by guarantee)

Charity number: 1160776
Company number: 09331784

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Reference and administration details

Charity number: 1160776
 Company number: 09331784
 Trading Subsidiary Company number: 09414709
 Registered Office: 2nd Floor, Latimer House, 5-7 Cumberland Place, Southampton SO15 2BH

Our advisors

Auditors:	Ward Goodman Audit Services Ltd	4 Cedar Park, Cobham Road, Ferndown Ind. Est. Wimborne, Dorset, BH21 7SF
Bankers:	Lloyds Bank Plc	63 London Road, Southampton SO15 2US
Solicitors:	Paris Smith LLP	1 London Road, Southampton, SO15 2AE

Directors and Trustees

The directors of the charitable company (the charity) are its Trustees for the purposes of charity and company law. The Trustees and officers serving during the financial year and up to the date of approving the financial statements are as follows:

City Catering Southampton Board of Trustees

Chair:	Tom Watmough
Ex-Chair:	Luis Martin De Sousa (resigned 24 th May 2023)
Primary School nominee:	Peter Howard
Special School nominee:	Vacant
Secondary School nominee:	Vacant
Co-opted Trustees:	Kim Romero (resigned 9 th Oct 2023)
	Debbie Burns
	Caroline Durant (appointed 14 th Aug 2023, resigned 21 st Oct 2024)
	Heather Bennett (appointed 9 th Oct 2023)
	Alison Dunwoody (appointed 16 th Sept 2024)
	Nicola Tregear (appointed 16 th Sept 2024)
Ex officio Trustee:	Gary McMahon
PA to the Board:	Kelly Young

Senior Management of City Catering Southampton:

Chief Executive Officer:	Gary McMahon
Chief Operating Officer:	Martin Orman
Financial Controller:	Samantha Taite (FCCA)
Head of Menu Development:	Sarah Doling
Head of People & Culture:	Alex McTaggart

The directors of City Catering Southampton (Trading) Ltd. are the directors for the purposes of company law. The directors and officers serving since the company's incorporation are as follows:

City Catering Southampton (Trading) Ltd. Board of Directors

Directors:	Gary McMahon
	Martin Orman
PA to the Board:	Kelly Young

Senior Management of City Catering Southampton (Trading) Ltd.

Chief Executive Officer	Gary McMahon
Chief Operating Officer:	Martin Orman

1,200

**Boxes of fresh
and ambient
ingredients
delivered to
needy families**

**(the
equivalent of**

19,200

**hot meals!)
under Cooking
at Home
programme.**



41

**Special, Early Years,
Infants, Junior, Primary and
Secondary schools across the City
of Southampton.**



**We provide
bespoke
menus for**

270

**children with
the 14 most
common
allergies.**



1.45

**Million hot,
nutritious,
healthy
lunches
served.**



89%



**Of our own staff reporting
being happy at work.**

7,800

**Pupils each day
enjoy our food.**



95%



**Of staff would recommend
us as an employer to friends
and family.**

41%



**Of our staff have
worked for the charity
for more than 5 years.**

Chair's Report

The core work of the charity – to make a tangible nutritional difference in people's lives - continued to be delivered at a steady pace over the last year and our overall performance, both operationally and financially has been reassuringly stable from many perspectives in most respects. We have managed our costs and expenses well and I'm happy to report that we ended the year with an overall surplus against our budget.

Given the ongoing underfunding of school meals by Government, our results are something to be very proud of and I acknowledge the careful stewardship of our charity by my fellow Trustees and our executive team. Delivering a surplus in these circumstances has reassured the Board of Trustees that effective controls are in place to manage most popularly anticipated risks.

I'd like to take a moment to thank our network of schools for their continued support for our services. Our most often used phrase is that we are "all about the wellbeing of children and that we focus on them and on healthy food rather than profit". At a time when school budgets and our own budget are so tight we have worked very hard to maintain our pricing, to avoid increases where possible and to prevent the quality of our food standards from dropping in any way.

Since our inception as a charity in 2015, City Catering has delivered the Meals on Wheels Service on behalf of Southampton City Council along with several other catering services to Lunch Clubs and care homes. At the end of January 2024, the Council made the decision to not renew the Eat Well Contract, which governed those services. The contract included catering provision for Southampton's Lunch Clubs and the management of the kitchens at Erskine's and Potters Court independent living facilities. Our view remains unchanged that this was an essential service that allowed many people with complex needs to continue to live independently and despite our best efforts to negotiate with the Council we were disappointed with their ultimate decision to withdraw funding. As a consequence of that decision twenty-one roles were made redundant and we reluctantly said farewell to a long-serving team of colleagues.

The trend across the UK in recent years by Local Authorities has been to abandon traditional Meals on Wheels service provision and we remain concerned that in Southampton that decision will add to the burgeoning food insecurity tally.

During the year we have also managed to improve our reserves position. Our view is that 2024/2025 will be a tougher year for us financially and we are determined to maintain a close watch on our costs and expenditure.

Over the last year we have invested in our Operations team and our relatively new team of Area Managers have all been promoted from within our own workforce, coming from our own kitchens. We maintain our belief that our focus on training, staff development, promotion from within and raising operational standards will continue to serve us well. We have held fast to our "every role count's" attitude over the course of the last year and encouraged efficiency in every way possible across every function of the charity.

We had hoped to see some positive movement in funding for free school meals in the run up to the election, but that has not been the case and despite funding improvements in Wales, Scotland and parts of London and amongst some Local Authorities in England there is no talk of improving school meal support in broader England. However, the new governments' plans in respect of breakfast clubs show that they at least recognise the overarching problem of childhood food insecurity, and we will watch with interest how these unfold.

Our other initiatives have continued. We have maintained support for the Holiday Activities and Food (HAF) programme funded by Southampton City Council, by supplying catered lunches to many of the HAF providers, who deliver a programme of activities and education to children in need, during the holiday breaks. And we have also continued to work in partnership with our suppliers to deliver Cooking at Home Boxes to the most vulnerable of our families via our school network. The scheme has steadily grown and just before the end of the summer term we delivered 1,375 boxes of ingredients to families across Southampton. My thanks to our key suppliers Bidfood, Harvest Fine Foods, Caterfood Buying Group and Comax Limited for their enthusiastic support for this initiative.

At the time of writing this report we are in the process of developing a new set of strategic objectives for the charity which we propose to publish in the coming months.

My fellow Trustees and I recently attended the charity's Staff Excellence Awards an annual celebration of staff achievement and we were struck by the passion and dedication of the workforce for their work.

Overall, on behalf of my fellow Trustees, I would like to report that the charity is in good shape. Despite the many external challenges, we continue to operate robustly and most importantly, as a going concern. The board has confidence in the executive team and the workforce to continue to deliver and improve upon our overall performance, both financially and by other key metrics.

I also acknowledge the work of the senior management team over the last year and thank all support office staff for their significant contributions. Finally, I would like to thank my fellow Trustees, all of whom are volunteers giving their time so freely in pursuit of supporting the excellent work of City Catering.

Tom Watmough, Chair

Message from our Chief Executive

There are so many things to be grateful for over the last year, not least of which are the dedication, tenacity and passion of our staff. Our record of never missing a lunch service remains unbroken, even in the most difficult of circumstances some of which have occurred during the year.

It very much felt like a year of less drama and more development, and it's important to acknowledge all the many ways that our management team made improvements to our service across every function of the charity. We must also acknowledge and thank our kitchen staff in every school for their dedication, skill and care for our children

We spent some considerable time during the latter part of 2023 negotiating with Southampton City Council to maintain the Eat Well Contract, which controlled our Meals on Wheels service alongside lunch club and extra care home catering facilities. But despite our best efforts at the end of January that contract sadly came to an end, and we said goodbye to twenty-one of our colleagues whose roles were made redundant because of that contract ending. It was the end of an era for that team, and we vacated the Solent Suite at the Guildhall, the home of that team for many years.

By contrast, our school catering services remained strong, and we actually added to our roster of schools when Valentine Primary School re-joined us just after year end in April 2024.

We have continued to push the boundary towards service excellent by improved staff training and development, maintaining our policy of pro-actively promoting from within wherever possible and providing our workforce with comprehensive support and encouragement.

Although our workforce reduced over the year by more than 10% largely because of the Eat Well contract our staff churn rate remains low

We delivered a healthy surplus for the year driven by improved meal uptake, prudent cost control and close monitoring of all metrics. As usual we are investing much of that surplus back into our community initiatives like Cooking at Home and further details are elsewhere in this report.

It has been an exciting year with much to be grateful for. My thanks go to our Trustees for their diligence and dedication to providing strong governance, and to all my colleagues across the charity for their passion, skills and enthusiastic support for our work.

Gary McMahon, CEO

Trustees Report for the period ending 31 March 2024

The Trustees present their annual director's report together with the consolidated financial statements of the charity and its subsidiary for the period ending 31 March 2024, which is also prepared to meet the requirements of a director's report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, The Companies Act 2006, the Memorandum and Articles of Association, the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Our Purpose

We believe everyone deserves great quality food, served with kindness and care; therefore, we exist to make a tangible nutritional difference in people's lives.

Vision

By April 2024, we will deliver 6 million nutritious hot meals for children and vulnerable adults.

Our charitable objects

The objectives city Catering Southampton, taken from our Articles of Association are:

- Promote the advancement of health.
- Promote the advancement of education; and
- Provide services for the relief of those in need by reason of their age, disability, ill-health, financial hardship or other disadvantage.

Our Strategic Plan

Our Strategic Plan provides an ambitious motivational framework to achieve our aims and has six strategic priorities:

- Rebuild our reserves
- Safeguard our charity's impact
- 'Stand for' good nutrition
- Develop our people
- Digitise our systems
- Extend our influence and community

Our core revenue-earning services

Our school meals business remains our prime revenue-generating activity and in the year 2023-2024 we have continued to see a slow but steady return of trading conditions and meal uptake numbers to pre-pandemic levels. We delivered more than 1.47 million meals to 40 school units comprising of nurseries, infant, junior, primary, special, and secondary schools. We employ 200 staff to service our school-meal customers. All of our service locations are currently within Southampton City boundaries.

We continue to procure our supplies in partnership with Hampshire County Council, benefitting from economies of scale and low unit prices. We procure as many of our supplies as possible from local, sustainable food manufacturers and producers. We work in partnership with two main suppliers, one very local to us and the other within a reasonable distance. Our meat and meat products are Red Tractor Farm Assured, and our fish products are sustainably caught and accredited by the Marine Stewardship Council.

Our menus comply with the Government's statutory standards for school food, and with the exacting standards of 'Food for Life Here' accreditation, which is assessed and renewed yearly. We are very proud to maintain our standards to the extent that we are able to maintain this award for the benefit of all of our schools. We offer compliant allergy-adjusted menus, for individual children with medically proven requirements and are in the process of introducing a new system for managing and maintaining special diets with high levels of security to minimise the potential for allergen incident occurring.

We continued to provide a Meals on Wheels services to Southampton City Council care-package recipients, for the large part of the trading year, but the service was closed at the end of January 2024 when the remaining funding from Southampton City Council was removed and the contract the charity operated with not renewed.

Trustees' responsibilities in relation to the financial statements

The charitable company's Trustees (who are also directors of City Catering Southampton for the purposes of company law) are responsible for preparing a Trustees annual report and 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 year that give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and applicable resources, including the income and expenditure of the charitable group for the period. In preparing the 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 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 business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

Structure, Governance and Management

City Catering Southampton (the charity) is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 11 December 2014. It is registered as a company with Companies House and as a charity with the Charity Commission.

City Catering Southampton (Trading) Ltd. is the trading subsidiary of the charity. It is a registered company with Companies House and is governed by its Memorandum and Articles of Association dated 13 January 2015. It has one share which is wholly owned by the charity. The Board of Directors of the trading subsidiary are elected to office by the Board of Trustees of the Charity.

The Charity Board of Trustees, which currently has 5 members including the CEO as Ex-Officio Trustee, administers the charitable company. The Board normally meets bi-monthly. There are also four sub-committees which report back to the main Board:

1. Finance Committee
2. Charitable Impact Committee
3. Pay & Remuneration Committee
4. Audit & Risk Committee

The CEO is appointed by the Trustees to manage the day-to-day operations of the company and its trading subsidiary. To facilitate effective business operations, the Chief Executive Officer has delegated authority, within the terms of delegation approved by the Trustees for operational matters, including finance, employment, and all business-related activities.

Appointment of Trustees

As set out in the Articles of Association, the Chair of the Board of Trustees is elected by the trustees themselves. Up to three trustees are nominated by the primary-, special- and secondary-school sectors. These Trustees are elected for a three-year term and their term of office commences at the AGM following their election; none may serve more than three consecutive terms of office.

The Trustees have the power to co-opt up to six individuals as Co-opted Trustees. A Co-Opted Trustee shall be appointed by the Trustees for an initial term of three years (to expire on the third anniversary of the AGM following their appointment) and are eligible for reappointment for a further two three-year terms. All members are sent invitations to nominate Trustees prior to future AGMs, advising them of retiring Trustees and requesting nominations for the AGM. When co-opting Trustees to the Board, the Board considers the specialist skills it needs.

The ex-officio Trustee is also on the Board of Directors of the trading subsidiary.

Trustee induction and training

Trustees are provided with:

- training opportunities, information, and guidance on their legal obligations under company and charity law.
- Charity Commission guidance on public benefit.
- information on the content and obligations of the Memorandum and Articles of Association.
- information on the decision-making processes, the strategic business plan and financial performance of the company.

Related parties and conflicts of interest

None of our Trustees receive remuneration or other benefits from their work with the company, with the exception of the Ex-Officio Trustee in their role as CEO.

All Trustees are required to declare conflicts of interest as becomes necessary. No Trustee or associate of any Trustee may benefit financially or materially from their association, in relation to the company's business.

Public Benefit Disclosure

The charity undertakes its main activities to further the charity's purposes for the public benefit in the following areas.

- **School Meals.** The charity provides nutritious and affordable school meals that comply with school food regulations to promote the health and education of school pupils, in order that they may be supported to achieve their academic and wellbeing potential.
- **Meals on Wheels.** The charity provided subsidised meals on wheels services to those people who are in receipt of a local-authority care package, and in doing so offers support to those in the community who may be vulnerable and/or elderly. This service was terminated as of 31st January 2024.
- **Care Home Kitchen Management.** The charity manages a number of kitchen teams in care home settings on behalf of Southampton City Council. This service was terminated as of 31st January 2024

The Trustees can confirm that they have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

Pricing Policy

Service charges to client schools are governed by the needs of the charity with a focus on cost effectiveness over the long term. Increases in the cost of services must be justified and are only sanctioned after consultation with the Board. These costs are commercially sensitive and are not disclosed in this report.

The prices charged to school-meal customers are subject to annual review by the Board. At the time of writing, the price of a primary paid school meal was £2.95.

The price charged for Meals on Wheels up to the termination of the contract on 31st January 2024 was subject to subsidy and stands at £5.90 for dinner and pudding or £4.82 dinner only. The price charged to commercial Meals on Wheels clients was £7.30 for dinner and pudding or £ 5.93 for dinner only.

Investment powers and policy

The Trustees, having regard to the liquidity requirements of operating the company, and having considered the depressed rates achievable through deposit accounts in relation to the retail price index, have kept all reserves in the company's current account over the past year. This policy will continue to be reviewed depending on cash flow and interest rates, on a quarterly basis.

As part of our financial planning relating to the impact of coronavirus, the company secured a Coronavirus Business Interruption Loan from Lloyds Bank, of £385,000 in July 2020. The loan was interest free for 12 months, with repayments due from July 2021. The loan capital was initially kept in a Lloyds Bank 32-day account since the funds were received, generating interest at 0.03%. The funds are being repaid as per the agreed monthly schedule. The funds have been required over the last year, but as trading overall continue to steadily improve, we anticipate that by the time of full repayment we will be trading at a level that accommodates our year cashflow profile fully and independent of any external funding requirement.

Pay policy for senior staff.

The pay of senior staff is reviewed annually; if increased, pay rises are applied in accordance with average earnings. The remuneration package for senior staff is usually benchmarked against the mid-point of the range paid for similar roles, after taking into account factors such as performance, productivity and other relevant factors. If recruitment to a senior role has proven difficult to achieve, a market addition may be paid with the maximum pay no greater than the highest benchmarked salary for a comparable role. The company does not operate a bonus scheme.

Volunteers Policy

During this last year the charity has not used the services of volunteers in any significant way.

In recruiting and working with volunteers as part of our service, we have and will continue to employ the same recruitment, induction, employment processes and service standards as are applicable to all other employees of the charity.

Risk Management

The Audit and Risk Committee proposed a new risk assessment framework to the Board which was adopted during the year. The committee which now comprises of two of our Trustees and all of the Senior Management Team have incorporated the framework into the SMT meeting schedule with the intention of using the framework to assess risk on an ongoing basis

The Trustees have developed a risk management strategy which comprises:

- An Audit & Risk Committee
- A Risk Register, with an annual review of the principal risks and uncertainties that the charity and its subsidiary trading company face
- Policies, systems and procedures to mitigate those risks identified in the Risk Register and its annual review.
- The implementation of procedures designed to minimise or manage the potential impact on the charity and/or its trading subsidiary, should those risks materialise.

The Risk Register addresses the following potential areas of risk:

- Financial position / cash flow
- Operational – food supply chain disruption
- Operational – Operating costs (food only)
- Food safety
- Technology – IT disruption
- Financial - wage costs
- Financial – Changes to our funding model
- Financial – Clients financial position
- Health & Safety
- Operational -single point of failure
- People – Employment related issues
- People – safeguarding
- Operational- Sustained business interruption
- People – Attracting & retaining staff.
- Operational – loss of key clients
- People – GDPR
- Strategic – Failure to deliver.
- Financial – Service charges.

For each area of risk, the Risk & Audit Committee – in detailed consultation with the Senior Management Team – scores organisational risk using a severity /likelihood / risk matrix. The resulting scores are reviewed by the Audit & Risk Committee, with relevant actions being assigned to SMT members for implementation within documented deadlines.

Reserves Policy

To mitigate financial risk, the Trustees agreed the following reserves policy in 2023:

It is City Catering Southampton's intention to obtain and maintain cash reserves at or above the 'Net Expenditure' experienced during the three calendar months of July to September. This has been calculated as the three months when Net expenditure is at its highest (est. £500,000 Oct 23). This level of reserves would enable the charity to continue to financially function, including paying wages and contractual obligations, should we suffer a limited period of no income due to weather/pandemic/major incident.

This reserves policy will be monitored and reviewed with regards to increasing costs, on an annual basis by the Finance Committee –or when triggered by an average unrestricted expenditure increase of more than £20,000/month (4% of reserves), calculated on rolling quarterly basis. At 31 March 2024 our consolidated cash balance was £701,729 and the level of reserves was £1,596,977, of which £54,687 was tangible fixed assets.

Free reserves for the year ended 31 March 2024 consolidated entity is £792,102 (2023: £486,523) whilst the charity holds free reserves of £792,100 (2023: £486,521). Free reserves are calculated by deducting the fixed asset carrying value from the unrestricted general reserves.

Achievements and performance in 2023-24

Our current six strategic priorities were established by the Board of Trustee in April 2021 to deliver the charity's three-year vision and with a goal on regaining our momentum after the disruption of the pandemic. Performance against those objectives is outlined below:

Rebuild our reserves

We have made good progress with replenishing our reserves over this last year even though some of the factors impacting our trading conditions are still in play - like cost-of-living pressure on food prices. Additionally, at the start of the year we had to accommodate the national living wage increase from £10.42 per hour to £11.44 per hour. This alone added more than £115,000 to our wage bill.

The chronic underfunding of school meals continues with no hint from Government of movement to improve in sight.

Safeguard our charity's impact

During the year we continued to deliver some core programmes

- Cooking at Home, our programme to deliver boxes of healthy vegetables and other ingredients, along with recipes and online videos to inspire families to cook for themselves and gain confidence in the kitchen continued under a new model. Southampton City Council were unable to continue funding the initiative and the programme was paused until Christmas 2023 when it was re-started using a different model. We went into partnership with our key suppliers, Bidfood and Harvest Fine Foods and funded the project ourselves by splitting costs three equal ways. We have continued this approach on into the current year. City Catering funds our portion of the costs from our surplus. We delivered 1,260 boxes at Easter and 1375 at Christmas, equating to 44,795 meals supplied at no cost to the City's most vulnerable families.
- Lunch Crowd our catering service to Holiday, Activity, and food (HAF) providers in Southampton delivered more than 18,000 meals in the 12 months to March. Lunch Crowd generated £25,603 in additional external funding over the year.

- **Cooking and Nutrition Network Southampton** – we continued to support this initiative alongside our co-Chair Abri Housing Association, but making solid measurable progress has been slow. However working with the SCC Health Promotion team, we have committed to a project to create some educational resources for HAF providers to help them to better deliver the food education component of their programme. £8,000 of funding was received from our partners to add to our own contribution to the project.



'Stand for' good nutrition

We have maintained our Soil Association Bronze Food for Life Here accreditation and in fact have been reassessed again in June 2024 and had our accreditation approved once again. We continue to maintain a very high level of freshly prepared daily food production from all kitchens

Our menu development team work to ensure that we maintain menus that are following current food trends, and we also walk the fine line between offering children dishes that they will eat and enjoy, whilst also being cost effective to produce and nutritionally dense.

We continue to promote healthy eating in all that we do.



Develop our people

Our transition to face-to-face training has been a success over the last year. We have delivered training that is relevant, easy to absorb, targeted specifically to our roles and highly practical. The re-introduction of the Learning and Development Manager role has also been successful and very well received by staff

We have several new courses currently in development and beyond that a list of aspirational courses that we would like to develop and deliver. The entire focus of our training effort is to improve skillset and performance and thereby increase the value of our service and encourage further meal uptake in schools.

We supplement more formal training with kitchen briefings which we run twice per year. These are smaller groups of less than ten to whom we deliver a mix of briefings/ training and a focus on a particular subject. These have proven very popular, and we can see the benefit these communication opportunities. We have also maintained our Annual Head of Kitchen conference and Staff Excellence Awards event during this last year.

The results of our most recent staff engagement survey showed that 89.5% of our workforce were happy / very happy at work and that 95% of staff would be likely/ very likely to recommend City Catering as an employer.



Digitise our systems

More could have been done during the course of the last year to look at opportunities to further digitise our systems. There is certainly potential within Operations and Food Development to take advantage of improvements.

Within operations the view is that we have the software but are not making full use of it and post year end we have made a concrete start at reviewing our usage and making improvements to our recording and reporting.

We will continue to focus on improving reporting outputs and data access to enable accurate, smart, and quick decision making that help us to preserve our reserves and operational integrity.



Extend our influence and community

The re-structure of our core management team last year tightened up our resource considerably and our more speculatively marketing activity and community engagement has suffered consequently.

We hope to remedy this during the current year with a refreshed marketing focus, new social media campaigns and dedicated design resource to improve our presence, but in our current schools and beyond.

Plans for future period

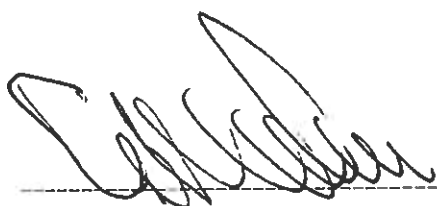
- Strategic direction – work on our new strategy is well underway and we hope to be able to publish a new Strategy in the coming months for the next period of three to five years.
- Recruitment – we are currently recruiting several core roles including Financial Controller, Fundraising Manager and Marketing assistant.
- Driving further operational excellence – we have more to do to drive further improvements, support our schools properly and push up meal uptake numbers across our network.
- Growth - as well as maintaining our current network of schools we would like to expand our unique offering to a wider group of schools, extending our influence and approach. We have participated in a number of significant tenders over the last year and have benefitted from the learning opportunity. Whilst we haven't yet secured new schools via this route, we have seen schools come back to us directly. Our plan is to continue to participate in tender opportunities as they arise across Hampshire.
- Environmental – we have been unable to make decent measurable progress with the need to maximise our working environments to be as efficient as possible and that will be a key focus for the coming year.
- Adding Value to our service offer – we believe that there is an opportunity to offer some targeted education to our schools, both as a way of encouraging behaviour change, contributing to tackling obesity and also encouraging more children to choose our healthy catered option.
- Food insecurity projects – We are working hard to maintain and even develop our Cooking at Home initiative and develop a regular funding stream that will make it easier for us to forward plan. We continue to support HAF providers with catering and during the coming months we will be developing new ideas as part of our new strategy.
- Collaboration – the Cooking and Nutrition Network Southampton is coming to the end of its life and has been subsumed into the Southampton Food Partnership which will be run by Southampton University. We are certain that this is a better model going forward and will play our part by participation, building stronger links, creating more partnerships, and working in partnership to alleviate the suffering of vulnerable communities.
- Re-brand - we are actively considering a re-positioning and refresh of our brand to better reflect our charitable intent which is a part of both our strategy review and our review of current marketing resources.

Fundraising activities

- The bulk of the charity's income now comes from our trading activity with schools.
- Other charitable activity like Cooking at Home and our provision of catering to Holiday, Activities and Food comes from local authority funding. Aside from those sources of funding, other fundraising activity has remained very limited in the period.
- At the time of writing, we are currently recruiting a Fundraising Manager to help us develop new revenue streams on the back of a newly developed fundraising strategy.

Report of the trustees, approved on behalf of the board of trustees, as the company director, and signed on the boards behalf by:

Gary McMahon, CEO dated 9th December 2024



Report of the Independent Auditors to the Members of City Catering Southampton

Opinion

We have audited the financial statements of City Catering Southampton (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2024, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the group and parent charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the trustees (who are also 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and the group and the sector in which they operate.
- We obtained an understanding of how the company and the group are complying with those legal and regulatory frameworks by making inquiries to the management and we corroborated our inquiries through our review or board reports.
- We assessed the susceptibility of the company and the group's financial statements to material misstatement, including how fraud might occur.

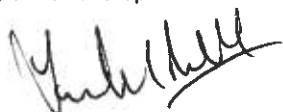
Audit procedures performed by the engagement team included:

- o Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - o Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - o Challenging assumptions and judgments made by management in its significant accounting estimates;
 - o Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- and
- o Assessing the extent of compliance with the relevant law and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the group and parent charitable company's trustees those matters we are required to state to them in an auditors' 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 group and company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mr I M Rodd BSc FCA FCCA (Senior Statutory Auditor)
For and on Behalf of Ward Goodman Audit Services Limited
Registered Auditor
4 Cedar Park
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Date: 17 December 2024

Consolidated Statement of Financial Activities

(Including consolidated income and expenditure account)

For period ending 31 March 2024

		Unrestricted 2024	Unrestricted 2023 as restated
	Note	£	£
Income:			
Income from Charitable activities:			
Schools and Meals on Wheels	4	5,310,854	5,045,237
Charitable grants and other income	4	94,274	282,412
Income from other trading activities:			
Commercial trading operations	4	97,363	117,400
Total income		5,502,491	5,445,049
Expenditure			
Expenditure on charitable activities:			
Schools and Meals on Wheels	6	5,256,495	5,605,946
Costs of raising funds:			
Commercial trading operations	6	35,224	62,318
Total expenditure		5,291,719	5,668,264
Net income		210,772	- 223,215
Other recognised gains and losses			
Actuarial gains and losses on defined benefit pension schemes		244,000	1,768,000
Net movement in Funds		454,772	1,544,785
Reconciliation of Funds			
Total funds brought forward		1,142,205	- 402,580
Net movement in Funds		454,772	1,544,785
Total funds carried forward		1,596,977	1,142,205

The notes at pages 22-32 form part of these accounts.

Consolidated and Charity Balance Sheets

Consolidated Balance Sheet as at 31 March 2024

	Not	Consolidated 2024	Charity 2024	Consolidated 2023 as restated	Charity 2023 as restated
		£	£	£	£
Fixed assets					
Tangible assets	12	54,687	54,687	45,743	45,743
Intangible assets	13	188	188	939	939
Investment		-	1	-	1
Total Fixed Assets		54,875	54,876	46,682	46,683
Current assets					
Stock	14	121,420	121,420	100,646	100,646
Debtors	15	1,054,011	1,078,478	1,482,153	1,517,353
Cash at bank and in hand		701,729	669,214	755,282	698,936
Total Current Assets		1,877,160	1,869,112	2,338,081	2,316,935
Liabilities					
Creditors	16	(1,117,391)	(1,109,345)	(1,812,891)	(1,791,747)
Total Liabilities		(1,117,391)	(1,109,345)	(1,812,891)	(1,791,747)
Net current assets		759,769	759,767	525,190	525,188
Total assets less current liabilities		814,644	814,643	571,872	571,871
Debtors: amounts falling due after more than one year	15	885,000	885,000	750,000	750,000
Creditors: amounts falling due after more than one year	17	(102,667)	(102,667)	(179,667)	(179,667)
Net Assets		1,596,977	1,596,976	1,142,205	1,142,204
The funds of the charity:					
Unrestricted general income funds		846,977	846,976	533,205	533,204
Pension Reserve		750,000	750,000	609,000	609,000
Total charity funds	20	1,596,977	1,596,976	1,142,205	1,142,204

The trustees have prepared consolidated accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 22-32 form part of these accounts.

Signed



Tom Watmough, Chair of trustees on behalf of the trustees

Approved by the trustees on: 09/12/24

Statement of Cash Flows and Consolidated Statement of Cash Flows

For period ending 31 March 2024

	Note	Consolidated 2024	Charity 2024	Consolidated 2023 as restated	Charity 2023 as restated
		£	£	£	£
Cash used in operating activities	C1	79,388	103,219	234,197	208,009
Interest paid		(14,996)	(14,996)	(11,648)	(11,648)
Contributions to defined benefit pension scheme		(12,000)	(12,000)	(75,000)	(75,000)
Net Cash flow from operating activities		52,392	76,223	147,549	121,361
<u>Cash Used in investing activities</u>					
Purchase of tangible assets		(28,945)	(28,945)	(17,086)	(17,086)
Net Cash flow from investing activities		(28,945)	(28,945)	(17,086)	(17,086)
<u>Cash Used in financing activities</u>					
Loan repayments	17	(77,000)	(77,000)	(77,000)	(77,000)
Net Cash flow from financing activities		(77,000)	(77,000)	(77,000)	(77,000)
Increase/Decrease in cash and cash equivalents in the year		(53,553)	(29,722)	53,463	27,275
Cash and cash equivalents at the beginning of the year		755,282	698,936	701,819	671,661
Total cash and cash equivalents at the end of the year		701,729	669,214	755,282	698,936

Note C1: Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024	Charity 2024	Group 2023 as restated	Charity 2023 as restated
	£	£	£	£
Net movement in funds	210,772	210,772	(223,215)	(223,216)
Add back depreciation charge	20,001	20,001	14,735	14,735
Add back Amortisation charge	751	751	751	751
Add back interest paid	14,996	14,996	11,648	11,648
Add back service cost on defined benefit pension	140,000	140,000	297,000	297,000
Interest on defined benefit pension	(25,000)	(25,000)	24,000	24,000
Increase in stock	(20,774)	(20,774)	13,662	13,662
Increase in Debtors	428,142	438,875	(41,332)	(57,380)
Decrease in Creditors	(689,500)	(676,402)	136,948	126,809
Net cash used in operating activities	79,388	103,219	234,197	208,009

Notes to the Financial Statements

1. Accounting Policies

The principal accounting policies adopted, judgements, and key sources of estimating uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

City Catering Southampton meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Accounting period

The Financial statements cover the period from 1st April 2023 until 31st March 2024.

c) Preparation of the accounts on a going concern basis

The Charity reported a cash outflow of £ 29,722 for the period, and £53,553 on a group basis. The group also reported total funds carried forward of £701,729 and as there are no principal risks and uncertainties facing the charity, the trustees are of the view that the Charity is a going concern.

d) Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiary, City Catering Southampton (Trading) Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

e) Income

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

Grants (including those received from government bodies) are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Grant income is deferred when the donor specifies use of the grant to be in the future, or where there are conditions for full entitlement and those conditions have not yet been satisfied.

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. City Catering Southampton does not have restricted funds.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading including Hospitality Catering and private Meals on Wheels customers and their associated support costs.
- Expenditure on charitable activities includes the costs of providing services to Schools and Meals on Wheels clients 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.

h) Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight-line basis i.e. five years for IT hardware or catering equipment on an equal monthly basis

i) Intangible assets

Intangible assets are shown at cost and amortised over their useful economic lives on a straight-line basis of 5 years. They are reviewed to establish accuracy of costs and likelihood of cash inflows related to the asset

j) Stock

Stock is included at the lower of cost or net realisable value.

k) 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.

l) Cash in bank and in hand

Cash in bank and in hand includes cash only.

m) 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.

n) Financial instruments

The trust 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.

o) Pensions

Existing employees of the charity who TUPE transferred to the charity on 31st March 2015 were entitled to remain in Hampshire County Council's Pension Scheme (LGPS) which is funded by contributions from employee and employer. Members of the Pension Scheme may also contribute added years to that scheme or take out an Added Voluntary Contribution scheme, each of which is funded by the employee alone. Since 1 April 2015 new employees to the Charity cannot join Hampshire County Council's Pension Scheme. Hampshire County Council's Pension Scheme is a multi-employer defined benefit scheme administered for the benefit of Local Authorities and other bodies and is managed in accordance with the Local Government Pension Scheme Regulations 1997 (as amended). Past and present employees are covered by the provisions of the Pension Scheme.

The Pension Scheme provides that in the event that a single employer has individuals contributing to the scheme then any remaining liability for benefits payable under the scheme falls on that employer. Since the main participating employers are statutory bodies, the trustees consider it highly improbable that such a liability will ever fall to the Charity. The employer's contributions made to the LGPS Pension Scheme for Financial Year 23/24 were £8,021 with an employer's contribution rate of 1.7% of pensionable pay and an employee's contribution of between 5.5% and 9.9% of pensionable pay dependant on individual salaries. City Catering Southampton was informed by Hampshire Pension Fund that the contribution rate for 2023/24 would be 1.7% (reduced from 12.4% in 22/23), with no additional contribution required to meet existing deficits from April 2020 to March 2024. There has been no change in rate advised for 2024/25.

A new pension provision, through the Government's NEST scheme, was introduced from 1st January 2017 for all existing employees not in the LGPS. Employer's contributions to the NEST Scheme for 2023/24 were £86,487 with an employer's contribution rate of 6% of pensionable pay and an employee's contribution of 2.4% of pensionable pay.

p) Prior year adjustment

There was a prior year adjustment to recognise the defined benefit pension scheme asset in the year. The prior year has been adjusted to recognise the associated costs of the scheme for comparative purposes, including service cost and interest on plan assets and liabilities, as well as recognise an actuarial revaluation on the scheme. The pension scheme was a liability of £913,000 at 31 March 2022 and an adjustment to reserves of this amount was posted to adjust the brought forward balance from that date. As at the year ended 31 March 2023, the total funds brought forward into the current year were adjusted to include a pension scheme asset of £609,000.

2. Legal status of the Charity

The charity is a private company limited by guarantee and has no share capital. The company is incorporated in the United Kingdom (company number 09331784). A description of the charity's operations and activities can be found on page 8. The charity's registered office address is detailed on page 3. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. Financial Performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary, City Catering Southampton (Trading) Ltd. Total share capital of City Catering Southampton (Trading) Ltd is £1.

The summary financial performance of the charity alone is:

	2024	2023
	£	£
		as restated
School Meal Income	5,408,497	5,132,680
Charitable Activities and other sources	94,274	282,411
Donation from Trading Sub	13,576	27,617
Net income	5,516,347	5,442,708
Expenditure on Charitable activities:	(5,305,575)	(5,665,924)
Actuarial gains and losses on defined benefit pension scheme	244,000	1,768,000
Total funds brought forward	1,142,204	(402,580)
Total funds carried forward	1,596,976	1,142,204
Represented by:		
Unrestricted Income	846,976	533,204
Pension Reserve	750,000	609,000
Unrestricted income funds	1,596,976	1,142,204

4. Consolidated income from charitable and fundraising activities

	Unrestricted funds 2024	Unrestricted funds 2023
	£	As restated £
Income from School Meals	5,212,030	4,915,940
Income from Meals on Wheels	98,824	129,297
Income from charitable activities	25,603	151,197
Income from other sources	68,671	131,215
Total income from charitable activities	5,405,128	5,327,649
Fundraising Income		
Income from Trading subsidiary	97,363	117,400
Total income from Charitable and fundraising	5,502,491	5,445,049

5. Income earned from other activities

The wholly owned trading subsidiary City Catering Southampton (Trading) Ltd is incorporated in the United Kingdom (company number 09414709) and pays all of its surplus to the charity under the gift aid scheme. City Catering Southampton (Trading) Ltd provides corporate catering, meals on wheels to private customers and all commercial trading operations on behalf of the charity.

The summary financial performance of the subsidiary alone is:

	2024	2023
	£	£
Income	316,512	351,978
Cost of sales and administration costs	(302,936)	(324,361)
Net profit	13,576	27,617
Amount gift aided to charity	(13,576)	(27,617)
Retained by subsidiary	-	-
Assets and Liabilities		
Current assets	73,260	146,283
Current liabilities	(73,259)	(146,282)
Total net assets	1	1

6. Analysis of expenditure on charitable activities

	School Meals	MOW	Trading Subsidiary	Total
	£	£	£	£
Direct expenditure	4,022,072	81,987	-	4,104,059
Governance Costs	18,665	368	15,411	34,444
Support Costs	1,113,461	19,942	19,813	1,153,216
Total	5,154,198	102,297	35,224	5,291,719

7. Analysis of governance and support costs

The group initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the two key charitable activities undertaken (see note 6) in the period. Refer to the table below for the basis of apportionment and the analysis of support and governance costs.

	General support	Governance function	Total	Basis of apportionment
	£	£	£	
Salaries, wages & related costs	1,150,466	15,074	1,165,540	Allocated on time
Audit fees		11,500	11,500	Governance
Accountancy Fees		5,120	5,120	Governance
Legal fees	2,750	2,750	5,500	50/50 split
Total	1,153,216	34,444	1,187,660	

8. Analysis of staff costs and the cost of key management personnel

	2024	2023
	£	As restated £
Salaries and wages	2,490,923	2,468,178
Social security costs	126,912	124,127
Pension costs	95,372	139,015
Total	2,713,207	2,731,320

There were two employees who received total employee benefits of between £60,000 and £70,000 and one employee received total employee benefits of between £70,000 and £80,000

Pension costs are allocated to activities in proportion to the related staff costs incurred and are wholly charged to unrestricted funds. An employee is also an ex-officio trustee. The key management personnel of the charity, comprises the trustees, the Chief Executive Officer, Deputy CEO, Financial Controller, HR Manager, Operations Manager, Charitable Impact Manager and Food Development & Training Manager.

The total employee benefits of the key management personnel of the charity were £316,923 (22/23 £306,492).

8. Analysis of staff costs and the cost of key management personnel (continued)

Redundancy costs in the year were £37,007 (22/23 £nil).

The key management personnel of the company comprise those of the charity and the key management personnel of its wholly owned subsidiary City Catering Southampton (Trading) Ltd. The associated staff benefits have been included within the total employee benefits of the key management personnel of the charity.

The average monthly head count was 217 (22/23 231) staff and the average monthly number of full-time equivalent employees during the period was 101 (22/23 109).

9. Trustees' remuneration and expenses

No charity trustees were paid or received any other benefits from employment with the charity or its subsidiary in the period. One trustee was reimbursed for parking expenses during the 31st March 2024 year end to the sum of £27 (2022/23 - £9) no other trustee received payment for professional or other services supplied to the charity. The Chief Executive Officer (Gary McMahon) is a trustee of the charity and is paid for his role as CEO; not for trustee duties. His remuneration is included within key management personnel in note 8.

10. Corporation Taxation

The company being a registered charity is exempt from any taxation apart from VAT.

11. Fixed Asset Investment

Shares in group undertakings as at year end 31 March 2024 totalled £1 (2023: £1).

There were no investment assets outside the UK.

12. Tangible fixed assets

	Group	Charity
<u>Cost:</u>	£	£
As at 1 April 2023	99,174	99,174
Additions	28,945	28,945
As at 31 March 2024	128,119	128,119
<u>Depreciation:</u>		
As at 1 April 2023	53,431	53,431
Charge for the year	20,001	20,001
As at 31 March 2024	73,432	73,432
NBV as at 31 March 2024	54,687	54,687
NBV as at 31 March 2023	45,743	45,743

13. Intangible assets

	Group £	Charity £
Cost		
As at 1 April 2023	3,755	3,755
Additions	-	-
As at 31 March 2024	3,755	3,755
Amortisation		
As at 1 April 2023	2,816	2,816
Charge for the year	751	751
As at 31 March 2024	3,567	3,567
NBV as at 31 March 2024	188	188
NBV as at 31 March 2023	939	939

14. Stock - Group and Charity

	2024	2023
		As restated
	£	£
Food	66,612	74,102
Disposables	41,149	14,931
Cleaning Materials	13,659	11,613
	121,420	100,646

15. Debtors

Debtors falling due in less than one year	Group 2024	Group 2023	Charity 2024	Charity 2023
		as restated		as restated
	£	£	£	£
Trade debtors	994,663	1,400,584	954,154	1,310,646
Amounts owed by group undertakings	-	-	65,212	125,138
Prepayments and accrued income	59,348	81,569	59,112	81,569
	1,054,011	1,482,153	1,078,478	1,517,353
Debtors falling due after one year				
Defined Benefit Pension scheme	885,000	750,000	885,000	750,000
	885,000	750,000	885,000	750,000

16. Creditors (amounts falling due within one year)

	Group 2024	Group 2023 as restated	Charity 2024	Charity 2023 as restated
	£	£	£	£
Trade creditors	406,802	439,146	406,802	437,646
Loan repayments	77,000	77,000	77,000	77,000
Other creditors and accruals	200,393	200,674	198,893	199,254
Deferred income	25,668	549,572	25,668	549,572
Taxation	272,528	405,499	265,982	387,275
Defined Benefit Pension Scheme	135,000	141,000	135,000	141,000
	<u>1,117,391</u>	<u>1,812,891</u>	<u>1,109,345</u>	<u>1,791,747</u>

17. Creditors (amounts falling due within more than one year) - Group and Charity

	2024	2023 As restated
	£	£
Bank loans and accruals	102,667	179,667
	<u>102,667</u>	<u>179,667</u>

The CBILs loan include aggregate amounts of £180k which is split by £77k due within one year and £103k due over one year. The bank loan is repayable by instalments at a current rate of interest of 1.78% annum over base rate. The loan is held with a security charge against any properties owned or fixed and floating charges.

18. Deferred income

Deferred income comprises charitable income that is remaining from grants and donations for future use. Service Charge invoices were invoiced in April 24 and not in March 24, as in previous years, reducing the deferred income, Taxation and Trade Debtors balance at the year end.

19. Related party transactions

A management charge of £301,715 (2022/23 - £321,781) was charged by the charity to the trading subsidiary. Surplus of £15,074 (2022/23 - £27,617) in the trading subsidiary was gifted to the Charity and is shown in the supporting notes along with unpaid share capital of £1.

20. Funds

<u>Group</u>	<u>At 1.4.22</u>	<u>Income</u>	<u>Expenditure</u>	<u>Gains/losses</u>	<u>Transfers</u>	<u>At 31.3.23</u>
	£	£	£	£		£
Unrestricted general fund	510 420	5 445 049	(5 347 264)	-	(75 000)	533 205
Pension Reserve	(913 000)	-	(321 000)	1 768 000	75 000	609 000
Total unrestricted funds	(402 580)	5 445 049	(5 668 264)	1 768 000	-	1 142 205

<u>Group</u>	<u>At 1.4.23</u>	<u>Income</u>	<u>Expenditure</u>	<u>Gains/losses</u>	<u>Transfers</u>	<u>At 31.3.24</u>
	£	£	£	£		£
Unrestricted general fund	533 205	5 477 491	(5 151 719)	-	(12 000)	846 977
Pension Reserve	609 000	25 000	(140 000)	244 000	12 000	750 000
Total unrestricted funds	1 142 205	5 502 491	(5 291 719)	244 000	-	1 596 977

<u>Charity</u>	<u>At 1.4.22</u>	<u>Income</u>	<u>Expenditure</u>	<u>Gains/losses</u>	<u>Transfers</u>	<u>At 31.3.23</u>
	£	£	£	£		£
Unrestricted general fund	510 420	5 442 708	(5 344 924)	-	(75 000)	533 204
Pension Reserve	(913 000)	-	(321 000)	1 768 000	75 000	609 000
Total unrestricted funds	(402 580)	5 442 708	(5 665 924)	1 768 000	-	1 142 204

<u>Charity</u>	<u>At 1.4.23</u>	<u>Income</u>	<u>Expenditure</u>	<u>Gains/losses</u>	<u>Transfers</u>	<u>At 31.3.24</u>
	£	£	£	£		£
Unrestricted general fund	533 204	5 491 347	(5 165 575)	-	(12 000)	846 976
Pension Reserve	609 000	25 000	(140 000)	244 000	12 000	750 000
Total unrestricted funds	1 142 204	5 516 347	(5 305 575)	244 000	-	1 596 976

Transfers relate to amounts paid into the defined benefit pension scheme by the charity.

21. Leases

The group is committed to paying the following remaining lease payments on non-cancellable operating leases:

	Group 2024	Group 2023
		As restated
	£	£
Within 1 year	36,526	30,138
Between 1 and 5 years	33,458	-
Total	69,984	30,138

22. Pension Commitments

The charity's employees belong to one principal pension scheme: The Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hampshire County Council. The pension report for the 23/24 year has been obtained and disclosed below in line with FRS 102.

The latest actuarial valuation of the LGPS was completed on 31 March 2024 and valued the Fund as at 31st March 2024. At this date the entire fund showed a surplus of £750k.

The March 24 contribution outstanding at the end of the financial year was £2,614, there were no prepaid contributions. There were no outstanding or prepaid contributions at the beginning of the financial year.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee - administered funds. The agreed contribution rates for future years are 1.7 per cent for employers and 5.5-12.5 per cent for employees.

Principal actuarial assumptions	2024 %	2023 %
Rate of increase in salaries	3.75	3.70
Rate of increase for pensions in payment/inflation	2.75	2.70
Discount rate for scheme liabilities	4.85	4.70
Inflation assumption (CPI)	2.75	2.70

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	2024 Years	2023 Years
<i>Retiring today</i>		
Males	22.1	23.3
Females	24.7	25.7
<i>Retiring in 20 years</i>		
Males	22.6	23.8
Females	25.7	26.7

	2024 £	2023 £
Equities	3,755,950	3,679,000
Other bonds	2,526,730	1,054,000
Property	478,030	434,000
Cash and other liquid assets	68,290	70,000
Other		1,150,000
Total market value of assets	6,829,000	6,387,000

The amounts required to be recognised in the Statement of Financial Activities are as follows:

	2024	2023
	£	£
Current service cost	(140,000)	(297,000)
Past service cost	-	-
Net interest on defined liability/asset	25,000	(24,000)
Administrative expenses	-	(2,000)
Total amount required to be recognised in the Statement of Financial Activities	(115,000)	(323,000)

Changes in the present value of the defined benefit obligations were as follows:

	2024	2023
	£	£
Opening Defined Benefit obligation	5,778,000	7,838,000
Current Service Cost	140,000	297,000
Interest cost	272,000	209,000
Employee contributions	30,000	32,000
Benefits paid	(172,000)	(242,000)
Actuarial losses	31,000	(2,356,000)
At 31 March 2024	6,079,000	5,778,000

Changes in the fair value of the charity's share of scheme assets were as follows:

	2024	2023
	£	£
Opening fair value of scheme assets	6,387,000	6,925,000
Interest income	297,000	185,000
Actuarial gains	275,000	(588,000)
Employer contributions	12,000	75,000
Employee contributions	30,000	32,000
Assets distributed on settlements	(172,000)	(242,000)
At 31 March 2024	6,829,000	6,387,000

The amounts required to be recognised in the Balance Sheet are as follows:

	2024	2023
	£	£
Fair value of scheme assets	6,829,000	6,387,000
Defined Benefit obligation	(6,079,000)	(5,778,000)
Pension asset recognised in accounts	750,000	609,000
Creditor due within 1 year (note 16)	(135,000)	(141,000)
Pension asset per balance sheet	885,000	750,000
	750,000	609,000

[Report ends]