



# ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

**COMPANY LIMITED BY GUARANTEE  
YEAR ENDED 31 MARCH 2024**

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**COMPANY REGISTRATION NUMBER 08986929  
CHARITY REGISTRATION NUMBER 1163055**

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## CITY HARVEST VALUES & IMPACT

### MISSION

**To reduce food insecurity and protect the planet by diverting quality, nutritious edible surplus food from waste & redistributing it to those facing food poverty.**

### VISION

**Cities where all people have access to fresh, nourishing food and no good food is wasted from within the food supply chain.**



#### Rescuing Food

City Harvest ensures no good food is wasted. Our team redistributes free food for over 1 million meals a month to people most in need.



#### Rescuing People

City Harvest believes in the human right to food & that people should thrive, not just survive. We ensure the right food gets to the right people at the right time.



#### Rescuing Planet

City Harvest helps food partners reach UN 9 Sustainable Development Goals (SDGs) & deliver their Environmental, Social and Governance (ESG) strategies, reducing waste & making huge social impact.

## Our Values

Our values sit at the heart of what we do; they inform our ways of working, the decisions we make, the behaviours we champion and how the organisation should feel. We are proud that they have been shaped collectively by our community – our staff, our volunteers, our trustees and our community partners. To bring our values to life, we move beyond words and into action:

Compassionate

Community focused

Aspiring

Collaborative

Trustworthy





IMPACT IN NUMBERS



12.4M  
MEALS  
DELIVERED



£0.32  
COST TO  
DELIVER 1 MEAL



5,213 TONNES  
REDISTRIBUTED  
FOOD



28  
LONDON  
BOROUGHES



116,000  
RECIPIENTS  
PER WEEK



29,781  
HOURS  
VOLUNTEERED



12,912 TONNES  
GREENHOUSE GASES  
PREVENTED



£11.90  
SOCIAL RETURN  
ON INVESTMENT



## A LETTER FROM OUR CEO

It is a privilege and honour to have joined City Harvest as the new Chair of the Board of Trustees at our 10-year anniversary.

The achievements of City Harvest are to the enormous credit of the founders, past and present staff, volunteers, donors and funders. Together with the rest of the Board of Trustees, I will do my very best to build on this and support the future success of the charity.

With the pressures of inflation, a challenging economy and reductions in public services there can be no doubt that the services of City Harvest will be in strong demand in the future.

The climate emergency will also only increase, and City Harvest plays a part by saving food that would otherwise be wasted.

We will continue to work to meet the needs of the charities beneficiaries and fulfil our charitable purpose. As Trustees we will also ensure that we fulfil our Governance and other responsibilities.

I would also like to take the opportunity to thank:

- The City Harvest team, led by our CEO Sarah Calcutt, for their amazing efforts to drive the charity forward
- Our wonderful volunteers who do such important work to enable the charity to continue to succeed
- Our funders – without whose commitment and generosity we could not continue
- Our food donors – for their dedication to reducing hunger in vulnerable communities
- My fellow trustees

At our 10-year anniversary, I would also like to take the opportunity to pay special tribute to Steve and Laura Winningham OBE – co-founders of the charity. Steve has just stood down as Chair after many years of service while Laura was our founding CEO and for many years the driving force of the charity. Without their vision, passion and determination City Harvest would not exist.

Now we, the team, volunteers and trustees have the opportunity to build on their achievements – and we will.



Paul Freeston  
Chair

October 2024



***“Together with the rest of the Board of Trustees, I will do my very best to build on this and support the future success of the charity.”***

## A LETTER FROM OUR CEO

As we begin our celebrations marking a decade of making a difference our team has been reflecting the impact of our achievements since 2014. We have recently marked the delivery of 60m meals worth of food, swiftly followed by our largest volume of meals shared in a week, 390,000 meals over 7 days. Our quest to deliver the vision of Laura and Steve Winingham has moved the dial considerably since 2014 when City Harvest delivered 80,000 meals worth of food over 12 months.

Food prices remain 25% higher than 2 years ago, the affordability of a healthy diet has resulted in an increasing proportion of our population suffering the effects of malnutrition and poor diet. Despite significant moves in the living wage space, wages have declined by 2.9% in real terms since 2021/22 contributing to the fastest growing segment of our clients, those who are in employment but unable to afford food. A recent Food Foundation report revealed that there are now twice as many food banks as there are branches of McDonalds, and matching the size of the entire Tesco UK estate in numbers of sites. Our exponential growth continues to follow the increasing economic challenges faced by over 20% of our population. People are starving in modern day Britain, Victorian conditions such as rickets and scurvy are a reality. People are flooding into soup kitchens, food banks, social supermarkets and the newly created discount food cooperatives, holiday hunger projects are more important than ever.

The last year has seen several areas of concerted development, especially within our logistics operation. A comprehensive review of our routes and delivery schedules has created a streamlined delivery service, coupled with the input of our outstanding Community Engagement team we are now able to deliver hope and nutrition to 116,000 people across 28 boroughs of the capital (up from 84,000 12 months ago). We have greater insight into the needs of our community partners, ensuring that, where possible, we bring them the components of the healthy diet their clients require, thus reducing the risk of downstream wastage. We are delivering to more people, with a reduced environmental impact, continuing to reduce the emissions of our own operation, as well as diverting 12,912 tonnes of CO2 emissions from landfill.

Our food sourcing team has been challenged by the rise in AI driven stock management systems as well as a drive to mitigate diminishing returns in the food industry by the reduction of waste. Our target for food recovered in the year sadly proved unrealistic in the face of this technology, but through the support of the experts on our Food Council we finished the year with an uplift in food donor relationships and also volumes. We also owe a debt to the team at Bain & Co for



***“We have recently marked the delivery of 60m meals worth of food, swiftly followed by our largest volume of meals shared in a week, 390,000 over 7 days.”***



## A LETTER FROM OUR CEO

their expert support of the food team during the year, facilitating a detailed analysis of our donor journey and clarification of an impactful forward strategy for this key department.

Investment in people is a key focus of the year ahead, we have already grown our food sourcing team to five and our fundraising team is growing to eight, reflecting our need to expand our impact and resources to support a substantial waiting list. We have reviewed our staff development and training programme in the last year, with the roll out of a comprehensive appraisal process, all salaries are now benchmarked, we are a committed living wage employer and have added a modest benefits package from Simplyhealth to support our team's health and wellbeing. We acknowledge that our work is testing, our staff are very committed to making a difference in the lives of others but that this can also take a toll on their own health and wellbeing; we also have a number of key staff who are trained as mental health first aiders.

As part of the preparation for the start of our second decade of making a difference a review of our governance structures has resulted in growth of our trustee board and the establishment of a number of focused subcommittees. Good governance guidance from the Charities Commission also recommends that trustees serve a maximum of nine years on a board, this has resulted in Kathy Street standing down as our trustee with a legal focus, we are incredibly indebted to Kathy's boundless energy, compassion and knowledge throughout the first decade of City Harvest. Her seat on the board has been taken by Emma Danforth a partner of A&O Shearman. During the review it was also decided that a new chair for the board should be sought, we are delighted that we have appointed Paul Freeston as our new Chair of trustees. Paul brings with him a wealth of knowledge and connections through his role as chair and president of the FDF and 25 years leading Apetito and Wiltshire farm foods into international growth. Steve Winningham's contribution to all that we achieve as an organisation cannot be underestimated, from the original vision modelled on our New York namesake, through to management structures and insight into team recruitment, he has been instrumental in our success. Steve and Laura have been the very best kind of founders; selfless in their drive to help others, creating an impactful, well structured charity that has made a difference every day since its foundation.

We are incredibly grateful to our financial and pro-bono supporters. The generosity of compassionate individuals, foundations, trusts, and corporations helps us change lives every day. We are indebted to these essential relationships, some of which date back to our foundation. This core support enables our team to move forward with



***"All salaries are now benchmarked, we are a committed living wage employer and have added a modest benefits package...to support our team's health and wellbeing."***

***"...the start of our second decade of making a difference...has resulted in growth of our trustee board and the establishment of a number of focused subcommittees."***



## A LETTER FROM OUR CEO

confidence, determined to help more people and elevate our social impact. We have a solid foundation, created by data driven decision making and a deep understanding of the social impact we strive to achieve. Our volunteers remain at the heart of our operation, just under 30,000 hours of time donated over the year has facilitated the delivery of good, rescued food through their attention in its grading and packing. We are delighted that almost one third of these hours were donated by corporate partners, facilitating staff time to help us make a difference.

Collaboration with other charities, both close to home, and nationally, has again increased in the last year. I am now co-chair of the national Xcess network, a role shared with Mark Game, CEO of The Bread and Butter Thing, our long term partner in Manchester and the Midlands. Our relationship with national partners has also grown, facilitating both the exchange of food donations and more recently collaborative funding applications. We are united by a common goal, to end hunger and reduce food waste. I am also a Commissioner for the new Harper Adams Commission into the Future of Food Banks, part of a group of national representatives, redefining food banks and ensuring that all models of social and community food based intervention are recognised, valued and their impact documented as part of the review process.

City Harvest supports better outcomes for food, people, and the planet. Addressing food waste and food poverty is at the heart of what we do. City Harvest's heart is primarily with the people it feeds every day, simultaneously looking at how we can collaborate with stakeholders to improve the future.

Connecting people passionate about sustainable solutions, the British food system and those unable to access a nutritious diet is what drives us. We align visionaries, companies and policy makers wanting to create a healthier and more sustainable future in the UK and beyond.

### **1. We link the British food system, people in need, and help enable access to nutritious food for all.**

Food waste is a social, economic, and environmental tragedy. Twenty-five percent of Londoners live in food poverty, whilst in the capital each year, two million tons of food goes to waste. City Harvest's free service exists to address this imbalance, with a core belief that everyone has a right to nutritious food.

***“Collaborative working is part of our future, founded in a common goal to feed the hungry and save edible food from going to waste.”***



## A LETTER FROM OUR CEO

**2. We focus on providing free nutritious food so that communities can offer additional essential support services to people in need.**

By rescuing surplus food from the British food system, we provide an invaluable service to food industry, people, and the planet, addressing waste, malnutrition and enable profound social impact.

The positive ripple effect that free nutritious food has on people's futures is hugely influential on societal outcomes. With reduced food costs, our community partners can offer support services that allow people struggling to survive, to change course and thrive.

**3. City Harvest is passionate about sharing our model to feed the future in the UK and beyond.**

We understand the power of what we do and are passionate about sharing our model. In the coming years, we look to form meaningful national and international partnerships enabling others to facilitate social and environmental change.

We are indebted to all that work, volunteer, and support City Harvest - working together we are capable of remarkable things.



Sarah Calcutt  
CEO  
October 2024

***“With reduced food costs, our community partners can offer support services that allow people struggling to survive, to change course and thrive.”***

## TRUSTEES' ANNUAL REPORT

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the audited financial statements of the charitable company for the year ended 31st March 2024.

### Objectives and activities

The objectives of City Harvest include the prevention and relief of poverty, the advancement of environmental protection and supporting the effective use of resources for charitable purposes by other charities by facilitating the distribution of surplus food.

In furtherance of these objectives, City Harvest collects edible surplus food otherwise destined for landfill or anaerobic digestion from retailers, wholesalers, restaurants, manufacturers and others, and distributes it to community programs that serve meals to vulnerable people.

### Achievements and performance

#### The impact of City Harvest's work

During the past year, City Harvest redistributed 5,213 tonnes of donated nutritious food that would otherwise have gone to waste. This equated to 12.4 million highly nutritious meals.

We increased the number of recipients to which we deliver nutritious surplus food in the past 12 months, and now deliver to 116,000 recipients each week via over 300 community partners in Greater London.

The recipients of this nutritious food delivered weekly included community foodbanks, soup kitchens, school foodbanks and children's clubs, refuges for women fleeing domestic violence, day centres for the elderly and those facing mental illness.

#### Environmental benefits

City Harvest's impact to society includes the provision of a solution for one of the leading global environmental issues of our time: food waste. When healthy edible food is sent to landfill, it decomposes and releases methane with a global warming potential more than 80 times greater than that of CO<sub>2</sub>.

The quantity of food City Harvest delivered this year would have resulted in 12,912 tonnes of greenhouse gases being diverted from landfill. Additionally, all the resources that were utilised to produce the 5,213 tonnes of food City Harvest rescued - energy, land, water - would have been wasted as well.

12.4M

This year City Harvest delivered 12.4m nutritious meals.

116,000

City Harvest delivered to 116,000 recipients each week via over 300 community partners in greater London.



# TRUSTEES’ ANNUAL REPORT

## The large and growing need for our services

The last round of the Food Insecurity Survey performed by the Food Foundation has confirmed what our dedicated and passionate team witnesses each day: there is a massive need for healthy food amongst a growing number of people facing adversity. 7.2 million adults (14% of households) currently experience food insecurity, among which 2.5 million adults reported not eating for the whole day because they couldn’t afford it.

## Serving London’s most vulnerable

Our work supports many vulnerable sections of London’s population with significant impact on nourishing the homeless, children and families, those on low income, and young people.



## Our coverage

We are active in most of the 32 London boroughs, of which Ealing, Hammersmith and Fulham, Newham, Kensington and Chelsea, Lambeth, Camden, Brent and Westminster are the most significant for us.

## Our investment programme

We have continued to invest in infrastructure and human resources and ensure operational excellence in our efforts to nourish the community. This included increasing our food storage capacity, investment in our workforce, and purchase of vans.



# TRUSTEES’ ANNUAL REPORT

## Community Impact

The year 2023/24 has been the most challenging year (apart from the Covid crisis) to date in the communities that City Harvest serves. The demand for surplus food has accelerated with more and more Londoners hit by the cost of living crisis. An estimated 2 million Londoners need food aid. If that equated to just one meal per day, that’s 60 million meals per month. Meanwhile, supply lines have tightened, especially from supermarket chains.

Against this backdrop, City Harvest has still managed to bring onboard 30 new community partners providing high quality services for their communities. These include some of the highest quality projects in the capital, including:

- Surplus to Supper – a food surplus hub co-ordinating delivery to the outer reaches of south west London;
- The Real Junk Food Project – an award winning “pay as you feel” community café in Twickenham;
- Borough Food Co-op – a well-established and excellent example of a social supermarket; and
- 5 new LEYF nurseries which provide free nursery space for some of the most deprived children in the capital.

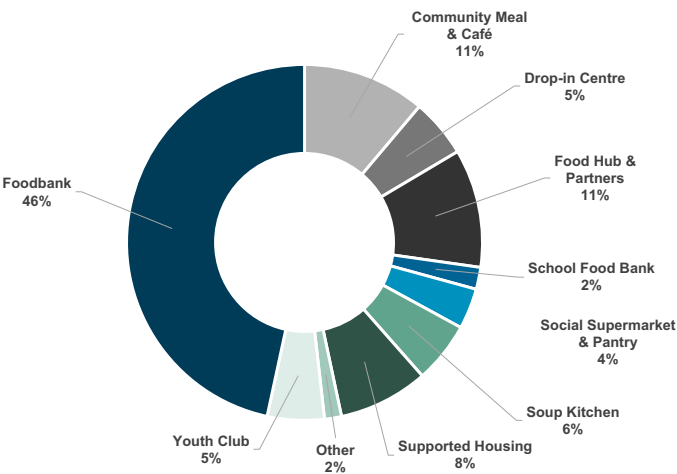
### ***The most challenging year to date – a 38% increase in clients***

These 30 new community partners serve close to 20,000 clients. Meanwhile, existing community partners have reported increases in their client numbers too. Consequently, we have seen a massive 38% increase in the total number of unique clients City Harvest’s food reaches. In 22/23, the number was 84,000. In the most recent survey of community partners completed in Nov 23, the total was 116,000.

Meanwhile, the Team has been assimilating an impressive list of potential new community partners ready to be onboarded as soon as food supplies and logistics allow. Currently, there are over 50 partners ready to join the City Harvest family.

Another important target has been to redirect supplies towards some of the boroughs facing the highest levels of deprivation and need for food aid. Boroughs such as Newham, Hackney, Lambeth and Hounslow now feature highly in where our food goes.

However big the numbers become, a central ethos at City Harvest is to maintain strong working relationships with its community partners. This year, the Community Impact Team has personally visited over 200 community partners. This may be a quick hello, or in a number of instances, a full day’s volunteering to really “get under the skin” of frontline food aid service.



## TRUSTEES' ANNUAL REPORT

The Team has also produced a new Bulletin designed to keep our community partners up-to-date with all things City Harvest. It is despatched every two months and includes regular items like news from the warehouse, and resources and funding opportunities. Meanwhile, the Team has produced another new publication, "A Community Partner Pack". This is designed for all new onboards, explaining all the obligations and expectations about the service. One of its most important sections concerns safe food handling and storage. As more and more people are relying on surplus products, it is imperative that all the necessary procedures are adhered to throughout the food chain.

### *Hub and Spokes*

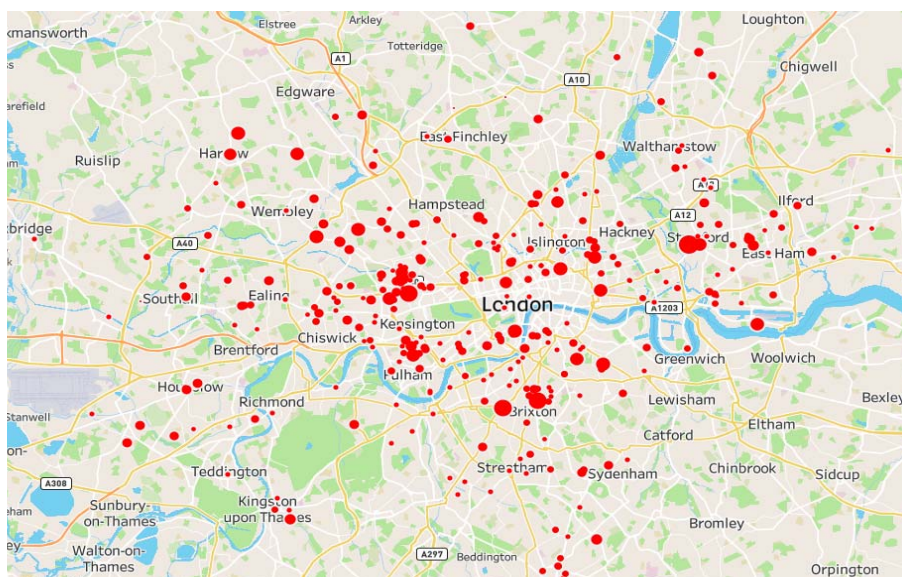
To stretch the "Food Aid Plaster" as far as possible, a limited number of "hub and spoke" mechanisms continue to be developed. Three are particularly noteworthy - at **Lambeth Hub**, **Groundwork Barnet** and at **Surplus to Supper**, City Harvest is now able to deliver large quantities of stock, secure in the knowledge that this will be combined with other stock held there and distributed to where it is most needed in these areas.

### *LEYF Nurseries*

Working now with 10 LEYF Nurseries, City Harvest food not only helps to improve the diet and nutrition of the little ones, but the money saved by these 10 nurseries not buying supplies commercially is being used to finance 17 extra nursery places. The partnership between City Harvest and LEYF has been shortlisted at this year's Corporate Engagement Awards.

### *Collaboration with a wide breadth of community partners*

City Harvest deeply understands the needs of both the communities in which we operate and the charities and businesses we serve which enhances our responsiveness and heightens our impact. Every effort is made to deliver the quantities and types of food needed by each community programme at the most convenient times. Often our team helps build networks amongst community programmes and connects local businesses with charities.







# TRUSTEES’ ANNUAL REPORT

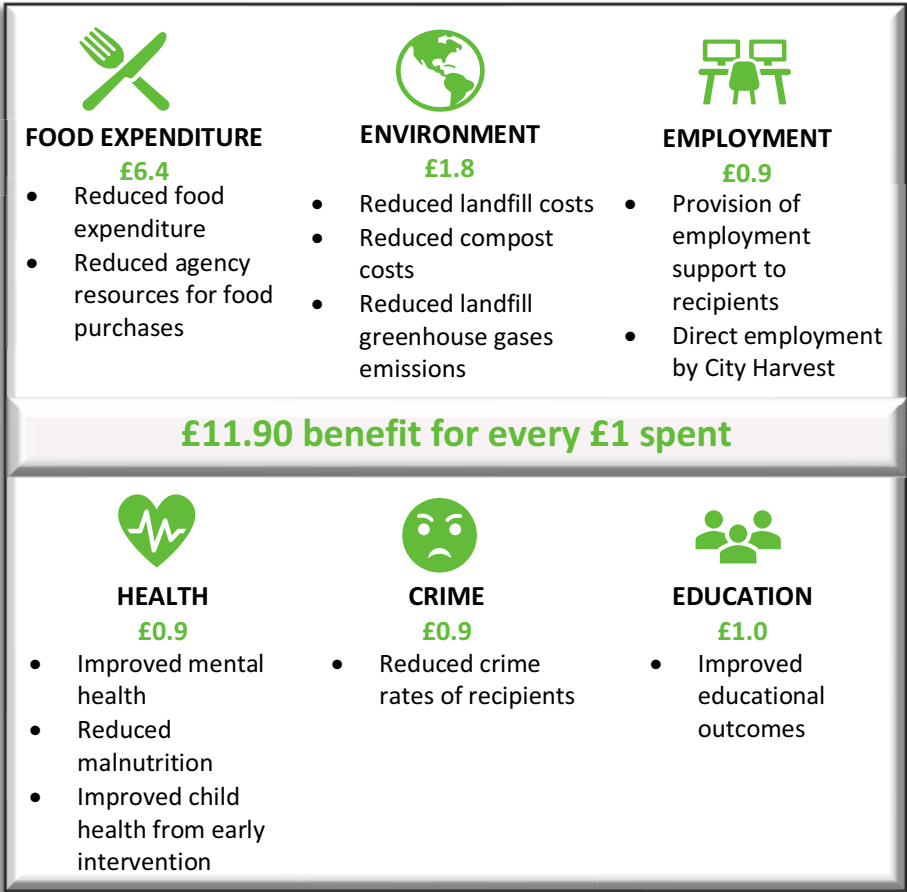
## Social return on investment

Our community partners received City Harvest food donations with a retail value of £18.6m million during the year to 31st March 2024 and were able to redirect their food budget savings towards other vital services provided to vulnerable people in the community. These services include counselling, education, nutrition and cookery programmes, employment guidance, sports, and fitness as well as health and wellness services.

City Harvest’s Social Return on Investment (SROI) during the year was £11.90 for every £1 of expenditure. Management consultants Bain & Company provided pro-bono support to monitor the impact on society of our food redistribution activities.

The largest component of our social return is essentially the value we created out of unused but perfectly edible fresh, frozen, and ambient food donated by businesses.

£11.90  
City Harvest’s social return on investment (SROI) during the year was £11.90 for every £1 of expenditure.



## TRUSTEES' ANNUAL REPORT

### Food donors

In 2023-24, food donations to City Harvest fell by 8% on the previous year. We saw the frequency of donations remain flat year on year, however, the volume per donation decreased. Encouragingly though, our category mixes remained in line with the previous year, meaning we were still distributing over 50% nutritious, healthy fresh produce to those in need.

We understand that developing relationships with our existing partners and building partnerships with new ones is hugely important to City Harvest. We have spent more time engaging with and visiting our current donors, whilst also attending more shows and events to meet with prospective new supporters. As a result, we have successfully increased our donor base by 30%. We have invested in the team and will continue to do so into 2024.

#### City Harvest's food distribution

Fresh Produce	50%
Drinks	8%
Bread/Snacks	7%
Ready to cook	7%
Dairy	9%
Meat, fish & eggs	8%
Pantry	5%
Other	6%
	100%

We've always been passionate about rescuing fresh produce as it forms such an essential part of our diets, and we truly appreciate the hard work and skill of our farmers for producing it. It's been fantastic to grow our donations at our New Spitalfields Market hub and more recently, open a similar site in New Covent Garden Market. Building relationships with the traders at each market has been instrumental in rescuing good quality surplus, and we're excited to continue this work at both market sites this year.

In October, we launched our City Harvest Festival Food Drive. It was a huge success, raising over 19,000 meals from 100 different businesses and schools around London. We hope to raise 50,000 meals in 2024.

We're so grateful to the donors who have continued to support City Harvest by donating their surplus food for many years now: Amazon, Charlie Bigham's, Direct Produce Supplies, Sysco and The Thomas Franks Foundation and Thomas Franks Ltd.

We're thankful too for the lasting support of some iconic London events: Wimbledon Tennis Association and Royal Ascot.

***"We have spent more time engaging with and visiting our current donors...As a result, we have successfully increased our donor base by 30%."***

***"It's been fantastic to grow our donations at our New Spitalfields Market hub and more recently, open a similar site in New Covent Garden Market."***





## TRUSTEES' ANNUAL REPORT

### Other partners

We are also grateful to organisations that have contributed pro-bono services, including significant time commitments by Bain & Company and Social Business Trust.

### Our workforce

Our workforce comprises a mix of full and part-time employees, contract staff and volunteers. Our paid workforce at year-end is made of 63 full-time equivalent employees.

All employees are paid at least the London Living Wage, and almost all are enrolled in the pension scheme.

We reviewed our staff development and training programme with the roll out of a comprehensive appraisal process. We also added an employee benefits package to support our team's health and wellbeing.

### Our volunteers

By volunteering with us, individuals in our community are able to make a direct positive impact on thousands of vulnerable people in London. Because of the time they donate to helping City Harvest, many Londoners facing food insecurity will have access to a nutritious meal.

Our volunteers are crucial to keeping the vans rolling and to making sure food is ready to go out to feed London. As the packers, the stackers, the sorters, and the porters of our operation, we rely on our volunteer community to help unload deliveries, to sort our fantastic donations, to create trays of food for our recipients, and to carry out general warehouse tasks to support the day-to-day running of City Harvest. For every one hour of volunteer time given, City Harvest can provide 418 meals to Londoners in need.

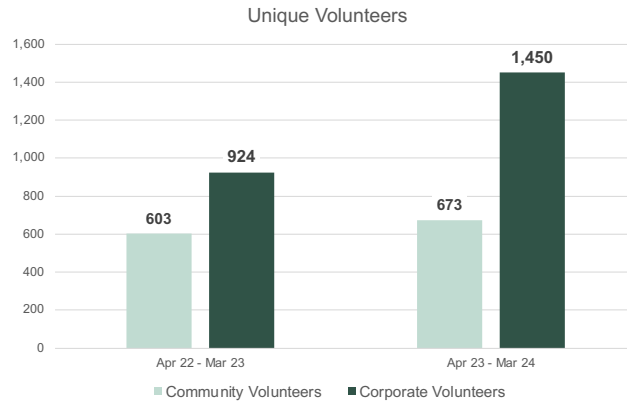
In the year to 31 March 2024, we were joined by an incredible 2,123 volunteers; this includes 673 regular 'community' volunteers, who each gave on average 30 hours to volunteering within the year, and 1,450 volunteers who joined for engagement days through our corporate partners.

# 29,781 Hours

In total during the year, we benefitted from 29,781 hours of volunteer time, which is equivalent to 16 full-time staff.



## TRUSTEES' ANNUAL REPORT



## Thank You

We thank all our dedicated supporters who make a difference and help us keep our vans rolling across London feeding people.

Over these 12 months, our amazing volunteers contributed 29,781 hours (19,895 by community volunteers and 9,886 by corporate volunteers) to helping us onsite, as the vital life force of our operation. This amount of time equates to 16 full-time employees. Our volunteering programmes have continued to grow and strengthen, with increased resources and support.

We celebrate these achievements with our volunteers, organising our annual end-of-year festivities and coming together for Volunteer Week in early June. Our volunteers who achieve over 100 hours of volunteering receive their 'Harvest Hundred' Award, of which we now have 130 Harvest Hundred volunteers.

In recognition of our volunteering programme, the next financial year signifies an exciting year, where we will strive to achieve the national 'Investing in Volunteers' accreditation. This UK quality standard for good practice in volunteer management will help us to measure where we stand as a volunteering provider, assessing our current programme and supplying City Harvest with a framework for improvement into the future. We aim to achieve this accreditation by the end of 2024.

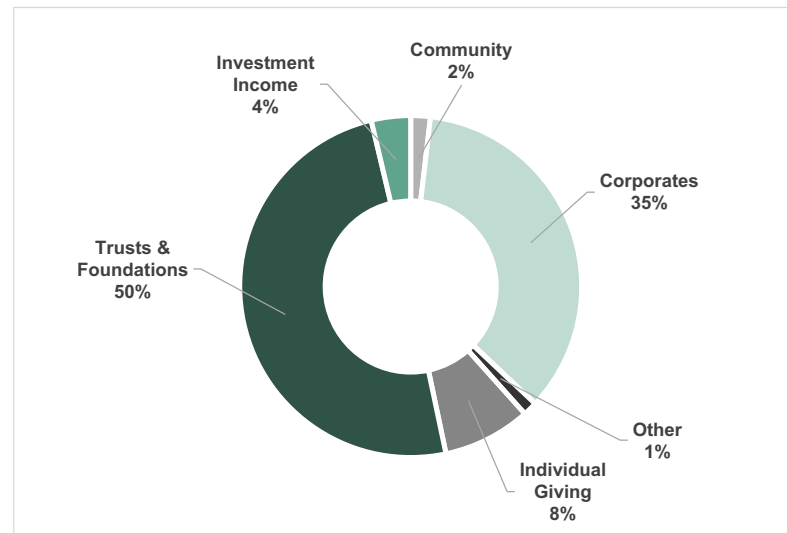
## TRUSTEES' ANNUAL REPORT

### Fundraising

Last year City Harvest raised £4.1 million to continue our vital mission in rescuing food and redistributing it to people in need. Our work has been made possible by the generous support from Trust & Foundations, Companies including Corporate Partnerships, and Individuals.

£4.1M

City Harvest raised £4.1m by rescuing food and redistributing it to people in need.



We received support in the year from many dedicated donors and would like to give special thanks to the donors below who made significant financial contributions to fund our vital work.

Artemis Charitable Foundation	Marguerite Foundation
The Big Give	The National Lottery Community Fund
Clayton Dubilier & Rice Foundation	The Old Vic
Findlay Charitable Trust	The Permira Foundation
ICG	Posettes Foundation
IGY Foundation	Rabobank
The Jongen Charitable Trust	RKT Charitable Trust
The Kepler Cheuvreux Foundation	The Story of Christmas
The Livery Food Initiative	The Vintners' Company
The Livery Kitchen Initiative	The Wimbledon Foundation

We are also grateful for everyone who donated and raised funds for City Harvest this year by donating through our website, regularly giving each month, participating in challenge events, and hosting fundraising activities like bake sales and quizzes.

We are registered with the Fundraising Regulator and follow their code of practice. This means we are transparent about how we raise funds and treat donors and supporters respectfully and fairly. We adhere to data protection laws and appropriately use, store, and

## TRUSTEES' ANNUAL REPORT

secure personal details, taking reasonable steps to protect vulnerable people from requests to donate.

We rely entirely on charitable donations to rescue food, people, and the planet, and have policies and processes to ensure we raise money in a considerate and responsible way. City Harvest do not work with third-party fundraising suppliers. City Harvest's fundraising team conducts all fundraising activities and does not do door-to-door fundraising, telephone fundraising, or face-to-face donor acquisition.

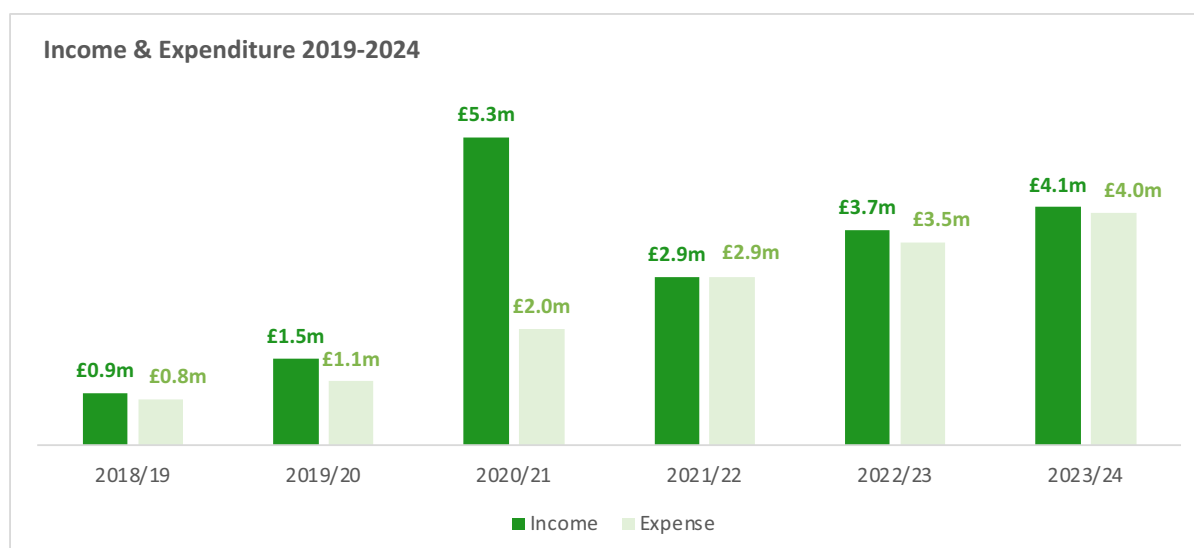
Our fundraising complaints procedure includes safeguarding and follow-up action from our Head of Fundraising and HR Team. We respond quickly and efficiently to resolve complaints. In 2024 we received no fundraising complaints (2023 – nil).

***“We are registered  
with the Fundraising  
Regulator and follow  
their code of practice.”***

## TRUSTEES' ANNUAL REPORT

### Financial review

The charity funds are controlled by the board of trustees, which acts to carefully and strategically allocate resources to properly grow the organisation. The attached financial statements show the current state of finances, which the trustees consider to be sound. The financial statements conform to statutory requirements and comply with the charity's governing documents.



Our income increased in the year by 11% to £4.1m (2023 - £3.7m), although the tonnage of food distributed decreased by 8% to 5,211 tonnes (2023 - 5,690 tonnes).

Restricted income was £0.9m in the year (2023 - £1.2m) which represented 23% of our total income (2023 - 33%).

Our expenses increased by 15% to £4.0m (2023 - £3.5m) reflecting increased operating expenditure to service the increased output and impact. We also made capital investments of £182,000 (2023 - £346,000) reflecting investment to increase our food storage capacity at Acton as well as continued investment in our vehicle fleet.

The expenditure on raising funds was £257,000 (2023 - £249,000) which as a percentage of income amounted to 6.2% (2023- 6.7%).

Overall, we achieved a small surplus for the year of £116,000 (2023 - £241,000) with net assets increasing to £4.9m at the end of the year (2023 - £4.7m). Restricted funds amounted to £0.9m (2023 - £1.0m) representing 20% of total net assets (2023 - 22%).

The trustees monitor the ratio of available funds to future expenditures and donation income, in order to avoid over-committing the charity's resources.

### Cost per meal

City Harvest carefully monitors all expenditures, with a focus on the cost to redistribute one meal. For the year ended 31 March 2024 our cost to deliver one meal increased to £0.32p (2023 - £0.26p) reflecting high inflationary pressures.



## TRUSTEES' ANNUAL REPORT

### Reserves policy

In accordance with Charity Commission guidance, our Trustees have determined a policy for reserves. City Harvest holds three types of funds/reserves:

1. **Restricted Funds** which must be used for the purpose for which they were intended under the direction of the donor. At 31 March 2024, the value of Restricted Funds was £0.9m (2023: £1.0m).
2. **Designated Funds** which include:
  - The Capital Reserve, or funds represented by assets being the net book value of unrestricted fixed assets owned by the charity, amounted to £0.5m (2023: £0.5m).
  - An Impact and Investment Reserve of £0.4m (2023 - £0.7m) being set aside to cover the planned cost required in City Harvest's strategic plan over the coming years. This fund will be used to invest in projects which will strengthen its operations and infrastructure, expand food supplies, volumes and beneficiaries, and in general invest in ways of increasing the charity's overall impact. This reserve includes funds to cover planned capital expenditures in the forthcoming year such as the purchase of vehicles and investment.
  - A Liquidity Reserves in place to protect City Harvest from fluctuations in income and expenditure, and ensure sufficient funds are available to deliver high quality services. Our Trustees have reviewed the charity's requirement for contingency reserves by considering the potential financial impact of:
    - Fluctuations in income generation. By considering historic trends and projections, and looking at the risks associated with variations in different income streams;
    - Reviewing the operational requirement for cash to meet expenditure obligations and considering the minimum level of cover required to ensure that operations are not interrupted;
    - Reviewing current risks; and
    - Considering the impact of a sudden crisis which might require the charity to close.

As a result of this review and based on the above 4 areas, Trustees determined that for ongoing operational security the charity should aim to set aside 6 months planned expenditure for the forthcoming year, as a liquidity reserve. As a result, the liquidity reserve was set at £2.4m (2023: £2.0m).

3. **General Funds** comprising Free Reserves amounted to £0.6m (2023: £0.4m). This is sufficient to cover working capital requirements.

### Going concern

The trustees have prepared an income and expenditure budget and cash flow forecast and have concluded that the charity continues to be a going concern for the foreseeable future. On that basis they have continued to adopt the going concern basis when preparing the financial statements.

## TRUSTEES' ANNUAL REPORT

### Reference and administrative details

Registered Charity Name	City Harvest
Charity Registration Number	1163055
Company Registration Number	08986929
Registered Office	Unit 8, Acton Park Estate The Vale, London W3 7QE
Website	<a href="http://www.cityharvest.org.uk">www.cityharvest.org.uk</a>

### Trustees

The trustees who served during the year and up to the date of the signature of the financial statements were:

Frank Bandura	David Hirschmann
Todd Benjamin	Rajesh Makwana (appointed Aug 2023)
Shaun Browne (appointed Jul 2023)	Chris Ralph (appointed Apr 2024)
Michelle Butler (appointed Jul 2023)	Grace Reid (appointed Jun 2024)
Duncan Everett (appointed Jan 2024)	Kathy Street (resigned Apr 2024)
Paul Freeston (Chair - appointed Jun 2024)	Patrick Street
Emma Gerald (appointed May 2023)	Stephen Winningham
Victoria Heffer	

In June 2024, Stephen Winningham stood down as Chair (but remains a trustee) and was replaced by Paul Freeston. Kathy Street, a long standing trustee of 9 years also stepped down during the year. We thank her for the immense support she have provided over the years.

### Key management personnel

Sarah Calcutt	Chief Executive
Indy Agnihotri	Head of Finance and Performance
David Francis	Acting Head of Operations
Donna Beetham	Head of Fundraising
Mary Parsons	Head of Food
Fiona Hollis	Head of Communications
Marco Torquati	Head of Community Impact

#### Auditors

Price Bailey  
24 Old Bond Street  
London  
W1S 4AP

#### Bankers

CAF Bank Ltd  
25 Kings Hill Avenue  
West Malling  
Kent ME19 4JQ

#### Solicitors

Keystone Law Ltd  
48 Chancery Lane  
London WC2A 1JF





## TRUSTEES' ANNUAL REPORT

### Structure, governance and management

City Harvest is limited by guarantee and its governing document is its Memorandum and Articles of Association dated 4th August 2015. The members of the trustee board hold no shares in the charitable company, but each member is a guarantor to an amount not exceeding £1, in the event of the winding up of the charitable company.

### Trustee recruitment and appointment

Under the Articles of Association of the company, all trustees/directors hold their appointment until the third Annual Retirement Meeting following the commencement of his or her term of office. The Annual Retirement Meeting is the meeting of the Trustees at which the accounts of the Charity are adopted. If the retirement of a trustee causes the number of trustees to fall below 3, then the retiring trustee shall remain in office until a new appointment is made.

Recruitment of a new trustee/director can be made on the instructions of current members of the board, and trustees are elected by existing members of the board.

### Trustee induction and training

The trustees are familiar with the practical work and objectives of the charitable company and bring their own relevant and unique skills. Trustees are actively encouraged to attend board meetings to ensure that they are always up to date with the latest activities of the charitable company.

### Financial governance

The Finance and Audit Committee supports the City Harvest Trustee Board in discharging its responsibility for the financial oversight of the Charity. It comprises three trustees who meet at least quarterly with the CEO and Head of Finance.

### Trustee oversight

The board of trustees administers the charity, and normally meets every 2 months. In addition, steering groups and committees comprising selected trustees and members of the management team meet to focus on the charity's operation. These steering groups translate agreed strategies into actionable plans, oversee programme delivery and mentor executive team members.

### Delegation of authority

A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity and has delegated authority from the Board of Trustees for operational matters including finance, employment, and operational activity.

### Pay policy for senior staff

The trustees review the pay of the senior management team on an annual basis, taking into account earnings in comparable charities.

## TRUSTEES' ANNUAL REPORT

### Risk review

The board of trustees has examined the major strategic, business, and operational risks which the charitable company faces and confirms that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

The key risks identified are as follows:

- **Sustainability of income generation:** A significant reduction in income including a failure to secure long-term partnerships could reduce our ability to deliver our charitable objectives and also mean the charity is unable to pay its liabilities and operational expenditure.
- **Reduction in food volumes:** Our model and the community partners we are serving are dependent on the food we collect. A reduction in food volumes donated would impact adversely our ability to fulfil our mission and meet the needs of community organisations.
- **Health and safety:** Health and safety procedures are at the centre of our operations, as we are dealing with food and people. Breach of our health and safety procedures could lead to illness, loss of life, injury or criminal investigation.
- **Brand and reputation:** Reputational damage and brand misuse by internal or external parties could result in a loss of confidence and reduced support from donors and other key partners.
- **Employees and volunteers:** Human Resource issues could lead to organisational and cultural issues, high employee turnover and even legal action by employees.

### Investment powers and policy

The trustees, having regard for the present and future liquidity requirements of operating the charity, have diversified a portion of available funds in a range of interest-bearing bank deposit accounts with a term typically of between 1 and 12 months, to generate a return on funds while benefitting from the FSCS deposit protection scheme of £85,000 per bank. The selection of banks and the management of the deposits is overseen by the Finance and Audit Committee.



## TRUSTEES' ANNUAL REPORT

### Trustees' responsibilities in relation to the financial statements

The charity's trustees (who are also the directors for the purposes of company law) are responsible for preparing a trustees' annual 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 situation of the charitable company and incoming resources and application of those resources, including the income and expenditure of the charitable company for that 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 Statement of Recommended Practice (SORP 2019);
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### Statement as to disclosure to our auditor

In so far as the trustees are aware at the time of approving our trustees' annual report:

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

## TRUSTEES' ANNUAL REPORT

### Auditors

Price Bailey were appointed as new auditors during the year. A resolution to re-appoint Price Bailey for the ensuing year will be proposed to the board of trustees.

### Small Company Exemptions

This report has been prepared taking advantage of the small companies' exemption of section 41SA of the Companies Act 2006.

By order of the board of trustees



**Paul Freeston**

Chair

21 October 2024

## INDEPENDENT AUDITOR'S REPORT

### Independent Auditor's Report to the Members of City Harvest

#### Opinion

We have audited the financial statements of City Harvest (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 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 charitable company's affairs as at 31 March 2024, and of the charity's 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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

## INDEPENDENT AUDITOR'S 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' report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's 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 Trustees 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 directors' report and from the requirement to prepare a strategic report.

## INDEPENDENT AUDITOR'S REPORT

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Charitable company and the sector in which it operates and considered the risk of the Charitable company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting and tax legislation. In relation to the operations of the Charitable company this included compliance with the Companies Act 2006, Charities Act 2011, and SORP 2019.

The risks were discussed with the audit team, and we remained alert to any indications of non-compliance through the audit. We carried out specific procedures to address the risks identified. These included the following:

- Reviewing minutes of Board meetings, reviewing any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, and enquiries of management and officers of the Charitable company. We have also reviewed the procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission.
- Management override: To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We reviewed systems and procedures to identify potential areas of management override risk.



## INDEPENDENT AUDITOR'S REPORT

We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

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 FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Michael Cooper-Davis FCCA ACA (Senior Statutory Auditor)**

For and on behalf of:

### **Price Bailey LLP**

Chartered Accountants  
Statutory Auditors  
24 Old Bond Street  
London  
W1S 4AP

Date: 7 November 2024

## STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Total funds 2023 £
<b>Income:</b>					
Donations and legacies	3	1,926,481	49,317	1,975,798	2,044,411
Charitable activities	4	1,104,509	896,087	2,000,596	1,631,010
Investment income	5	153,422	-	153,422	32,345
<i>Other trading activities</i>					
Food waste disposal service income		1,249	-	1,249	12,172
<b>Total income</b>		<b>3,185,661</b>	<b>945,404</b>	<b>4,131,065</b>	<b>3,719,938</b>
<b>Expenditure:</b>					
<i>Raising funds:</i>					
Fees and other fundraising expenses		(256,918)	-	(256,918)	(248,528)
<i>Charitable activities</i>					
Food rescue delivery	6	(2,716,614)	(1,041,829)	(3,758,443)	(3,229,963)
<b>Total expenditure</b>		<b>(2,973,532)</b>	<b>(1,041,829)</b>	<b>(4,015,361)</b>	<b>(3,478,491)</b>
<b>Net income and movement in funds for the year</b>		<b>212,129</b>	<b>(96,425)</b>	<b>115,704</b>	<b>241,447</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		3,695,075	1,040,824	4,735,899	4,494,452
<b>Total funds carried forward</b>		<b>3,907,204</b>	<b>944,399</b>	<b>4,851,603</b>	<b>4,735,899</b>

The Statement of Financial Activities includes all gains and losses in the year. All income and expenditures derive from continuing activities.

The notes on pages 33 to 45 form part of these financial statements.



## BALANCE SHEET

	Notes	2024 £	2023 £
<b>Fixed assets:</b>			
Tangible assets	10	703,733	779,606
<b>Total fixed assets</b>		<b>703,733</b>	<b>779,606</b>
<b>Current assets</b>			
Debtors	11	261,635	214,950
Investment in short term deposits	12	3,422,371	2,806,087
Cash at bank and in hand		670,470	1,072,369
<b>Total current assets</b>		<b>4,354,476</b>	<b>4,093,406</b>
<b>Liabilities:</b>			
Creditors falling due within one year	13	(206,606)	(137,113)
<b>Net current assets</b>		<b>4,147,870</b>	<b>3,956,293</b>
<b>Total assets less current liabilities</b>		<b>4,851,603</b>	<b>4,735,899</b>
<b>Net assets</b>		<b>4,851,603</b>	<b>4,735,899</b>
<b>The funds of the charity</b>			
Unrestricted income funds			
General funds	14	607,204	445,075
Designated fund	14	3,300,000	3,250,000
Restricted income funds	15	944,399	1,040,824
<b>Total charity funds</b>		<b>4,851,603</b>	<b>4,735,899</b>

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

The notes on pages 33 to 45 form part of these financial statements.

These financial statements were approved by the trustees on 10 September 2024 and are signed on their behalf by:



Paul Freeston  
Chair  
21 October 2024



## STATEMENT OF CASH FLOWS

	Notes	2024 £	2023 £
<b>Cash provided by operating activities</b>	19	<b>384,811</b>	<b>446,138</b>
<b>Cash flows from investing activities</b>			
(Additions)/withdrawals to/from short term deposits		(616,284)	38,134
Purchase of tangible fixed assets	10	(181,732)	(346,329)
Proceeds from disposal of fixed assets		11,306	22,500
<b>Cash used in investing activities</b>		<b>(786,710)</b>	<b>(285,695)</b>
<b>(Decrease)/Increase in cash and cash equivalents in the year</b>		<b>(401,899)</b>	<b>160,443</b>
Cash and cash equivalents at the beginning of the year		1,072,369	911,926
<b>Total cash and cash equivalents at the end of the year</b>		<b>670,470</b>	<b>1,072,369</b>

### Analysis of cash and cash equivalents

	2024 £	2023 £
Cash and cash equivalents at start of year	1,072,369	911,926
Change in cash and cash equivalents	(401,899)	160,443
Cash and cash equivalents at end of year	670,470	1,072,369

### Analysis of changes in net debt

	2024 £	2023 £
Cash and cash equivalents at start of year	1,072,369	911,926
Change in cash and cash equivalents	(401,899)	160,443
Cash and cash equivalents at end of year	670,470	1,072,369

The notes on pages 33 to 45 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

#### 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 Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102 -effective October 2019) – (Charities SORP FRS 102) and the Companies Act 2006.

City Harvest 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 or note. All amounts are shown in pounds sterling.

#### b) Preparation of the accounts on a going concern basis

The trustees have prepared budgets and a forecast which gives them adequate comfort that the charitable company is a going concern. Therefore, the trustees are of the view that the charitable company has sufficient resources for at least the next 12 months (from the date of approving the financial statements) and that there are no material uncertainties regarding going concern. As a result, the charitable company's financial statements have been prepared on a going concern basis.

#### c) Income

Income is recognised where there is entitlement, sufficient probability of receipt and the amount can be measured with sufficient reliability.

If a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

#### d) Investment income

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 and payable by the bank.

#### e) Donated goods and services

Donated goods and services, including vehicles, are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity is probable and the economic benefit of can be measured reliably.

The value of donated food and surplus food is excluded from the statement of financial activities, when the costs of establishing the fair value would be excessive in comparison to the benefit to the users of the accounts. This is since most of the food would otherwise go to waste which means

## NOTES TO THE FINANCIAL STATEMENTS

there is no active market for this food. However, where donated new food does have a clear value, this is included at cost.

In accordance with the Charities SORP (FRS 102), the time of volunteers is not recognised in the accounts, but the trustees' annual report provides information about their contribution.

On receipt, donated professional services and donated assets 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 assets of equivalent economic benefit in the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

### **f) Fund accounting**

Restricted funds are maintained in accordance with the restrictions placed by the donor upon funds donated.

Unrestricted funds are the free funds of the charity to use at the discretion of the trustees in the furtherance of the charity's objectives. Unrestricted funds may include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

### **g) Expenditure and irrecoverable VAT**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

### **h) Allocation of support and governance costs**

Support costs are incurred by functions that assist the work of the charity but do not directly undertake charitable activities. General support costs include office administration, finance, IT and payroll activities. Governance costs comprise expenses involving the public accountability of the charity and its compliance with regulation and good practice and comprise the cost of the independent audit. The basis on which support costs have been allocated are set out in Note 6 - Analysis of Support Costs.

### **i) Operating Leases**

The charity classifies its warehouse rental agreement as an operating lease, and rent is accrued on a straight line over the term of the lease. With regard to the delivery vans made available to the charity free of charge, the cost of renting equivalent vehicles is used as the basis for assigning the donation income and rental expense.

## NOTES TO THE FINANCIAL STATEMENTS

### j) Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

The charity is registered for VAT on its trading activities, which consist of fees charged to certain donors for sorting and disposing of out-of-date food on their behalf.

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

### k) Fixed assets

The threshold for capitalisation of fixed assets is £500. Purchased fixed assets are capitalised at cost. Donated fixed assets are capitalised 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 assets of equivalent economic benefit in the open market.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation is calculated to write off the cost of an asset over the useful economic life of that asset as follows:

Plant, machinery & vehicles	20% straight line
Office furniture & IT equipment	20% straight line

### l) 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 or charity discounts due.

### m) Cash at bank and in hand

Cash at bank and in hand represents funds which are readily available on demand at less than 24 hours' notice.

### n) Investments in short term deposits

Investments in short term deposits are interest-bearing bank deposits with notice terms of between 1 and 12 months.

### o) 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 discounts allowed.



## NOTES TO THE FINANCIAL STATEMENTS

### **p) 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.

### **q) Pensions**

All employees of the charity are automatically enrolled into a defined contribution pension scheme unless they exercise their right to opt out of scheme membership.

### **r) Key judgements and estimates policy**

No significant judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies.

The Trustees make estimates and assumptions concerning the future based on their knowledge of the company and the environment in which it operates. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

## **2. Legal status of company**

The company is limited by guarantee and its governing document is its Memorandum and Articles of Association.

Each member is a guarantor of the company, to an amount not exceeding £1, in the event of the winding up of the company.

### 3. Donations and grants

	Unrestricted funds £	Restricted funds £	Total funds 2024 £	Total funds 2023 £
Donations and gifts	1,926,481	49,317	1,975,798	2,044,411
Donations of goods & services	-	-	-	-
	<u>1,926,481</u>	<u>49,317</u>	<u>1,975,798</u>	<u>2,044,411</u>

In the year ended 31 March 2023, restricted income funds from donations and grants amounted to £288,818.

In the year, City Harvest distributed 5,211 tonnes of food (2023 – 5,690 tonnes) to its community partners which equates to 12.4m meals (2023 – 13.5m meals). In line with the accounting policy, it is not possible to obtain a fair value of the food received and thus have not been included in the Statement of Financial Activities. If we were to use an estimation for the value of the food, it would be estimated at £18.6m (2022 - £20.2m) based on an average value of £1.50 per meal. However, as noted previously there is no consistent basis of meal valuation and therefore this number would not constitute an accurate fair value.

### 4. Income from charitable activities

	Unrestricted funds	Restricted funds	Total funds 2024	Total funds 2023
Grants	1,104,509	896,087	2,000,596	1,598,456
Other	-	-	-	32,554
	<u>1,104,509</u>	<u>896,087</u>	<u>2,000,596</u>	<u>1,631,010</u>

In the year ended 31 March 2023, restricted income funds from charitable activities amounted to £951,656.

### 5. Investment income

	2024 £	2023 £
Interest received from bank accounts	13,504	4,920
Interest received on investment income	139,434	27,324
Other interest received	484	101
	<u>153,422</u>	<u>32,345</u>

Most of the charity's investment income arises from deposits held on an investment platform managed by Flagstone Investments Ltd, which provides online access to fixed term deposits offered by a wide range of banks. Platform management fees were incurred totaling £6,023 (2023: £5,444).

## 6. Analysis of expenditure on charitable activities

Current year	Unrestricted funds	Restricted funds	Total funds 2024
	£	£	£
<b>Charitable activities</b>			
Drivers and logistics personnel	1,151,733	672,168	1,823,901
Operational expenditures	773,472	341,941	1,115,413
Total charitable activities	1,925,205	1,014,109	2,939,314
Support costs (Note 7)	791,409	27,720	819,129
	2,716,614	1,041,829	3,758,443

Prior year	Unrestricted funds	Restricted funds	Total funds 2023
	£	£	£
<b>Charitable activities</b>			
Drivers and logistics personnel	1,162,704	412,891	1,575,595
Operational expenditures	695,510	336,981	1,032,491
Total charitable activities	1,858,214	749,872	2,608,086
Support costs (Note 7)	584,172	37,705	621,877
	2,442,386	787,577	3,229,963

## 7. Analysis of support costs

Current year	Support costs	Governance	Total 2024
	£	£	£
Support staff costs	218,032	-	218,032
Legal and other professional fees	71,531	-	71,531
Administrative overheads	501,808	-	501,808
Accountancy services	-	8,648	8,648
Audit fee	-	19,110	19,110
	791,371	27,758	819,129

The charity allocates costs directly to charitable activities as far as possible, and then apports the remaining costs between general support and the governance function based on the nature of the expense.

Prior year	Support costs	Governance	Total 2023
	£	£	£
Support staff costs	173,217	-	173,217
Legal and other professional fees	47,541	-	47,541
Administrative overheads	372,752	-	372,752
Accountancy services	-	10,667	10,667
Audit fee	-	17,700	17,700
	593,510	28,367	621,877

## 8. Net income and expenditure for the year

	2024	2023
This is stated after charging:	£	£
Operating leases	143,881	143,058
Depreciation	254,205	218,963
Audit fee	19,110	17,700
Accountancy	8,648	10,667

## 9. Staff costs and emoluments

	2024	2023
	£	£
Wages	2,128,367	1,910,545
Social security costs	208,584	195,839
Contractors	94,209	24,717
Pension costs	56,825	35,467
	<u>2,487,985</u>	<u>2,166,568</u>

The average number of employees during the year was 65 (2023: 63).

None of the employees or contractors is a trustee. No trustee expenses were incurred during the year (2023: £Nil). All employees are paid at least the London Living Wage, and the majority are enrolled in the Government-backed auto-enrolment pension scheme.

Redundancy and termination costs during the year totaled £0 (2023 - £5,804).

The number of employees who received total emoluments of more than £60,000 (excluding pension contributions) during the year was as follows:

Salary band	2024	2023
£100,001-£110,000	1	-
£90,001-£100,000	-	-
£80,001-£90,000	-	-
£70,001-£80,000	2	1
£60,001-£70,000	1	1

Pension contributions of £1,835 (2023: £550) were paid to a defined contribution scheme in respect of the highest paid employee.

The total emoluments of the Key Management Personnel were £595,642 (2023: £578,938).

There have been 673 regular volunteers during the year (2023: 603) helping to sort food in the warehouse and assisting our drivers. In addition, 1,450 (2023 - 924) unique corporate volunteers from 86 employers (2023 - 98) were released to spend a day volunteering at City Harvest.

## 10. Fixed assets

	Plant, machinery & vehicles	Office furniture & IT equipment	Total
	£	£	£
<b>COST</b>			
At 1 April 2023	1,181,115	54,689	1,235,804
Additions	161,550	20,182	181,732
Disposals	(34,200)	(1,001)	(35,201)
At 31 March 2024	1,308,465	73,870	1,382,335
<b>DEPRECIATION</b>			
At 1 April 2023	435,614	20,584	456,198
Charge for the year	242,306	11,899	254,205
Disposals	(31,350)	(451)	(31,801)
At 31 March 2024	646,570	32,032	678,602
<b>NET BOOK VALUE</b>			
At 31 March 2024	661,895	41,838	703,733
At 31 March 2023	745,501	34,105	779,606

## 11. Debtors

	2024	2023
	£	£
Trade debtors	9,257	15,551
Payroll funding	19,277	28,780
Other debtors	12,492	5,836
Prepayments	154,863	128,432
Accrued income	4,640	19,373
Interest receivable	61,106	16,978
	261,635	214,950

Prepayments are principally in respect of rent and insurance.

Payroll funding represents cash held by the outsourced payroll service provider in respect of employee wages.

## 12. Investments in short term deposits

Investments in short term deposits totaling £3,422,371 (2023: £2,806,087) are interest-bearing bank deposits with notice terms of between one and twelve months.

## 13. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	114,019	49,961
Taxation, social security and pensions	65,159	54,088
Accruals	27,428	33,064
	<u>206,606</u>	<u>137,113</u>

## 14. Analysis of unrestricted charitable funds

The general funds are the 'free reserves' after allowing for all designated funds.

Current year	1 April 2023 £	Incoming resources £	Transfers between funds £	Outgoing resources £	31 March 2024 £
General funds	445,075	3,185,661	(50,000)	(2,973,532)	607,204
Designated reserve fund	3,250,000	-	50,000	-	3,300,000
	<u>3,695,075</u>	<u>3,185,661</u>	<u>-</u>	<u>(2,973,532)</u>	<u>3,907,204</u>

Prior year	1 April 2022 £	Incoming resources £	Transfers between funds £	Outgoing resources £	31 March 2023 £
General funds	656,525	2,479,464	-	(2,690,914)	445,075
Designated reserve fund	3,250,000	-	-	-	3,250,000
	<u>3,906,525</u>	<u>2,479,464</u>	<u>-</u>	<u>(2,690,914)</u>	<u>3,695,075</u>



## Analysis of designated funds

The trustees have designated the following reserve funds to ensure the charity's continued expansion:

	2024	2023
	£	£
Liquidity reserve	2,400,000	2,000,000
Fixed assets (see note 16)	465,281	523,326
Impact & Investment Reserve	434,719	726,674
	<u>3,300,000</u>	<u>3,250,000</u>

To ensure sufficient funds are available, the trustees have determined that 6 months of budgeted expenditure should be held at any given time.

A fund is maintained that represents the net book value of unrestricted fixed assets.

The charity also designates funds for investment in key elements of its work under an Impact and Investment Reserve.

## 15. Analysis of restricted charitable funds

Current year	1 April 2023	Incoming resources	Outgoing resources	31 March 2024
	£	£	£	£
Operations fund	776,544	872,046	(931,238)	717,352
Depot capital fund	74,382	73,358	(28,458)	119,282
Vehicle purchase fund	189,898	-	(82,133)	107,765
	<u>1,040,824</u>	<u>945,404</u>	<u>(1,041,829)</u>	<u>944,399</u>

Purposes of restricted funds:

- Operations fund: funding provided to support the operating costs of delivering food, including costs incurred in relation to warehouse, vehicles, food sourcing and community impact.
- Depot capital fund: funding provided to support the capital investment costs at the depots. In the prior year, this was shown separately between two depots.
- Vehicle purchase funds: funding provided to purchase vehicles that deliver food.

Prior year	1 April 2022	Incoming resources	Outgoing resources	31 March 2023
	£	£	£	£
Operations fund	187,870	1,232,474	(643,800)	776,544
Depot capital fund	112,173	8,000	(45,791)	74,382
Vehicle purchase fund	287,884	-	(97,986)	189,898
	<u>587,927</u>	<u>1,240,474</u>	<u>(787,577)</u>	<u>1,040,824</u>

## 16. Analysis of net assets between funds

Current year	General funds	Designated funds	Restricted funds	Total
	£	£	£	£
Tangible fixed assets	-	465,281	238,452	703,733
Net current assets	607,204	2,834,719	705,947	4,147,870
At 31 March 2024	607,204	3,300,000	944,399	4,851,603

Prior year	General funds	Designated funds	Restricted funds	Total
	£	£	£	£
Tangible fixed assets	-	523,326	256,280	779,606
Net current assets	445,075	2,726,674	784,544	3,956,293
At 31 March 2023	445,075	3,250,000	1,040,824	4,735,899

## 17. Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2024	2023
Within 1 year	107,953	107,953
Between 1 and 5 years	76,307	184,260
At 31 March	184,260	292,213

The charity has a five-year lease agreement for its distribution center in Acton which expires in December 2025.

The trustees have confirmed that there were no capital commitments at 31 March 2024.

## 18. Related party transactions

There were transactions with a close connection of key management amounting to £4,267 (2023 – nil). No amounts were outstanding at the year end.

There were no other related party transactions.

## 19. Reconciliation of net movement in funds to net cash flow from operating activities

	Notes	2024 £	2023 £
Net movement in funds		115,704	241,447
Add back depreciation charge	10	254,204	218,963
Subtract profit on disposal of fixed assets		(7,905)	(953)
Increase in debtors	11	(46,685)	(85,362)
Increase in creditors	13	69,493	72,043
Cash provided by operating activities		<u>384,811</u>	<u>446,138</u>