

**Charity Registration No. 1168183**

**Company Registration No. 10068253 (England and Wales)**

**THE FELIX PROJECT**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**THE FELIX PROJECT**  
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# THE FELIX PROJECT (A COMPANY LIMITED BY GUARANTEE) TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT AND DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

The Trustees present their report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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 2019).

## Our Vision and Mission

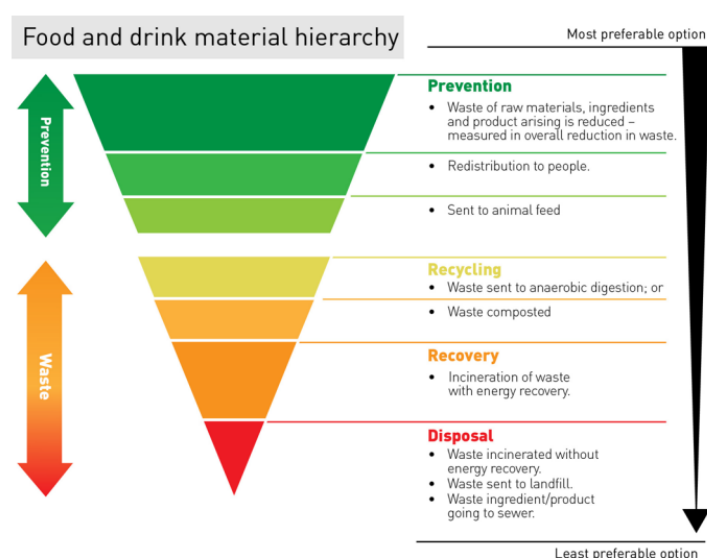
The Felix Project's vision is 'a London where no one is hungry and good food is never wasted'. Our mission is to get good quality, nutritious food to people in need by making use of the surplus food in the UK's food supply, saving it from becoming waste and harming the planet.

## What we do

The Felix Project is a London-based UK charity set up in 2016 by entrepreneur, Justin Byam Shaw and others.

One third of the food produced globally is wasted and contributes between 8 – 10% of total man-made greenhouse gas (GHG) emissions. When food is wasted, all the energy and resources that have been put in to growing, manufacturing, packing, labelling, processing and transporting that food also get wasted; they have been created for no reason, and the food has not been used for its intended purpose. Taking water as an example, 70% of fresh water globally is used for agriculture, and 8 out of the top 10 countries that the UK sources fruit and vegetables from are drought prone (<https://wrap.org.uk/taking-action/food-drink>). The wastage of food is a huge problem on a global scale.

In the UK, 31% of the food that is wasted comes from the manufacturing, hospitality and food service, and retail sectors (waste from farms is not included in this calculation). And in London, 67% of wasted food is edible, yet only 0.5% is redistributed. Charitable redistribution of food is considered by The Waste and Resources Action Programme (WRAP) as one of the most preferable options for surplus food. It sits, along with commercial routes and animal feed production, in the prevention section of WRAP's Food and Drink Material hierarchy (below).



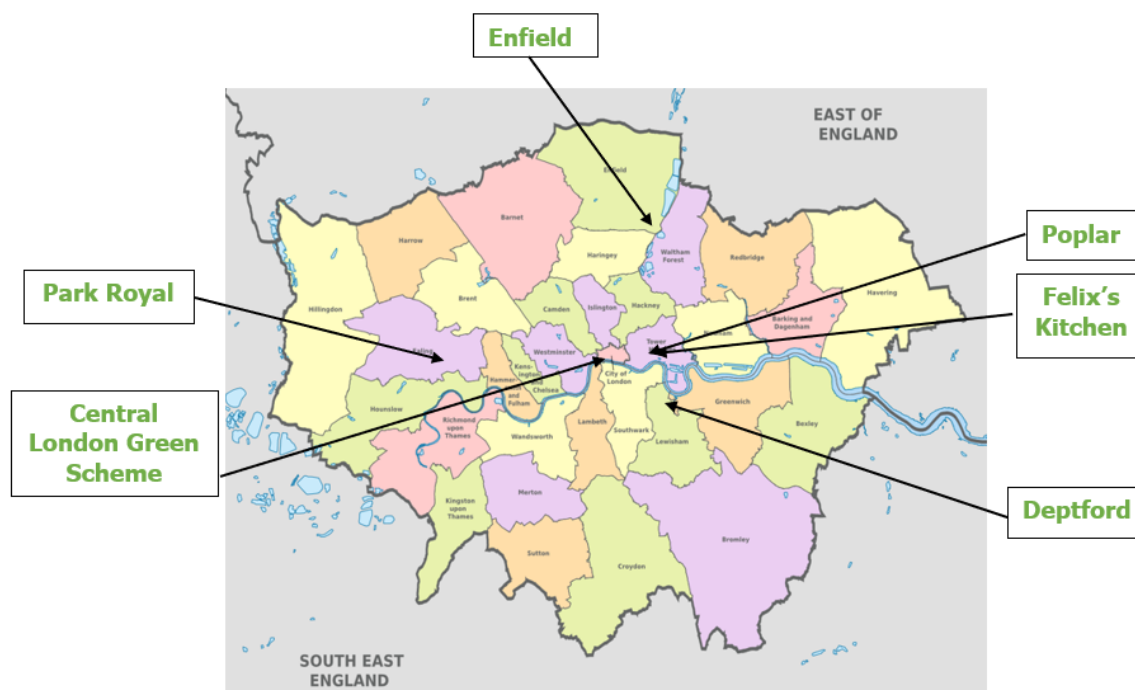
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We rescue good food that cannot, or is not, used and would otherwise not be eaten. This food is deemed to be surplus within the professional food industry, but is good quality, and perfectly fit for human consumption. The food we redistribute includes a high proportion of fresh vegetables, bread and baked goods, meat, fruit and fish, however we redistribute all types of food including ambient (does not require refrigeration), chilled (requires refrigeration) and frozen. We collect and receive food from organisations from all stages of the food supply chain – farms and growers, manufacturers, pack houses and distributors, transporters, wholesalers, supermarkets, other retailers, restaurants, hospitality and other 'Food to go' outlets.

We sort and then redistribute this food free of charge to community organisations across London that cook meals, prepare food, or provide food parcels for their communities. Many of the individuals supported by these organisations are those who are at risk of hunger and malnutrition, or social isolation. This includes those from the homeless and rough sleeper community, families from socio-economically disadvantaged communities and households, including those without recourse to public funds or support, and people who are supported because of physical and/or mental health challenges. It also includes refugees, asylum seekers, children, women who are escaping domestic violence and/or are victims of trafficking, people being supported as they are experiencing addiction or other similar challenges and older people who are isolated and/or experiencing loneliness.

At the start of 2021, we had three depots, in Park Royal (West London), Enfield (North London) and Deptford (South-East London). We also had a Central London operation that has electric vans parked in strategic locations and also offers routes that are carried out either on foot or on bicycle. The exciting new addition during the year, was the huge investment we made, thanks to our incredible partners, in to opening both a depot and a kitchen in Poplar (East London), in the borough of Tower Hamlets.



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We also have a schools programme that provides food to primary schools for distribution to children and families who may not be able to access good quality nutritious food. One of the key components to our schools programme is the educational content. We teach the school community about the impact that food has on the environment during its production, the negative impact it has if it goes to landfill and, importantly, the importance of eating our food rather than wasting it. During the school holidays children that would usually be receiving one and in some cases, two meals per day at school, do not receive these meals as schools are closed. The need to put more food on the table as well as pay for childcare commitments creates huge amounts of financial pressure on many households. We therefore ensure that the food that would be delivered to a school during term time is sent to organisations that support children over the holidays. These organisations run activities and provide opportunities for learning and socialisation, as well as providing a safe space for children and importantly, a healthy meal.

The Felix Project saw another rapid increase in activity in 2021, due largely to the Covid-19 pandemic and the associated need for food and support in London and has received an extraordinary level of support. The charity redistributed 12,800 tonnes of food – the equivalent to 30 million meals (1 meal = 420g). This is a like for like increase of 70% vs the previous year (2020).

**Our work in 2021**

The pandemic had a profound and significant impact on the charity during 2020, and this continued throughout 2021. London Mayor Sadiq Khan declared the Covid-19 crisis a 'major incident' in January 2021, and again in December 2021 due to a new rapidly spreading variant. Community organisations that had closed their operations gradually reopened, which increased the demand for food deliveries from Felix. At the same time, furlough ended and people returned to work, which meant our pool of volunteers and their availability dramatically reduced.

However, the rise in food prices and the cut of the £20 uplift in Universal Credit both contributed to the numbers of those experiencing poverty in London increasing. This was seen in the demand for food at our community organisations. Added to the external factors that shaped our year in 2021, the haulage crisis resulted in a shortage of an estimated 100,000 haulage drivers. This disrupted (amongst other things) the food supply chain, affecting the amount of food Felix was able to access.

To this difficult set of circumstances – rising demand alongside reduced workforce and reduced food levels - our determined and resilient team of staff, volunteers, Trustees and partners responded. We added more van routes to our schedule and worked hard to source as much food as we could. As a result, we redistributed the equivalent of 30 million meals of surplus food to community organisations across London, an astounding like-for-like increase of 70% on 2020.

We remained highly focused on a cause-driven approach; our dual mission meant that we prevented 12,800 metric tonnes of food from going to waste. The greenhouse gases (GHGs) involved with the production, manufacture, packaging and transport of this food is estimated at 32,500 tonnes. By redistributing this food, those GHGs have not been produced needlessly, and we have also ensured that the additional emissions that are created when food goes to landfill have been averted.

We partnered with 1,011 community organisations throughout 2021, supporting them with provision of a range of produce, from fresh vegetables, fruit and salad to meat, dairy and fish. By partnering with The Felix Project these organisations save vital funds that they can spend on other areas of their work. Whether it is a market stall at a school, a hot meal shared with others, a food parcel collected, a hot cup of tea or coffee drunk or food used in a cooking session, our partner organisations work with an estimated 434,700

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individuals every week. We are proud to support them all and are proud to work with community organisations that work with such a diverse range of people, including people with supported needs, the elderly, children and youth, refugees and asylum seekers, the homeless, and people recovering from substance abuse and addiction.

### East London Depot and Kitchen

In Tower Hamlets, East London, thanks to some incredible donors and partners including the Evening Standard's Dispossessed Fund and The London Community Foundation, The Resource Action Fund and the Scheinberg Relief Fund, we opened our 9,000 ft<sup>2</sup> flagship depot in July, followed by our custom-built professional 4,400 ft<sup>2</sup> production kitchen in August. The Resource Action Fund is an £18 million fund, provided by Defra and managed by WRAP, which supports resource efficiency projects in England in the key areas of food, plastics, textiles, recycling and litter. We received a large scale Food Waste Prevention Grant through this fund to establish the new depot in Poplar. It has been exciting to see our expansion plans to open a new depot in East London coming to fruition, and our innovative new kitchen, which is enabling us to rescue more food and find new ways to provide food for redistribution to communities across London.

The depot was up and running immediately, with vans delivering and collecting food to community partners and suppliers all over East London. With its own fleet of refrigerated vans, the depot has already redistributed the equivalent of 2.8 million meals and in just 5 months Felix's Kitchen has created hundreds of different meals and 335,000 individual portions of food that have been received and enjoyed at our community partners.

In London, many people cannot cook a meal for themselves. This happens for many reasons – physical restrictions, lack of equipment or fuel, lack of access to ingredients, lack of knowledge or skills, impaired mental ability, lack of time, lack of housing to name but a few. Our own kitchen gives us the opportunity to make healthy, nutritious, and delicious home-cooked meals using raw surplus ingredients, to support the people across London that cannot make their own.

Our kitchen also allows us to save more surplus food from our food suppliers. Due to the nature of The Felix Project, we work with a diverse range of food companies. Sometimes the produce we are donated is difficult to pass on due to its size – larger catering packs of mayonnaise, huge sacks of flour, for example. The kitchen gives us the opportunity to use food in industrial sizes for its intended purpose – to create wonderful meals for people.

Felix's Kitchen is the largest of its kind in London and we are delighted that it has already been recognised by ReLondon, the Greater London Authority (GLA) and the Ellen McArthur Foundation as a Circular Food Pioneer Project, which was announced at COP26 in Glasgow. The meals made at the kitchen are varied – 670 different recipes have been created so far - and the team has worked hard to ensure that a range of meals are culturally relevant as well as delicious and nutritious, celebrating the diverse community of London.



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Operations

During 2021 we continued to grow and develop our core operations. We now have four depot locations in London in Park Royal (West), Enfield (North), Poplar (East) and Deptford (South-east). In addition to the Park Royal and Enfield depots that Felix operated during 2020, the site in Deptford was previously run by FareShare. As part of the partnership that was finalised in 2020, we have now taken over the Deptford depot into our network and have been working throughout the year to welcome and support the team in Deptford and incorporate systems and processes that were new to this depot. The depot in Poplar is situated in the borough of Tower Hamlets, which was identified by research conducted in 2020 as one of four boroughs that have the highest number of people at risk of food insecurity. We designed this warehouse using the knowledge built up over the last four years, and it is our largest depot yet. The 9,000 ft<sup>2</sup> space has custom-built refrigeration units large enough to receive, sort, pick and store large volumes of produce, and a custom-built freezer which will enable us to redistribute more frozen produce that we have before.

Next to the Poplar depot, we also designed and built a professional kitchen that has the capacity to make 5,000 meals per day using ingredients donated by The Felix Project's suppliers. Felix's Kitchen opened in August and has been making meals 6 days a week, producing 335,000 meals in 2021. The meals are created by a team of professional chefs with years of experience, alongside our volunteers both from the local community and from our corporate partners. Every day different recipes are created according to the food that is available and our volunteers support the kitchen team and help during the packing and labelling process.

The depot and kitchen in East London have helped us to extend our coverage across London and heightened our ability to reach communities that are particularly in need. A big logistical exercise took place that re-allocated community organisations to their closest Felix depot, according to their geographical location. Therefore, the opening of the new site freed up capacity at our Enfield and Deptford depots, meaning we are now able to onboard the community organisations that are currently waiting to become beneficiaries, allowing us to spread our impact across more organisations in those areas.

We continue to run our successful Central London operation, which offers routes in electric vans, on foot or on bicycle. Called the 'Green Scheme' due to the lower carbon footprint associated with driving electric vans and travelling on foot or bike, we collect food from businesses such as Pure, Waitrose, Co-op, Daylesford, and Fortnum & Mason etc. as well as restaurants such as Ottolenghi. At the beginning of the year most of our suppliers in Central London were supermarkets and companies preparing food for us specially, as well as food from depots. As soon as non-essential food outlets started re-opening and catering companies and kitchens welcomed staff back on-site this started to change, and we re-commenced some of the routes that collect food from food-on-the-go establishments.

In 2021 we also established a new department within the organisation – Community Engagement. Broadly speaking, the Community Engagement team's focus is to onboard community organisations and to develop and maintain relationship with partners across London. This includes the partners we deliver to but also partnerships that will help us to develop a role in London's circular economy.

Health and Safety

Health and Safety has been prioritised within The Felix Project during 2021. We have expanded to operate in 5 physical locations and have responsibility for a growing number of staff and volunteers. Not only must we meet all legislative obligations, but we also have a duty of care to our growing team, through safe working

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practices and quality training so that their work can be carried out in a safe environment, be that in one of our warehouses, Felix's Kitchen, or whilst out collecting or delivery food in one of our vehicles.

After a short appointment to the post of Health and Safety Manager was made in October, we researched and commissioned a consultancy in late November to support us to carry out a full H&S audit throughout the organisation. John Ashton, from VJA Consultancy, is now working alongside key members of the operations team. He has visited each of our sites and carried out an initial audit of our H&S practices, policies, and procedures. Initial observations for each site have been issued and the in-depth review of Felix's H&S policies and maintenance records is now in progress.

Each of our depots and Felix's Kitchen are registered as food businesses with their respective local Environmental Health Departments. They are subject to visits at any point within a 3-year period. Due to our partnership with FareShare, we are also subject to inspections by their food safety auditors, NSF. We are striving to ensure that Health and Safety is at the top of the agenda in meetings, and that any individual involved with Felix in any way, be that a food supplier, volunteers, staff member, beneficiary organisation, or visit to the depot, has a safe experience.

#### Technology

We are pleased to report that investment in technology infrastructure and skills in the past two years is already delivering real and substantial benefits to The Felix Project, and our journey along our Technology Roadmap continued apace.

As a result of our partnership with FareShare, we implemented the stock management system, called GLADYS, that is used in other FareShare regional centres. This was a major project that has resulted in huge improvements in our ability to log, track, dispatch, and report on the food we redistribute. The system provides us the ability to accurately report on volumes of food, types of produce, where the produce comes from, and to which organisation it is sent.

We also continued progress of our digital transformation. Building on our foundational Microsoft platform initiated in 2020 we have now implemented three major projects that are transforming our logistical operations, volunteer management and fundraising. For example, by consolidating supporter records and adopting new tools for marketing automation we ran our 2021 Christmas Appeal entirely in-house and raised 200% more than expected, as well as acquiring a substantial number of new recurring donors.

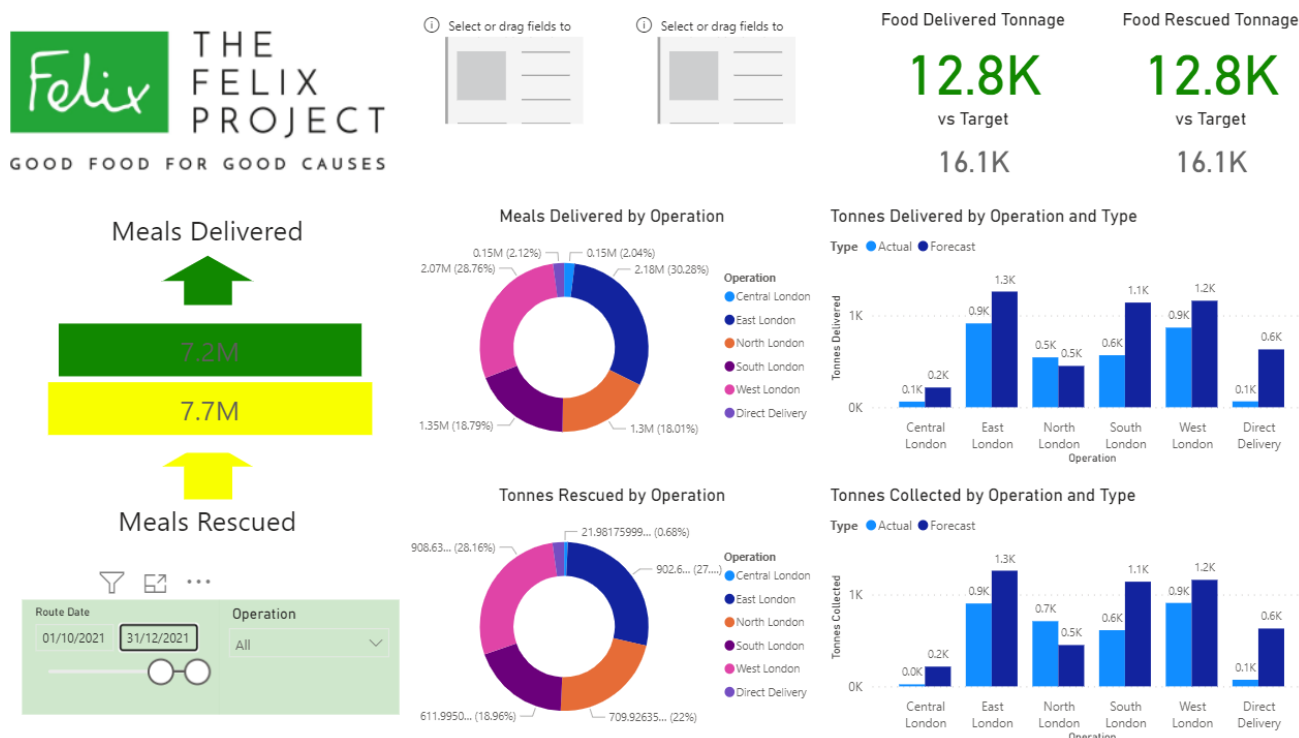
By taking discrete and related steps we have progressively built an integrated source of data across the whole organisation, enabling us to much better understand when, where and how we engage with our partners and stakeholders, and avoiding duplication and error. Furthermore, our teams have embraced the value of data and effective processes wholeheartedly. In less than two years Felix has evolved from a paper-based organisation with delayed reporting, to remote data capture and live dashboards (example below) with data-based decision-making.

Looking ahead we have great ambitions to further accelerate our adoption of digital technology as we reach out more to our supporters, volunteers and partner organisations with portals, apps and tools that will extend the accessibility and value of our technology for everyone in the Felix Community. The whole organisation is now committed to data and insight as the basis for managing resources to achieve our goals with maximum efficiency.



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## Supply

Our food volumes throughout Q1 were consistently high. Our food collection during this period was bolstered by the support from the government (DEFRA) that saw 1,320 tonnes of food purchased in response to the pandemic, to help food redistribution charities across the UK meet the soaring demand. This additional support ended in March and the reduction in food volumes can be seen clearly in Q2. In addition, the implementation of GLADYS (our stock management system), established that we have historically overstated the meals/tonnage of food we redistribute by as much as 30%.

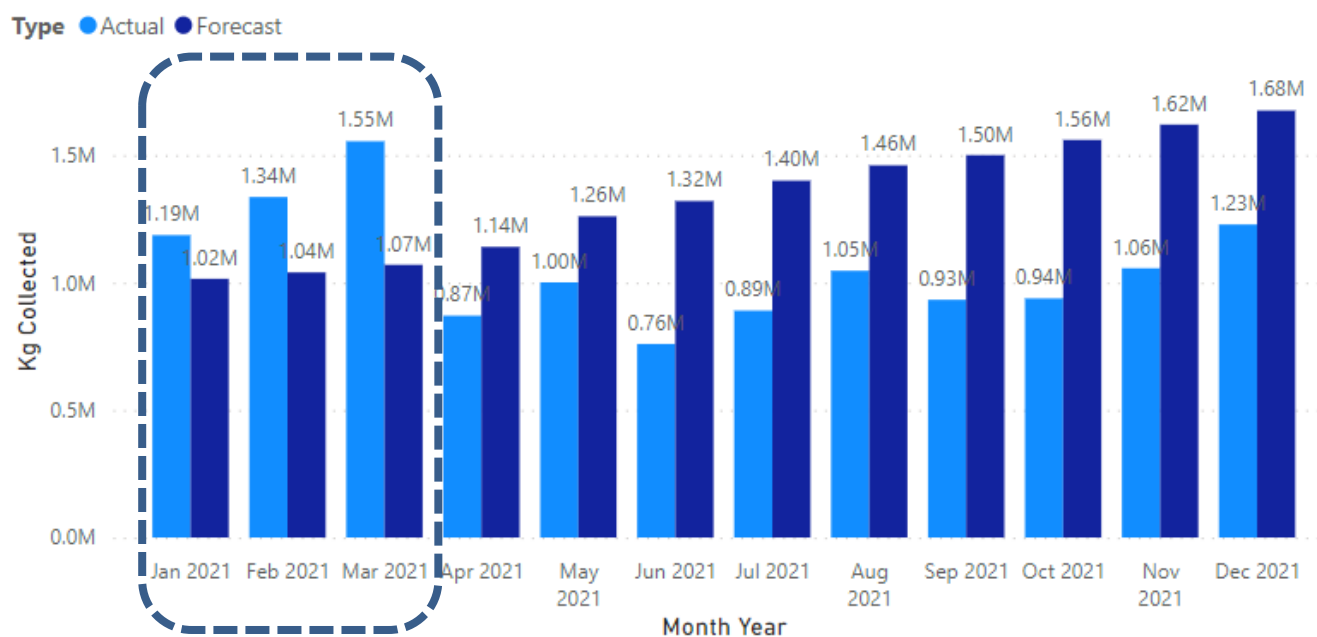
Our Supply team worked hard to address the reduction in food volumes felt after DEFRA funding ceased. Throughout the year they found 74 new food suppliers, which not only redressed falling volumes but allowed us to support even more community organisations across London. In addition to our own supply partnerships, 2021 was the first full year we received food through the FareShare network. This partnership saw 5,384 tonnes of food (40% of total food rescued) delivered into our depot network, which bolstered our ability to help more Londoners through our network of community organisations.

As well as our new partners, we continued to work with suppliers that we have formed excellent relationships with. Our largest supplier Hello Fresh opened a new site from where we collect up to 24 pallets on a weekly basis. We have concentrated on moving from transactional relationships with our suppliers to more mature partnerships, which has allowed us to work together in diverse ways, including volunteering, raising awareness, raising funds, and donating vans. We have also developed a partnership with Deliveroo and Co-op in which Deliveroo deliver food from Co-op stores directly to our depots.

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Tonnes Collected by Operation and Month



During this period:

- The forecast was based on previous methodology that overstated meals/tonnage by as much as 30%
- Food purchased through DEFRA was being received
- Food volumes were recorded using the old methodology

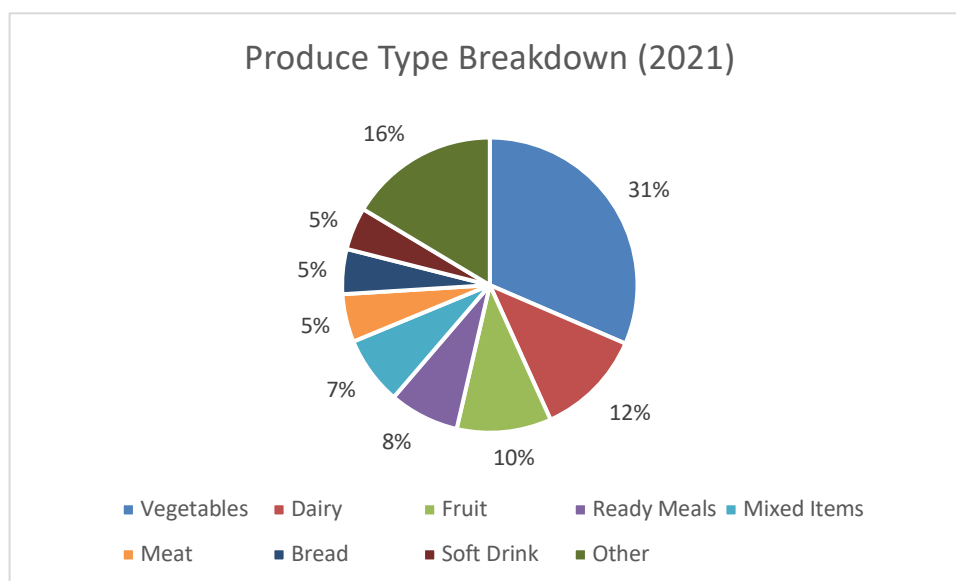
In order to simplify communication channels and build expertise within the supply team, we invested in staff and split responsibilities in to three key areas – supplier relationships, transport, and farm rescue. The new post of Transport and Logistics Manager was created, and members of the team focussed on specific food categories (e.g. frozen, chilled etc.). This has increased the team's expertise and knowledge base, as well as being of benefit to the trade.

As well as our own vehicles that are driven predominantly by volunteers, to either collect or deliver surplus food, we grew our haulier capability, identifying a new partner to increase our ability to collect food we could not access before.

The Trustees would like to express their gratitude to all our food supply partners, without whom we would not be able to support any of the community organisations.

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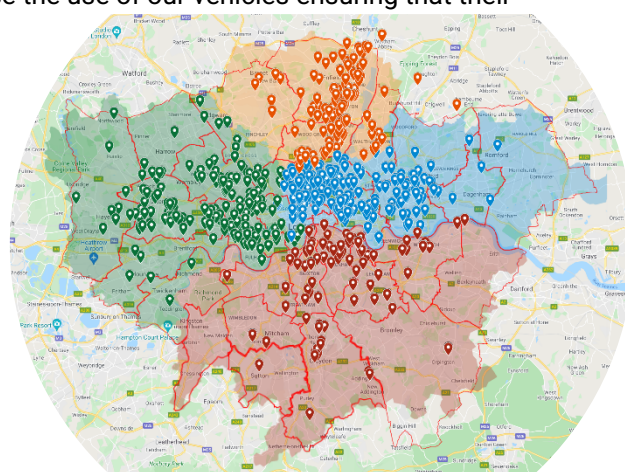
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### Community

The work we started at the beginning of the pandemic to form the London Food Alliance with FareShare and City Harvest continued throughout this year. We work in partnership with some of the London boroughs, and in some cases with community organisations, that have implemented hub models that allow larger amounts of food to be delivered to fewer locations. Some of these hubs operate on a collection model, where local community organisations collect produce from them rather than a Felix depot; some operate a delivery model. This has allowed us to reach more organisations and maximise the use of our vehicles ensuring that their capacity is utilised fully. In some cases, the boroughs collect produce directly from one of our depot locations, which is an even more efficient model, meaning our vehicles can be used to deliver food to other areas of London.

Onboarding more community organisations is fundamental to our growth and our ability to support the incredible work they do. Recruitment continued throughout the year, and we now work with over 1,000 schools, community centres, refuges, hostel, churches, holiday programmes and more. Despite our tireless work to reach as many organisations as possible throughout London, at the end of the 2021 our waitlist had 700 further organisations that are waiting to be onboarded. The locations of our Community Organisations throughout 2021 is shown on the map above.



### **Volunteering**

Volunteers are at the forefront of our work at The Felix Project. We simply could not continue to achieve the results we do without the generous commitment of our volunteers' time, skills, and energy. They are crucial to the operation of our depots, central London operation and kitchen. In 2021 3,987 people donated their time to help us by driving vans, sorting food, cleaning or preparing orders in the warehouse, co-driving, or preparing or packing food in the kitchen.

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Despite the incredible numbers of people that helped us, we still struggled to recruit as many volunteers as we needed throughout the year. This is partly because our operation saw such a rapid rise in activity during the pandemic, meaning there were more shifts to cover (there was a 45% increase in the number of shifts between 2020 and 2021, 105 vs 233 respectively), and partly due to furlough ending, sickness due to Covid and some regular volunteers isolating. In September only 54% of shifts were filled by volunteers (80% shift coverage is our aim). This meant shifts were covered by existing or casual staff who had to be brought in at short notice.

We work hard to build a happy, rewarding, and safe environment for our volunteers. This includes providing training, opportunities for feedback through various mediums, social events, and the opportunity to get involved in other projects happening throughout the organisations.

Corporate volunteering (although restricted during the pandemic) is important to us and gives employers an opportunity to engage staff in a positive teambuilding experience with a difference. Frequently we receive feedback that the hands-on nature of a shift at Felix is a welcome break from a daily routine, and volunteers often comment on how shocked they are about the sheer volume of surplus produce that exists. The opening of Felix's Kitchen has complemented our corporate volunteering opportunities as we are now able to accommodate large groups of people and offer a different experience.

The Trustees would like to express their gratitude for the time, skills, and dedication of all our volunteers.

**Staff**

Investment in the staff team continued in 2021. Crucially, in 2021 we appointed Charlotte Hill OBE as our new CEO, to start in January 2022. Bernadette Thomas was recruited into the new role of Director of People and Culture to start in February 2022, and Ali Ball was recruited as Head of Technology and started in November 2021.

In December 2021, the Senior Management Team comprised of the CEO (interim), Finance Director, Director of Operations (interim), and the Director of Fundraising and Marketing, supported by the Heads of People and Volunteering, Technology, and Felix's Kitchen.

Additionally, new appointments across most departments of the organisation took place in line with our plans to keep supporting our growth. The average number of staff grew from 39 in 2020 to 93 in 2021, with 89 (FTE of 86) at the end of the year.

Kickstart Scheme and employability programme

The Kickstart Scheme provides funding to organisations to create new jobs for 16- to 24-year-olds on Universal Credit who are at risk of long-term unemployment. Since July 2021, The Felix Project has employed 17 young people through Kickstart. Felix's involvement with the scheme has benefitted the organisation in the following ways:

- **Operational support:** across all sites, having additional support from those on the scheme has enabled Felix to grow and expand its ambition. 15 of those on the scheme have been employed to directly support operations, each contributing 25 hours a week.

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- **Volunteer Team support:** the Volunteer Team has been supported by two young people from the programme. Their work has proved invaluable to the team.
- **Cost efficiency:** Felix has not only enjoyed the support of young talent but has benefitted from the scheme's funding which provides 100% of the National Minimum Wage (or the National Living Wage depending on the age of the participant) for 6 months.

'Pathways' is Felix's volunteer employability programme and has been running since January 2021. The programme is open to anyone aged 16 years plus and is designed to build confidence, develop skills, and provide routine for people who are long-term unemployed or interested in the warehouse industry. Those on the programme volunteer 3 full working days a week over a 12-week period. During this time, participants are provided with warehouse training and are given opportunities to spend time in an office environment in customer service roles. Felix also provides personalised support to help participants find work. Upon successful completion of the course participants will receive a nationally accredited forklift truck training.

The programme was first rolled out at the Deptford depot (which had previously held employability programmes when it was part of FareShare London). Of the 6 first participants, 3 are now employed by Felix while the other 3 have all found employment elsewhere.

Felix's vision is a London where no one is hungry and good food is never wasted. Employability programmes help Felix realise this vision through its core operations, by building the organisation's workforce. Additionally, by supporting people into employment, Felix is playing our small part to help tackling unemployment, a key factor in poverty and therefore food insecurity.

The Trustees would like to express their gratitude for the hard work of all the staff team across the year.

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**Our Fundraising**

The Trustees are grateful to all the corporate partners, foundations, trusts and individuals who supported our work in 2021. After the extraordinary generosity of donors in 2020 in response to the Covid-19 pandemic, we were overwhelmed by the continued commitment of so many of our partners and the huge number of people who were moved to fund our efforts which allowed us to not only deliver significant growth in the number of meals we were able to supply, but also to support the opening of a new depot in East London and Felix's Kitchen. Because of the continued commitment we received, we were able to invest in our Fundraising Team in 2021 which will ensure that we are able to drive the growth of the organisation for future years.

In 2021, we continued to place emphasis on long-term strategic relationships with individuals, foundations, trusts and corporate partners. We hope to diversify our income streams to increase our sustainability and support innovation and efficient working to reach demand across London. We are committed to employing the highest standards in our fundraising and are registered with the Fundraising Regulator.

**Impact**

2021, like 2020, continued to be dominated by Covid-19 and the impact of the pandemic, as well as the HGV crisis. We made progress on measuring impact but still have more to do. We appointed Anne Elkins as Head of Special Projects towards the end of 2021 with a remit to focus on this work in 2022 and beyond.

We continued to measure our outputs, and having implemented a new stock management system, we now have more certainty in the food volumes we collect and distribute. GLADYS has enabled us to log more detail about each consignment of food as it comes into our distribution network. Amongst other information, we now log the supplier, the produce type, the weight and the Use By or Best Before date. This is a vast improvement in the detail we could report on previously, and a huge increase in the accuracy of our reporting. As well as these benefits, we can now digitally trace the produce we redistribute, leading to more precise traceability practices.

The outputs we now measure provide some insight into, and evidence of, the outcomes we achieve as a result of the work we do. These are:

- According to WRAP (The Waste and Resources Action Programme), the amount of surplus food being redistributed in the UK has trebled between 2015 and 2020, with charitable routes making up 70% of the total food redistributed in 2020. The amount of surplus food redistributed in 2020 was more than 92,000 tonnes, the equivalent of 220 million meals. The Felix Project redistributed 21 million meals in that year which accounts for 10% of the total redistributed. (Note, there are no figures available for 2021 yet).
- The value of the food we delivered to community organisations in 2021 was £37.5 million. This is money that those organisations can direct to other frontline service areas for their guests eg. recruiting a staff member, providing training, investing in equipment, or training.
- We aim to reduce avoidable, edible food waste from across the food industry. We measure by weight how much food we are collecting and delivering. A proportion of the food we redistribute has been diverted from going to landfill, where it would have rotted down and produced greenhouse gases. We have therefore averted the release of greenhouse gases into the atmosphere. Furthermore, the emissions that were produced in the growing, manufacture, packing, and transport of the product (32,000 tonnes) have not been produced unnecessarily, as the produce has been used for its intended purpose.
- We track the number of suppliers (485) and charities (1,011) we work with. This gives us insight into the size and scale of our work and the number of organisations it takes to collaborate with us to bring about the outcomes we seek to achieve. It also helps us to demonstrate how many food businesses we work with to

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reduce their food waste and impact on the environment and how many charities and community organisations we support across London communities.

- We track the type of produce we redistribute, and we know that the largest category of produce we redistributed in 2021 was vegetables. This is key as we aim to improve well-being. By providing a high proportion of nutritious food, we are contributing to improved access to healthier food; many charities we work with also provide hot food and opportunities for the community to socialise with each other, reducing loneliness.
- We track the cost of moving food per tonne which enables us to track and improve our efficiencies as an organisation.
- We collect anecdotal information and interviews with guests/beneficiaries from our community partners which enable us to tell stories of the people and organisations our work impacts upon. We do this using traditional methods and increasingly using digital media to capture video and photography to bring real people's stories to life.
- We aim to build a sense of community for our own volunteers. By surveying our volunteers, we can see how working with The Felix Project makes a difference to hundreds of people from all walks of life.
- We provide valuable experience and training for people who are not currently in employment, education, or training (NEET) as a means for local people to gain skills, socialise and connect.

**2022 and beyond**

Following another year that saw our food redistribution levels increase hugely, the strain of consistent growth is starting to impact in our staff team. Recognising and addressing this we headed in to 2022 with the clear objective of enhancing our operational sustainability with a focus on "brilliant basics". The strategy we put in place in 2020 stays relevant and we are currently working to refresh it, picking up on impacts and opportunities that may need to be built in to the next three years of our strategic plan.

The cost-of-living crisis, however, continues. Rising inflation and increases in taxes and energy costs are set to leave millions worse off in 2022. In addition, the war in Ukraine has caused uncertainty over oil supply, pushing prices higher. The outlook is not great, and we know that there is more surplus food to rescue and deliver to community organisations that support individuals such as those that are seeking asylum due to war in their homeland, or those that are having to choose between heating or eating.

Our determination and resolve to redistribute as much surplus food as possible to community organisations across London remains, as does our vision of a London where no one goes hungry and good food is never wasted.

Our strategic priority goals for 2022 are:

- Stabilise the organisation after significant growth during the pandemic, across all departments, becoming more efficient and mastering the "brilliant basics" that will provide us a solid foundation on which to support future growth
- Optimise and standardise, where appropriate, our depot operations, continually improving our efficiency and effectiveness

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- Incorporate the findings of the workforce review conducted in 2021 with the generous pro bono support of consultants North Highland, with a particular emphasis on the size, structure, and skills in our team
- Continue to expand the amount of surplus food we redistribute and increase the number of community organisations we partner with
- Develop our work on understanding our impact, creating a Theory of Change, ensuring we are clear on our purpose and then how we will measure and improve our impact beyond just outputs
- Build on initial work developing an innovation hub in 2021, and in the second part of the year decide how this will become a reality
- Explore, evaluate and decide how best to diversify the charity's income streams, building upon the established foundations, seeking ways to drive sustainable income to allow the charity to plan with greater certainty, meeting the ever-increasing demand to feed Londoners most in need.

The Trustees confirm they have had regard to the Charity Commission's guidance on public benefit in determining and reporting on the charity's goals.

**Financial Review**

Income in 2021 was £8.3m (2020: £12.4m). Expenditure was £6.8m (2020: £3.6m), resulting in a surplus of £1.6m (2020: £8.7m) and a balance sheet value of £12.8m (2020: £11.3m). Our operating surplus enables us to designate reserves to fund our ambitious investment plans to deliver on our strategy and support implementation of the 'brilliant basics'.

**Summary of Income and Expenditure**

Expenditure grew in 2021 from £3.6m to £6.8m. This represents the growth experienced by Felix during 2021, notably the Poplar (East London) depot and Felix's Kitchen, as well as key investments to ensure we can sustain ambitious future plans. Key expenditure items in 2021 included:

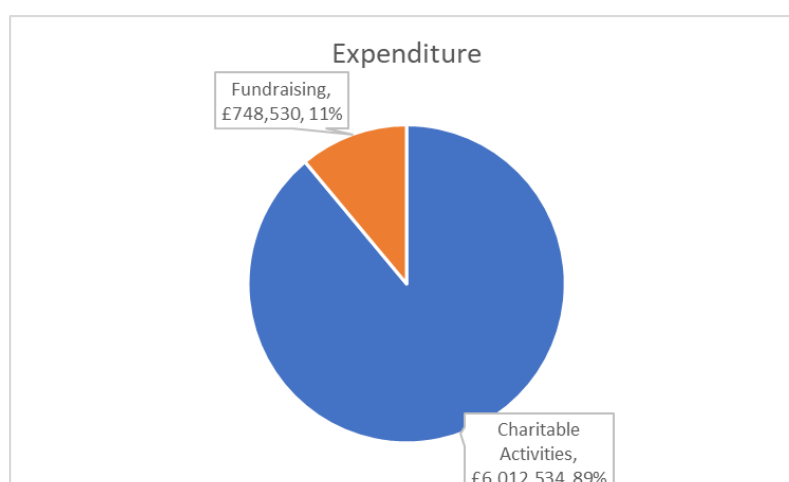
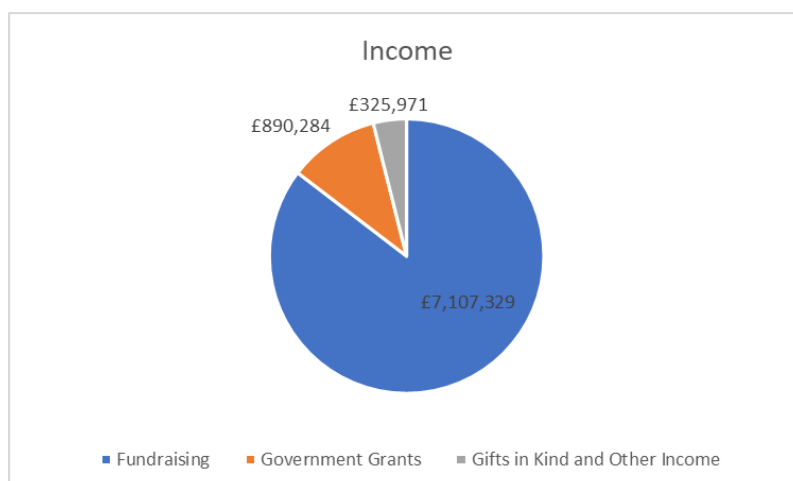
- The first full year of operating the Deptford (South East London) depot.
- Opening the Poplar (East London) depot and Felix's Kitchen.
- Increase in the staff team from 62 to 89 at the end of 2021.
- Increase in food collection costs due to taking on additional suppliers and the impact of the HGV crisis.
- Investment in IT infrastructure to improve operational efficiency and the accuracy of reporting

We strive to keep our costs low whilst delivering a high-quality service, maximising the funds donated and, where possible and appropriate, using volunteer and donated services.



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## Reserves

There has been much change at The Felix Project in 2021 and into 2022, following a period of exceptional growth during the pandemic which saw us move to an operation that spans four depots, The Felix Kitchen and the Central London Green Scheme delivering over 30 million meals to community organisations supporting Londoners most in need. This growth and other circumstances have led to change in key personnel as the needs of the organisation have changed, including a new CEO, a full-time Finance Director, a Director-level lead of the work across People & Culture, and a Head of Technology to name just a few. We have also, across 2021 and into 2022, conducted a refresh of the strategy that we launched in 2020, to ensure it was still relevant and fit for purpose given the changes in the world around us and the context in which we are working. At the time of writing, this refresh is being finalised and will be launched in the Summer of 2022 but will have an increased focus on understanding our impact as an organisation and ensuring we invest in the foundations for future growth of that impact as part of the infrastructure of our great Capital City.

In order to achieve this the following reserves policy has been adopted.

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**Reserves Policy**

The Trustees have determined that, in order to ensure that sufficient funds are available to mitigate the cost of our principal risks should they arise and also to cover the orderly wind up of the charity should it be needed, the level of free reserves should be held at 6 months' budgeted unrestricted expenditure. This is a change from our previous policy of holding 9 months' budgeted unrestricted expenditure, and has been amended based on an in-depth analysis of these considerations and is in line with The Felix Project's strategic goal to stabilise throughout 2022, following a period of significant growth. Therefore, starting the year with solid foundations that are continuing to be built upon with the "brilliant basics", an operational reserve equating to 6 months' budgeted unrestricted expenditure is deemed to be sufficient to support the charity.

In line with this policy the charity's general funds (which exclude fixed assets included in designated funds), at 31 December 2021 stood at £3.8m.

We had previously designated funds for "Growth Plans" which included the planned opening of a new East London Depot in 2021 which has now been built and is operational. For the remainder of this strategic period, we will continue to invest in key elements of our work with this designated fund, but have renamed it as an "Impact Growth Fund" to recognise that we are working hard across this period to move from measuring just outputs to measuring the impact of our food (whilst still considerably growing the volume of food we rescue). This will be used to fund priorities identified during our strategic refresh and implementing our "brilliant basics" including new investments in areas of our work such as technology capability, innovation and infrastructure, impact monitoring and evaluation, health and safety and operational enhancements, developing our employability programme, investing in our learning and skills across the organisation as well as investing in our ability to generate income from more diverse sources. As foundations for this work, this will include developing our theory of change and clear impact measures across 2022 which will then help to inform our next strategic period, alongside doing more work to ensure we are well known by communities across London. We will also utilise this designated fund to upgrade our facilities where needed, such as work scheduled at the Enfield (North London) depot during 2022, and to support the reprovisioning of our depots when we need to consider relocating them as they come to the end of their leases (two of our depots will come to the end of their lease during this strategic period). The Trustees have designated £3.1m into this fund.

The Trustees have continued to designate funds to cover the cost of currently active investments including development of Information Technology and other projects focussed on innovation and understanding, enhancing and reporting on the Charity's impact in the area of food rescue and redistribution to ensure there are funds available to see these projects through. The Trustees have designated £1.8m for these projects.

**REFERENCE AND ADMINISTRATIVE INFORMATION**

The Charity is a company limited by guarantee (registered with Companies House under number 10068253) and registered with the Charity Commission under number 1168183.

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**Trustees**

The Trustees who served during the year and up to the date of signature of the financial statements, and who are also the directors for the purpose of company law, were:

Gavin Darby (Chair, Operations Committee Chair)  
Ann Marie Belsey  
Cath Thorpe (People Committee Chair)  
Julian Wakeham (Finance Committee Chair)  
Jane Byam Shaw  
David Hudd  
Francesco Vanni d'Archirafi  
Justin Byam Shaw (Fundraising Committee Chair)  
Michael Millership  
Karin Woodley CBE (from January 2022)  
Asi Panditharatna (from January 2022)

**Senior management**     Mark Curtin – Chief Executive until July 2021  
Steve Thomas – Interim Chief Executive from July 2021 to December 2021  
Charlotte Hill OBE – Chief Executive from January 2022  
Sandrine Cotter – Director of Finance and Services until February 2022  
Andrew Holland – Director of Fundraising until December 2021  
Tanya Mitchell – Director of Income Generation and Marketing from February 2022  
Mark Simpson – Director of Operations until October 2021  
Shane Dorsett – Director of Operations from October 2021  
Bernadette Thomas – Director of People and Culture from February 2022

**Registered office**     Unit 6 Kendal Court  
Kendal Avenue  
Park Royal  
London W3 0RU

**Auditor**     HW Fisher LLP  
Acre House  
11-15 William Road  
London NW1 3ER

**Banker**     National Westminster Bank plc  
1 Abbey Road  
Park Royal  
London NW10 7YQ

**Solicitor**     Hogan Lovells  
Atlantic House  
Holborn Viaduct  
London EC1A 2FG

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The organisation is a charitable company limited by guarantee, incorporated in the UK, and registered as a charity. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed by its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

**Governance**

In accordance with the Articles of Association, Trustees are appointed to the Board by resolution of the Trustees. At the annual general meeting one-third of the trustees will retire from office but may stand for re-election according to the procedures laid out in the Articles of Association.

Prior to appointment, a prospective Trustee is invited to attend a meeting of the Board, as an observer, before confirming his or her willingness, or otherwise, to stand for election. Once appointed, each new Trustee is issued with copies of the Charity's governing document, the latest financial statements and the Charity Commission's publication "The Essential Trustee: what you need to know". The Chief Executive Officer also offers an induction meeting with each new Trustee shortly after appointment.

Given the nature of the Charity's work, the Trustees seek to maintain a broad range of skills on the Board. Essential skills in business, finance and fundraising are represented on the Board, as well as experience of volunteering; several Trustees volunteer regularly and two Trustees are appointed to represent the volunteer workforce.

In their professional lives, some Trustees have received training in relevant areas, such as corporate governance and finance, and some are also experienced charity trustees with relevant training from other organisations on whose boards they serve. Additional training is provided as required.

All Trustees give their time voluntarily and have received no benefits from the Charity. No personal expenses were reclaimed from the Charity during the period.

The board and senior team are delighted to welcome two new trustees - Asi Panditharatna and Karin Woodley - to the board in early 2022. Asi is the Executive Director for Employment Services at the Forward Trust. He has spent much of his career working in operation, business development and leadership roles in employability, vocational training, apprenticeships, regeneration, and economic development. He was a member of the Mayor of London (Sadiq Khan)'s inaugural Skills for Londoner's Task Force and is currently a trustee of the youth charity Think Forward.

Karin Woodley CBE is the Chief Executive of Cambridge house and a non-executive director of the Office of the Public Guardian. She has over 35 years' leadership experience in social action charities and was made a CBE (Commander of the British Empire) in the Queen's 2021 Birthday Honours list for services to social justice and awarded the Lifetime Achiever Award at the 2016 Excellence in Diversity Awards.

Full Trustee meetings are planned for the 4<sup>th</sup> week of the start of each new quarter (April, July, October, January) with an additional AGM and end of year meeting in December. The SMT prepare quarterly performance management reports and any other key information and updates that will have been reviewed

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and discussed at the relevant sub-committee in the weeks before the full board meeting. Other board meeting agendas are determined with at least 50% of board meeting time focused on forward looking projects, programmes of work and strategic direction.

Developments in Governance

To provide mechanisms for more robust review, scrutiny, and development of plans across all areas of the charity the Board has established four sub-committees for finance, fundraising, operations and people, together with advisory groups for marketing and technology, all with formally agreed terms of reference.

The subcommittees address strategic and significant decisions by making recommendations to the quarterly board meetings. 2021 saw the first full year of operation of the addition of these sub-committees and both trustees and senior managers have found this new arrangement to be extremely helpful both in the quality of decision making as well as growing clarity around the respective roles and responsibilities of management and governance.

In addition to these new subcommittees, we have developed the concept of Advisory Groups. Building on our established Volunteer Advisory Group (now renamed Volunteer Voice) these groups incorporate the input of important stakeholders beyond the members of the board. They have been successful in overseeing and co-ordinating practical initiatives across the organisation. For example, the Technology Steering Group is open to all staff and meets monthly. Chaired by Ben Salama, a longstanding Felix volunteer with extensive experience in IT and consulting, this forum has become a clearing house for all projects and initiatives with a technology, digital or data component. Colleagues pitch and highlight their work, enabling everyone to learn from each-others' progress, challenges, and successes.

Another example is the quarterly Technology Strategy Advisory Group, which brings together external experts who offer their advice and experience in the planning of our technology strategy and investment roadmap. The trustees are incredibly grateful to Alice Mannion (Ocado), Vincent Richardson (Microsoft), David Brown (FareShare), Akshay Nayle (Deliveroo) and Stephan Wilson (Amazon UK) for the time and insight they have given to this important initiative.

**Management**

The Trustees are responsible for the strategic direction and policy of The Felix Project and met five times in 2021. Responsibility for the day-to-day management of the Charity's operations and delivery of its services were delegated to the Chief Executive Officer, the senior leadership comprised the Director of Finance and Services, Director of Fundraising & Marketing, and the Director of Operations. An extended leadership team includes the Heads of People & Volunteering and Felix's Kitchen, and a consultant CIO.

In July 2021 we bid a fond farewell to our much loved and brilliant CEO Mark Curtin. Mark's energy, insight and determination have been central to our response to the Covid Pandemic in the past two years, and consequently to the huge growth and success of The Felix Project. The trustees wish to pay tribute to Mark's extraordinary contribution and wish him well as he moves on to a senior leadership role in youth development.

The search for Mark's successor has been led by a special committee of the board, with support from recruitment consultants Saxton Bampfylde, and led to the appointment of Charlotte Hill OBE. Charlotte joined

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Felix in January 2022 and brings outstanding experience in voluntary sector capacity building, volunteering, and public affairs.

Other senior leadership appointments initiated in 2021 and starting in 2022 include Tanya Mitchell as Director of Income Generation and Marketing, taking forward the immense success led by Andy Holland, and Bernadette Thomas as our newly created Director of People and Culture. Shane Dorsett has also accepted the permanent appointment as Director of Operations, following an assignment as interim for accomplished predecessor Mark Simpson in September 2021.

It is essential for the success of The Felix Project (and therefore in the best interests of its beneficiaries) that its key management personnel offer an appropriate blend of skills and experience, in-depth knowledge and experience of distribution, business development and operational growth, acquired through having worked extensively in relevant sectors. In setting the remuneration of the Chief Executive Officer, the Trustees' policy is to balance remuneration levels of Chief Executive Officers of London-based charities of equivalent size and complexity, with those of Chief Executive Officers/Senior Leaders from relevant industry sectors.

The Felix Project has a wholly owned trading subsidiary, The Felix Project Trading Company Limited was created in 2019 for the purpose of managing trading activity only and started trading during 2021. All profits made in the trading subsidiary are donated in full to The Felix Project. No staff are employed by the trading subsidiary. The results of the subsidiary are consolidated on a line-by-line basis.

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**RISK MANAGEMENT**

The Trustees are accountable for the strategic management of risks faced by the Charity, delegating responsibility for the day-to-day management and mitigation of identified risks to the Senior Leadership Team, which formally reports regularly to the Trustees and brings to their attention any significant increases in risks, should they arise. Whilst it is accepted that the Charity's risk management strategies cannot offer absolute assurance against all forms of loss or damage, the Trustees are satisfied that the measures deployed mitigate exposure to the most significant risks to the Charity. The Trustees review the Charity's strategic risks regularly to identify new and additional risks and to implement of measure to mitigate risks. They are satisfied those systems are in place to mitigate exposure to all major risks.

**Principal Risks**

As part of the ongoing assessment of our strategic risks, and following the initial three year strategic planning exercise that was undertaken in 2019, the Executive Leadership Team and Board redefined and updated the charity risk management strategy. The primary strategic risks are categorised as follows:

**Sustainability of (Fundraising) Income Growth:** The growth of fundraising income may not be sustainable in the medium to long term. Impact of not achieving growth in financial plan may result in a breach of reserves policy.

**Insufficient Food Supply:** The growth of food supply may not meet demand. This may have the impact of not being able to achieve our strategic goals, serve to our charity and community partners and lose credibility and adverse PR.

**Breach of Health and Safety (Including Food Standards) policy;** If we experience a serious health and safety breach in our operations. Impact could be significantly damaging PR, loss of life or injury, criminal investigation and /or regulatory action

**People:** Any adverse relationship between volunteer and staff may have a negative impact on the charity. People relations (employees and volunteers) through a time of organisational growth & development may impact on our ability to achieve our objectives.

**Insufficient Food Re-distribution:** Any failure of the charity to develop the core capability to grow food re-distribution to meet demand. Impact on our PR and credibility and failure to achieve our core Mission and strategic objectives

**Data Loss or breach and/or Inaccuracy;** Our technology systems and processes & procedures result in serious data privacy loss or breach or we experience key insights inefficiencies. PR or other damage to the charity including regulatory reprimand or fine and complaints. Cost of time and performance due to poor systems or technology.

**Brand & Reputation;** A general other serious impact on our Brand and PR due to actions of individuals and/or organisational failure (e.g. negative news story or social media action). Impact could result in reduced funding, loss of donors and supporters, volunteers, or other stakeholders.

**Relationship and association based PR;** Reputational damage from external sources and/or relationships with supports or partners can results in loss of support, partners and/or donors.

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**INVESTMENT POLICY**

The Charity had no investments in 2021.

**RELATED PARTIES**

In 2021 there were no issues of conflicts of interest or inappropriate appointments of related parties.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have each taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

**AUDITORS**

HW Fisher LLP have indicated their willingness to act as auditors to the Charity and, in accordance with the provisions of the Companies Act 2006, it is proposed that they be re-appointed auditors for the ensuing year.

On behalf of the board of Trustees



.....  
**Mr Gavin Darby**  
Chair of the Board of Trustees

Dated: 26 April 2022



**THE FELIX PROJECT  
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STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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The trustees, who are also the directors of The Felix Project for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE FELIX PROJECT (A COMPANY LIMITED BY GUARANTEE) INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF THE FELIX PROJECT

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### Opinion

We have audited the financial statements of The Felix Project (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2021 and of the group'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's responsibilities for the audit of the financial statements* section of our report. We are independent of the group 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 charity'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 other information comprises the information included in the 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

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INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF THE FELIX PROJECT**

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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 our 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 included within the trustees' report have 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 group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity'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.

**Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 parent charity'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 parent charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of

# **THE FELIX PROJECT (A COMPANY LIMITED BY GUARANTEE) INDEPENDENT AUDITOR'S REPORT**

## **TO THE MEMBERS OF THE FELIX PROJECT**

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

As part of our planning process:

- We enquired of management the systems and controls the group has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the group. We determined that the following were most relevant: the Charities SORP, FRS 102, Charities Act 2011, Companies Act 2006.
- We considered the incentives and opportunities that exist in the group, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the group and parent charity, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to the dilapidation provision.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted, designated and restricted funds.
- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank and loan balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.
- Testing all material consolidation adjustments.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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

**THE FELIX PROJECT  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF THE FELIX PROJECT**

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charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*HW Fisher LLP*

**Andrew Rich (Senior Statutory Auditor)**

**for and on behalf of HW Fisher LLP**

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

*26/5/22*

**THE FELIX PROJECT**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**Consolidated Statement of Financial Activities**  
**For the year to 31 December 2021**

		<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2021</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2020</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income and endowments from:</b>							
Donations and grants receivable	<b>3</b>	4,181,517	3,935,624	8,117,141	10,024,358	1,722,503	11,746,861
Income from other trading activities	<b>4</b>	159,679	0	159,679	139,745	400,000	539,745
Other income	<b>5</b>	46,765	0	46,765	73,584	0	73,584
<b>Total income</b>		<b>4,387,960</b>	<b>3,935,624</b>	<b>8,323,584</b>	<b>10,237,687</b>	<b>2,122,503</b>	<b>12,360,190</b>
<b>Expenditure on:</b>							
Raising funds	<b>6</b>	748,530	0	748,530	558,656	139,986	698,641
Charitable activities	<b>7</b>	4,784,359	1,228,175	6,012,534	1,662,570	1,271,896	2,934,466
<b>Total resources expended</b>		<b>5,532,889</b>	<b>1,228,175</b>	<b>6,761,064</b>	<b>2,221,226</b>	<b>1,411,882</b>	<b>3,633,108</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(1,144,928)</b>	<b>2,707,449</b>	<b>1,562,521</b>	<b>8,016,461</b>	<b>710,621</b>	<b>8,727,082</b>
Gross transfers between funds		1,519,298	(1,519,298)	0	310,822	(310,822)	0
<b>Net income for the year/Net movement in funds</b>		<b>374,370</b>	<b>1,188,151</b>	<b>1,562,521</b>	<b>8,327,283</b>	<b>399,799</b>	<b>8,727,082</b>
Fund balances at 1 January		10,606,498	677,633	11,284,131	2,279,215	277,834	2,557,049
<b>Fund balances at 31 December</b>		<b>10,980,868</b>	<b>1,865,784</b>	<b>12,846,652</b>	<b>10,606,498</b>	<b>677,633</b>	<b>11,284,131</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE FELIX PROJECT (A COMPANY LIMITED BY GUARANTEE) BALANCE SHEET

**AS AT 31 DECEMBER 2021**

Consolidated and charity balance sheets  
As at 31 December 2021

		Consolidated 2021		Consolidated 2020		Charity 2021		Charity 2020	
	Notes	£	£	£	£	£	£	£	£
<b>Fixed assets</b>									
Intangible assets	11		251,914		155,999		251,914		155,999
Tangible assets	12		2,045,558		528,483		2,045,558		528,483
Investment in Subsidiary	13		0		0		1		0
			<u>2,297,472</u>		<u>684,482</u>		<u>2,297,473</u>		<u>684,482</u>
<b>Current assets</b>									
Debtors	14	2,670,339		1,051,171		2,666,347		1,051,171	
Cash at bank and in hand		9,044,811		10,208,378		8,911,718		10,208,378	
			<u>11,715,150</u>		<u>11,259,549</u>		<u>11,578,065</u>		<u>11,259,549</u>
<b>Creditors: amounts falling due within one year</b>	15	(915,716)		(359,901)		(911,122)		(359,901)	
Net current assets			<u>10,799,434</u>		<u>10,899,648</u>		<u>10,666,943</u>		<u>10,899,648</u>
<b>Total assets less current liabilities</b>			<u>13,096,907</u>		<u>11,584,130</u>		<u>12,964,416</u>		<u>11,584,130</u>
Creditors amounts falling due after more than one year	16	(55,255)		(75,000)		(55,255)		(75,000)	
Provision for other liabilities	17	(195,000)		(225,000)		(195,000)		(225,000)	
<b>Total assets less liabilities</b>			<u><b>12,846,652</b></u>		<u><b>11,284,130</b></u>		<u><b>12,714,161</b></u>		<u><b>11,284,130</b></u>
<b>Income funds</b>									
Restricted funds	19		1,865,784		677,633		1,865,784		677,633
Unrestricted funds									
General funds			3,800,000		4,668,316		3,667,510		4,668,316
Designated funds	20		7,180,868		5,938,181		7,180,868		5,938,181
			<u>10,980,868</u>		<u>10,606,497</u>		<u>10,848,377</u>		<u>10,606,497</u>
			<u><b>12,846,652</b></u>		<u><b>11,284,130</b></u>		<u><b>12,714,161</b></u>		<u><b>11,284,130</b></u>

The charitable company's net income for the year was £1,430,031 (2020: £8,727,082)

The financial statements were approved by the trustees on 26 April 2022



Gavin Darby  
Chair of the Board of Trustees

Company Registration No. 10068253

**THE FELIX PROJECT**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF CASHFLOWS**

**FOR YEAR ENDED 31 DECEMBER 2021**

**Consolidated cash flow statement**  
**For the year to 31 December 2021**

<b>Cashflows from operating activities</b>		<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Net cash provided by operating activities	A	747,853	8,870,246
Cashflows from investing activities			
Purchase of fixed assets		(1,912,288)	(225,758)
Disposal of fixed assets		-	13,303
Bank interest income		866	6,076
Change in cash and cash equivalents in the year		(1,163,568)	8,663,867
Cash and cash equivalents at 1 January		10,208,378	1,544,511
Cash and cash equivalents at 31 December		9,044,811	10,208,378

**A - Reconciliation of net movement in funds to net cash provided by (used in) operating activities**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Net movement in funds (as per the statement of financial activities)	1,562,521	8,727,081
Adjustments for:		
Fixed Asset Gifts in kind income	(95,084)	(141,390)
Net impact of transfer in of FareShare London operations	-	(49,126)
Depreciation and Fixed Asset Impairment charges	393,759	179,618
Gain on disposal of fixed assets	-	(10,882)
Loss on disposal of fixed assets	622	4,427
Bank interest Income	(866)	(6,076)
(Increase)/decrease in debtors	(1,619,168)	(108,354)
Increase/(decrease) in creditors	506,071	274,948
<b>Net cash provided by operating activities</b>	<b>747,853</b>	<b>8,870,246</b>

**B - Analysis of changes in net debt**

	Cash and Cash Equivalents	Finance Leases	<b>Total</b>
<b>Net (Debt) as at 31 December 2020</b>	10,208,378	(93,531)	10,114,847
Cash flows	(1,163,568)	0	(1,163,568)
Lease principle falling due	0	18,680	18,680
<b>Net (debt) as at 31 December 2021</b>	<b>9,044,811</b>	<b>(74,851)</b>	<b>8,969,960</b>



**THE FELIX PROJECT  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1 Accounting policies**

**Charity information**

The Felix Project is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 6, Kendal Court, Kendal Avenue, Park Royal, London, W3 0RU.

**1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies are set out below.

**1.2 Basis of consolidation**

The consolidated financial statements reflect the results and combined financial position of The Felix Project and its subsidiary undertaking The Felix Project Trading Company Limited. As permitted by s408 of the Companies Act 2006, the parent charitable company has not presented its own statement of financial activities (incorporating its income and expenditure account) and related notes.

**1.3 Going concern**

The Trustees' Report outlines the impact of Covid 19 on the charity and the group. The main risks faced by the charity as a result of the health crisis were a shortage of food, volunteers and/or funds. Due to the incredible response from the charity's suppliers, volunteers and donors, at the time of approving the financial statements, the trustees have a reasonable expectation that the charity and group has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.4 Charitable funds**

Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees. Designated funds are funds which have been set aside out of unrestricted funds at the discretion of the trustees to ensure planned growth is sustainable and responsibly funded.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

**1.5 Incoming resources**

**THE FELIX PROJECT  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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Income is recognised when the group is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the group has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the group has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

The value of services provided by volunteers has not been included in these financial statements.

Intangible income (such as goods or services provided free to the charity) is included where a third party is bearing the cost of supplying the resources and these costs can be quantified with reasonable accuracy.

**1.6 Resources expended**

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 fundraising.
- Expenditure on charitable activities includes the costs of the delivery of its activities.

Support costs are allocated across the fundraising costs and charitable activity.

**1.7 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Depot infrastructure and refurbishment	20% straight line
Equipment and Machinery	20% straight line
IT Equipment and Software	33% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

**THE FELIX PROJECT  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1.8 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

**1.10 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**1.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

**FOR THE YEAR ENDED 31 DECEMBER 2021**

### 1.12 Retirement benefits

## 2 Critical accounting estimates

There were no critical accounting estimates or judgements made in the year.

The Charity received/rescued donation of an estimated 12,800 tonnes of food for distribution during 2021 equivalent to an estimated 30 million meals (2020- 9569 tonnes, 21 million meals). In addition, 119k hours of volunteer time with an estimated equivalent cost of £1,614k was provided to the Charity (2020-70k hours, cost £950k). Neither donated food nor volunteer time are recognised in the accounts.

**THE FELIX PROJECT**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**4 Income from other trading activity**

	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
	£	£	£	£	£	£
Sale of donated goods	2,486	0	2,486	139,745	400,000	539,745
Income from other Trading activities	157,193	0	157,193	0	0	0
	<u>159,679</u>	<u>0</u>	<u>159,679</u>	<u>139,745</u>	<u>400,000</u>	<u>539,745</u>

**5 Other Income**

	Unrestricted Funds 2021	Unrestricted Funds 2020
	£	£
Transfer in of FareShare London operations	0	56,626
Gain on disposal of fixed assets	0	10,882
Property recharge income	40,653	
Insurance proceeds	5,246	
Bank Interest	866	6,076
	<u>46,765</u>	<u>73,584</u>

**6 Raising Funds**

	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Staff Costs	416,698	347,455
Other Fundraising and publicity expenditure	126,936	230,889
	<u>543,634</u>	<u>578,344</u>
Share of support costs (see note 8)	196,510	107,808
Share of governance costs (see note 8)	8,385	12,490
	<u>748,530</u>	<u>698,642</u>
<b>Analysis by fund</b>		
Unrestricted funds	748,530	558,656
Restricted funds	0	139,986
	<u>748,530</u>	<u>698,642</u>

**THE FELIX PROJECT**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**7 Charitable Activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Staff Costs	2,209,315	851,309
Other Charitable Expenditure		
-Operations	2,599,717	1,681,463
-Community Distribution	7,008	13,968
-Volunteer Management	18,345	11,797
	<b>4,834,385</b>	<b>2,558,537</b>
Share of support costs (see note 8)	1,129,932	336,899
Share of governance costs (see note 8)	48,216	39,031
	<b>6,012,534</b>	<b>2,934,467</b>
<b>Analysis by fund</b>		
Unrestricted funds	4,784,359	1,662,571
Restricted funds	1,228,175	1,271,896
	<b>6,012,534</b>	<b>2,934,467</b>

**8 Support Costs**

	<b>Support costs</b>	<b>Governance costs</b>	<b>2021</b>	<b>Support costs</b>	<b>Governance costs</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff Costs	704,815	30,470	735,286	231,704	31,868	263,572
Professional fees	140,989	46	141,035	60,197	0	60,197
IT and Communications	146,776	186	146,963	37,485	0	37,485
IT Strategy	106,657	0	106,657	70,240	0	70,240
Audit fees	0	23,410	23,410	0	18,000	18,000
Other support and governance costs	227,205	2,489	229,694	45,081	1,653	46,734
	<b>1,326,442</b>	<b>56,602</b>	<b>1,383,045</b>	<b>444,707</b>	<b>51,521</b>	<b>496,228</b>
<b>Share of costs</b>						
Raising Funds (see note 6)	196,510	8,385	204,896	107,808	12,490	120,297
Charitable Activities (see note 7)	1,129,932	48,216	1,178,149	336,899	39,031	375,930
	<b>1,326,442</b>	<b>56,602</b>	<b>1,383,045</b>	<b>444,707</b>	<b>51,521</b>	<b>496,228</b>

In 2021 £4,850 was paid to the Auditors for payroll services. Support and governance costs are allocated to Charitable and Raising Funds activities in proportion to average staff numbers directly employed in the respective activities.

**THE FELIX PROJECT**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**9 Trustees**

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. No trustees have claimed expenses during the year.

**10 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Raising funds	12	8
Charitable activities	69	25
Support	12	6
	<u>93</u>	<u>39</u>

**Employment costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,553,993	1,130,838
Social security costs	249,995	119,594
Other pension costs	100,578	50,475
	<u>1,904,565</u>	<u>1,300,907</u>

The Key Management Personnel detailed in the Trustees report received total employee remuneration in the year of £338,626 (2020 - £273,225).

Number of employees whose total annualised emoluments fall within following ranges for the year:

	<b>2021</b>	<b>2020</b>
£150,000-£160,000	1	0
£90,001 - £100,000	0	1
£80,001 - £90,000	0	0
£70,001 - £80,000	2	1
£60,001 - £70,000	2	1

**THE FELIX PROJECT**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**11 Intangible Fixed Assets**

	<b>Consolidated and Charity</b>		
	<b>IT Software</b>	<b>Software development in progress</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2021	144,512	31,019	175,531
Additions	127,949	41,690	169,639
Transfers	31,019	(31,019)	0
At 31 December 2021	<u>303,480</u>	<u>41,690</u>	<u>345,170</u>
<b>Depreciation</b>			
At 1 January 2021	19,532	0	19,532
Depreciation charge for the year	73,723	0	73,723
At 31 December 2021	<u>93,256</u>	<u>0</u>	<u>93,256</u>
<b>Total</b>			
At 31 December 2021	<u>210,224</u>	<u>41,690</u>	<u>251,914</u>
At 31 December 2020	<u>124,980</u>	<u>31,019</u>	<u>155,999</u>

IT Software additions in the year comprise the CRM Fundraising Management System, a shift prediction model and a system to make the most efficient use of the van usage. These last 2 systems were funded by management consultancy valued at £75,000, provided to the Charity on a pro-bono basis and included in Donated Goods and Services income in note 2. Software under development comprises £25k for the CRM system and community portal IT project £16k, both due to go live in early 2022.



**THE FELIX PROJECT**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**12 Tangible Fixed Assets**

	Consolidated and Charity						
	Depot Costs	Vehicles	IT Equipment	Equipment and Machinery	Kitchen Equipment	Fixed Assets under Construction	2021
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 January 2021	93,686	564,764	38,053	237,505			934,008
Additions	758,059	271,963	62,172	479,151	218,728	47,660	1,837,733
Disposals	0	0	(1,884)	0	0	0	(1,884)
At 31 December 2021	851,745	836,727	98,341	716,655	218,728	47,660	2,769,857
<b>Depreciation and Impairment</b>							
At 1 January 2021	29,202	293,819	17,598	64,906	0	0	405,525
Depreciation charge for the year	66,000	116,964	19,106	100,851	17,114	0	320,036
Accumulated depreciation on asset disposals	0	0	(1,262)	0	0	0	(1,262)
At 31 December 2021	95,203	410,782	35,442	165,758	17,114	0	724,298
<b>Total</b>							
At 31 December 2021	756,543	425,945	62,899	550,898	201,614	47,660	2,045,558
At 31 December 2020.	64,484	270,945	20,455	172,599	0	0	528,483

Included in additions are £495,900 of kitchen construction costs.

Motor vehicles with a net book value at 31 December 2021 of £82,804 (2020 -£112,029) are held through finance lease arrangements.

<b>13 Investment in Subsidiary</b>	<b>2021</b>	<b>2020</b>
<b>Charity only</b>	<b>£</b>	<b>£</b>
Shares in group subsidiary	1	0

The charity holds the entire £1 share capital of its trading subsidiary, The Felix Project Limited.

**THE FELIX PROJECT**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**14 Debtors**

	Consolidated 2021	Consolidated 2020	Charity 2021	Charity 2020
	£	£		£
<b>Amount falling due within one year:</b>				
Trade debtors	498,451	89,262	492,651	89,262
Other debtors	294,852	252,216	296,661	252,216
Prepayments and accrued income	1,877,035	709,693	1,877,035	709,693
	<u>2,670,339</u>	<u>1,051,171</u>	<u>2,666,347</u>	<u>1,051,171</u>

Other debtors includes an amount of £136,973 (2020- £166,973) due in more than one year (see note 16).  
The Charity debtors figure contains £8,010 of intercompany debt

**15 Creditors: Amount falling due within one year:**

	Consolidated 2021	Consolidated 2020	Charity 2021	Charity 2020
	£	£		£
Trade creditors	332,480	169,055	332,480	169,055
Other creditors	72,494	47,547	70,400	47,547
PAYE and Social Security	84,475	44,550	84,475	44,550
Accruals and deferred income	426,267	98,749	423,767	98,749
	<u>915,716</u>	<u>359,901</u>	<u>911,122</u>	<u>359,901</u>

Other creditors include an amount of £19,596 (2020-£18,531) being amounts due within a year for finance leases.

Deferred income	Consolidated 2021	Consolidated 2020	Charity 2021	Charity 2020
	£	£		£
Deferred income at 1 Jan	666	745	666	745
Deferred income released during the year	(666)	(745)	(666)	(745)
Deferred income added during the year	<u>0</u>	<u>666</u>	<u>0</u>	<u>666</u>
Deferred income at 31 Dec	<u>0</u>	<u>666</u>	<u>0</u>	<u>666</u>

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**16 Creditors amounts falling due after more than one year**

	Consolidated and Charity	Consolidated and Charity
	2021	2020
	£	£
Finance leases (1 to 5 years)	55,255	75,000
	<u>55,255</u>	<u>75,000</u>

**17 Provision for other liabilities**

	Consolidated and Charity			
	At 1 January 2021	Addition in year	Released in year	At 31 December 2021
	£	£	£	£
Dilapidations provision	225,000	0	(30,000)	195,000
<b>Total</b>	<u>225,000</u>	<u>0</u>	<u>(30,000)</u>	<u>195,000</u>

This provision represents the Charity's estimated liability for dilapidations on the FareShare depot lease included in the transfer of FareShare London operations to the Charity. An amount of £136,973 included in Other Debtors reflects the amount of this provision to be contributed by FareShare under the terms of the transfer agreement. During 2021 £30,000 was paid for dilapidations which was re-imbursed by Fareshare. This reduced the liability and the provision as well as the other debtor.

**18 Bank Debenture**

A debenture is in place over all assets of the charity to cover liabilities for card facilities, a BACS limit of £300,000 and foreign cheque negotiation up to £20,000.

At the year end an amount of £18,115 (2020: £16,100) was owed in respect of the card facilities.

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**19 Restricted funds**

The income funds of the charity include restricted funds comprising the following balances of donations and grants held on trust for the following specific purposes:

	Consolidated and Charity				
	Movement in funds				Balance at 31 December 2021
	Balance at 1 January 2021	Incoming Resources	Resources Expended	Transfers	
2021	£	£	£	£	£
Equipment / Capital	20,355	3,218	0	(23,361)	212
Schools Programme	21,869	120,005	(63,826)	0	78,048
Central London Operations	0	5,000	(5,000)	0	-
Volunteers	0	10,000	(10,000)	0	-
New East London Depot	100,000	251,707	(162,575)	(70,794)	118,339
Transport and Vans	22,192	556,577	(22,192)	0	556,577
Purchase of Food	0	30,000	(30,000)	0	0
Technology	68,981	0	(22,233)	(46,748)	-
Felix's Kitchen	460,000	1,677,098	(477,938)	(707,734)	951,426
Frozen food - WRAP 1	(19,503)	97,715	(44,695)	(33,517)	- 0
FareShare Funding (General)	0	54,558	(51,782)	0	2,776
Enfield Operations	0	5,000	(5,000)	0	-
Across Operations	3,739	388,878	(322,598)	0	70,020
New depot - WRAP 2	0	735,867	(10,336)	(637,144)	88,386
Totals	677,633	3,935,624	(1,228,174)	(1,519,298)	1,865,784
2020	Balance at 1 January 2020	Incoming Resources	Resources Expended	Transfers	Balance at 31 December 2020
	£	£	£	£	£
Park Royal Operations (inc rent)	25,835	24,250	(50,085)	0	0
Equipment / Capital	10,844	11,641	(2,130)	0	20,355
Schools Programme	35,339	63,467	(76,937)	0	21,869
Central London Operations	185,964	6,001	(73,533)	(118,432)	0
Volunteers (inc NEET)	19,852	7,602	(10,783)	(16,670)	0
New East London Depot	0	100,000	0	0	100,000
Transport and Vans	0	265,200	(135,466)	(107,542)	22,192
Purchase of Food	0	161,482	(161,482)	0	0
Technology	0	100,000	0	(31,019)	68,981
Kitchen for London	0	460,000	0	0	460,000
Frozen food - WRAP 1	0	63,809	(54,769)	(28,543)	(19,503)
FareShare Funding (General)	0	12,122	(12,122)	0	0
Enfield Operations	0	42,861	(34,245)	(8,616)	(0)
Across Operations	0	804,068	(800,329)	0	3,739
Totals	277,834	2,122,503	(1,411,882)	(310,822)	677,633

The transfer between funds amounting to £1.5m represents the value of donations to the charity restricted to the purchase of capital assets, the bulk of which relates to our new East London Depot and Kitchen.

Once capital assets are purchased the restriction has been complied with, resulting in a transfer of the value of the assets purchased from restricted to unrestricted. Depreciation in the year of purchase and future years is charged to designated expenditure.

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**20 Designated funds**

	Consolidated and Charity				Balance at 31 December 2022 £
	Balance at 1 January 2021 £	Utilised £	Un- designated £	New designation £	
2021					
Impact Growth Fund	3,052,320	0	0	28,392	3,080,712
Investments	2,201,379	(398,695)	0	0	1,802,684
Fixed assets	684,482	0	0	1,612,990	2,297,472
Totals	<u>5,938,181</u>	<u>(398,695)</u>	<u>0</u>	<u>1,641,382</u>	<u>7,180,868</u>
	Balance at 1 January 2020 £	Utilised £	Un- designated £	New designation £	Balance at 1 January 2021 £
2020					
Impact Growth Fund	925,000	0	0	2,127,320	3,052,320
Investments	0	0	0	2,201,379	2,201,379
Fixed assets	0	0	0	684,482	684,482
Totals	<u>925,000</u>	<u>0</u>	<u>0</u>	<u>5,013,181</u>	<u>5,938,181</u>

The designated "Impact Growth Fund" is in place to fund priorities identified during the strategic refresh and implementing 'brilliant basics'.

"Investments" are in place to cover our planned expenditure on projects over the coming three years.

The Trustees have included the Charity's fixed assets as designated funds.

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**21 Analysis of net assets between funds**

	Consolidated and Charity		
	Unrestricted funds 2021	Restricted funds 2021	Total 2021
	£	£	£
Fund balances at 31 December 2021 are represented by:			
Intangible fixed assets	251,914	0	251,914
Tangible fixed assets	2,045,558	0	2,045,558
Net current assets/(liabilities)	8,933,650	1,865,784	10,799,434
Creditors amounts falling due after more than one year	(55,255)	0	(55,255)
Provision for other liabilities	(195,000)	0	(195,000)
	<u>10,980,868</u>	<u>1,865,784</u>	<u>12,846,652</u>
	Unrestricted funds 2020	Restricted funds 2020	Total 2020
	£	£	£

Fund balances at 31 December 2020 are represented by:

Intangible fixed assets	155,999	0	155,999
Tangible fixed assets	528,483	0	528,483
Net current assets/(liabilities)	10,222,015	677,633	10,899,648
Creditors amounts falling due after more than one year	(75,000)	0	(75,000)
Provision for other liabilities	(225,000)	0	(225,000)
	<u>10,606,497</u>	<u>677,633</u>	<u>11,284,130</u>

**22 Operating lease commitments**

At the reporting date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Consolidated and Charity 2021	Consolidated and Charity 2020
	£	£
Within one year	485,217	289,186
Between two and five years	1,628,687	620,375
In over five years	43,644	153,902
	<u>2,157,548</u>	<u>1,063,463</u>

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**23**

**Related party transactions**

One trustee, David Hudd, provided pro bono legal advice to the Charity during 2021 valued at £62,889 (2020 - £50,000)

**24 Results from Trading Activities of Subsidiaries**

The charity has a wholly owned trading subsidiary, The Felix Project Trading Company Limited (registered company number 11824361).

This company was dormant in 2020 and started trading in 2021.

The taxable profits from 2021 are donated to the Felix Project by Gift Aid. The Felix Project's investment in the share capital is £1. (Audited) financial statements have been filed with the Registrar of Companies

<b>The Felix Project Trading Company Limited (registered company number 11824361)</b>	<b>2021</b>	<b>2020</b>
<b>Summary Profit and Loss account</b>		
	<b>£</b>	<b>£</b>
<b>Turnover</b>	157,213	-
Cost of Sales	(15,587)	-
<b>Gross Profit</b>	141,626	-
Administrative Expenses	(9,137)	-
<b>Operating Profit/Profit before Taxation</b>	132,489	-
Tax on profit on ordinary activities	-	-
<b>Profit For the Financial Year After Taxation</b>	132,489	-
 <b>The assets and liabilities</b>		
Current assets	145,093	-
Current liabilities	(12,603)	-
<b>Total net assets</b>	132,490	-
 <b>Share capital and reserves</b>	1	1

# THE FELIX PROJECT (A COMPANY LIMITED BY GUARANTEE)

## Appendix A: Partner Acknowledgement

Our progress in fighting food waste and food poverty would not have been possible without the support of all our contributors and donors. We would like to say thank you to all of our partners including:

Advent International	Oak Foundation
AET UK Ltd	Oaktree Capital Management (LLP)
Allied World Assurance Company (Europe)	Ocado Retail Ltd
Bank of America	Old Possum's Practical Trust
Belvedere Trust	OneZero Financial
BlackRock	Orange Tree Trust
Calastone	Oso Foundation
Capital Generation Partners	Partners Capital LLP
Cargill	Peter Stebbings Memorial Charity
Cineflix Rights	Philip King Will Charitable Trust
CVC Capital Partners Foundation	Pillsbury Winthrop Shaw Pittman LLP
David and Ruth Lewis Family Charitable Trust	Premier
Deliveroo	Queen Anne's Gate Foundation
Edenred	ReLondon
Ellis Wines	Resource Action Fund
Enterprise RAC UK Limited	ROPES & GRAY
FactSet	Royal Bank of Canada
Furness Insurance Services	RWC Partners Limited
Glendower Capital	Sainsbury's
Heathrow Community Trust	Savills
Hello Fresh	Scheinberg Relief Fund
Hosking Charitable Trust	Schroder Investment Management
Howard de Walden Estate	Temasek International
Hyperoptic Ltd	Temple Tree Foundation
IG Group	The 29th May 1961 Charitable Trust
ING	The Atlas Foundation
Inner London Magistrates' Court's Poor Box and Feeder Charity	The Batchworth Trust
Islamic Relief Fund	The Charles S French Charitable Trust
JA Clark Charitable Trust	The Ernest Hecht Charitable Foundation
James Hambro & Partners	The Evening Standard's Dispossessed Fund
John Lewis Partnership Community Team	The February Foundation
John Ryder Memorial Trust	The Foux Foundation
Kepler Cheuvreux	The Hollick Family Foundation
Khalsa Aid International	The Jane and Michael Davies Charitable Trust
KKR	The Julia and Hans Rausing Trust
Knight Frank	The Lehman Brothers Foundation Europe
La Tua Pasta	The Loveday Charitable Trust



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**Appendix A: Partner Acknowledgement**

Lansons	The Portmore Charitable Trust
London Community Foundation	The Rothschild Foundation
Lycatel Services Ltd	The Royal Foundation of the Duke and Duchess of Cambridge
Marks and Spencer	The Staples Trust
Mayor of London Volunteering Awards	The Swire Charitable Trust
McLain Family Foundation	The Tanlaw Foundation
Montier Charitable Trust	The Thompson Family Charitable Trust
Morgan Stanley	Travers Smith LLP
Mulberry	Tudor Capital Europe LLP
Nathan Kirsh Foundation	Two Magpies Fund
Newcore Capital Management	Vitol
Newcore Capital Management	Winch Design
Northern Trust	