

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 2022

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

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The Trustees present their report and financial statements for the year ended 31 December 2022.

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.

Our Strategic Objectives

The Strategic Refresh that was finalised in Q1 2022 set out the following objectives (which were adaptations of the 2020 strategic objectives and take us to 2025):

- Sustainable growth of IMPACT, brand, community and influence.
- Secure dependable and adequate RESOURCES including surplus food, income, volunteers, advocates, and supporters.
- Optimise processes, policies, and practices (embedding BRILLIANT BASICS).
- REACH communities most in need with balanced, nutritious food.
- Measure and TRACK impact as well as outputs.
- INNOVATE for maximum efficiency and effectiveness.

What we do

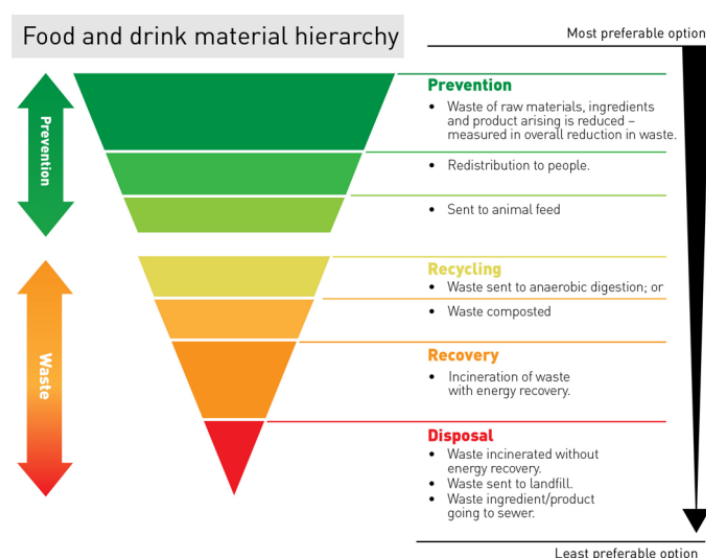
The Felix Project is a London-based UK charity set up in 2016 by entrepreneur Justin Byam Shaw and others.

The Felix Project exists to tackle food waste and food poverty issues. With the long tail of the pandemic still having an impact and the growing cost of living crisis, the need for our work has never been higher. There are more than 500 organisations on our waiting list who would like to receive our food, and all our community partners are asking for more food to be delivered.

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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).



The amount of surplus food redistributed in 2021 was over 106,000 tonnes, worth over £330 million and the equivalent of over 253 million meals. Surplus food redistributed via charitable channels made up 61% of the total that year. The amounts handled by charities has increased by almost six times from 2015 to 2021. The Felix Project redistributed 29m meals in 2022 which represents 18% of the total number of meals redistributed by charities in the UK.

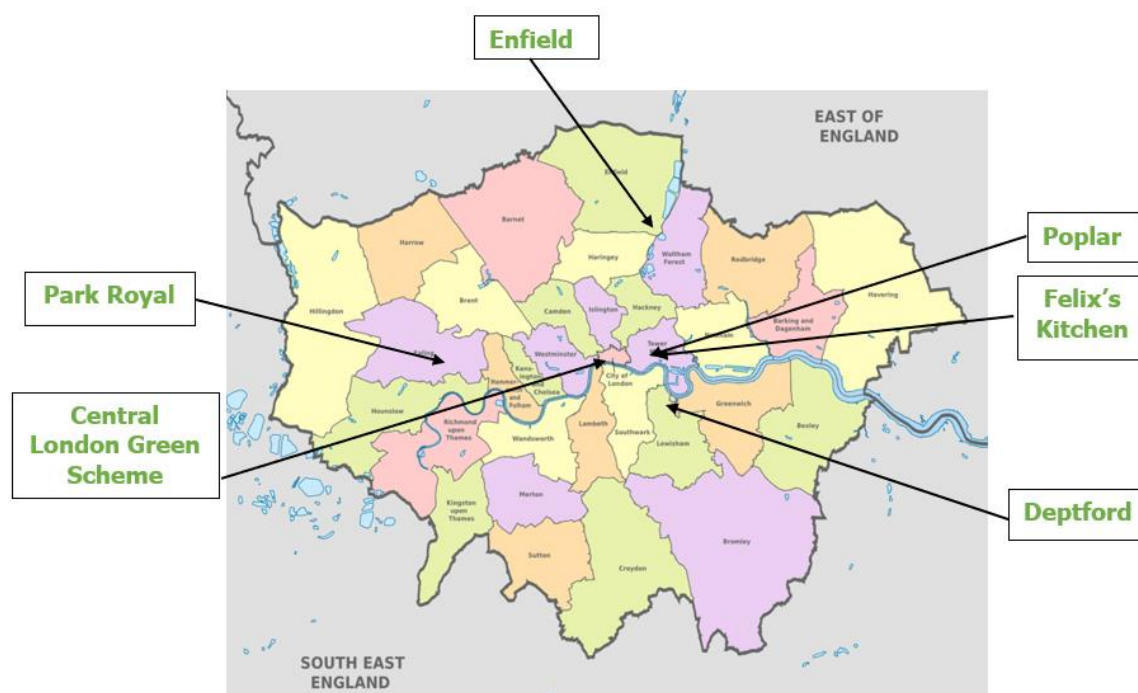
We rescue good food that cannot, or is not, used and would otherwise not be eaten. This food is deemed to be surplus within the professional food industry, but is good quality, and perfectly fit for human consumption. The food we redistribute includes a high proportion of fresh vegetables, bread and 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.

Our employees assisted by an army of volunteers sort this food and then redistribute it 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.

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The Felix Project works out of 4 depots, in Park Royal (West London), Enfield (North London), Deptford (South-East London) and Poplar (East London). We run the Green Scheme using a small fleet of electric vans strategically parked in Central London but also supported by Walking and Cycling routes. While representing a small part of our output, this low carbon footprint operation circumvents the need for expensive warehousing. In East London, we also run Felix's Kitchen, where a team of creative professional chefs turns surplus food into healthy and culturally familiar meals that can be microwaved or heated on a hob. These meals are an ideal solution for communities organisations and vulnerable people who do not have the resources to cook for themselves, or who cannot afford to prepare food due to high energy prices (between 3000 – 5000 meals per day) map



Our schools programme 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 provision of educational content - the Felix Food Fight. 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 often having to 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.

To support even more families, we run Community Distribution events at schools, community centres and on estates during the holidays. This involves one or more of our Felix vans, full to the brim with food, arriving at

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the organisation to be welcomed by a team of volunteers who help us unload the vans. They then offer food to families in need of a little extra to ease financial pressures during the holidays. We are also beginning to work with secondary-aged young people (12-18 years old) and are empowering them to set up food redistribution models in their schools and community to develop skills, confidence, and networks through volunteering.

Our work in 2022

At the end of 2022, food inflation outstripped general price inflation, especially for items like bread, milk, and tea which are central to the lives of those on very limited budgets. In London alone, 400,000 children went to bed without a proper evening meal. The brutal cost-of-living crisis became a cost of eating crisis for millions.

The Felix Project was faced with a huge increase in need in 2022 due largely to the cost of living crisis. We received a huge level of support in terms of both volunteer hours and financial donations. The charity redistributed over **12,000 tonnes of food** – the equivalent to **29 million meals** (1 meal = 420g). This is in line with the exceptional levels of 2021 when we were still reacting to the Pandemic and also still receiving some purchased food which inflated our usual food volumes.

It is a shared sense of social responsibility to be part of such a committed and joyful community of staff, volunteers, food donors and funders who are all doing such critical work right now.

At the time of writing, 533 charities and schools remain on our waiting list, with 175 having applied to us in just the last three months alone. It has been tough to turn away frontline charities doing urgent work.

When housing costs are considered, the poverty rate in London has almost doubled from 16% pre-pandemic to 27%, making London the region with the highest poverty rate in the UK.* In the autumn, we launched our Empty Plate Emergency Appeal to galvanise Londoners into action against the cost-of-living crisis. Despite rising operational costs, we ended the year with 29M meals delivered to over 1000 charities and schools in every borough, reaching children and families, the homeless, the elderly, refugees and many more. This includes 873,065 meals cooked in Felix's Kitchen

In 2022 we measured our Corporate Carbon Footprint (CCF) for the first time, to better understand our impact on the environment. We joined the 2030 Courtauld commitment, a voluntary agreement led by the charity WRAP that enables collaborative action across the entire UK food chain to deliver farm-to-fork reductions in food waste, greenhouse gas emissions and water stress that will help the UK food and drink sector achieve global environmental goals.

We were also proud to launch our Theory of Change framework to ensure we deliver against our organisational purpose. Going forwards we will put in place processes to measure and track what matters so that we can test our hypotheses and use this data to inform strategic decision making. We remain committed to long-lasting, sustainable, and meaningful change.

We will do more to fight this growing crisis in 2023 and aim to rescue and repurpose record numbers of food for record numbers of Londoners with nowhere else to turn.

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Operations

During 2022 we continued to grow and develop our four depot locations in London and the Central London Green Scheme. This included the significant redevelopment of our North London depot at Enfield, where we added freezer and chilled capacity, improved efficiency and safety, and also extended and improved our office, meeting and communal facilities. This has allowed us to rescue more food, but also have a safer and more welcoming environment for our staff and volunteers.

More people have struggled to cook for themselves this year because of the rising cost of energy. We have therefore seen an increase in demand for our cooked food from Felix's Kitchen. Heading into the winter, and with the support of Morgan Stanley, we commenced a ramp up of the Kitchen capacity to deliver more meals. This included adding an evening shift for staff and volunteers aiming to achieve maximum capacity over time from 3000 meals per day to 5000 meals per day in 2023.

Health and Safety

We continued to prioritise Health and Safety during 2022. Our five physical locations 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 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.

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.

Our Community Engagement Team continued to carry out food safety checks amongst our partner beneficiary organisations, ensuring that the food we deliver to them is suitable for the end user. This includes ensuring that each site is registered with their local Environmental Health Office as a food business and has a person responsible and trained in food safety.

Technology

The Felix Project continues to harness the power of technology to drive improvements and efficiencies across the organisation. During 2022, we focused on consolidating and solidifying our foundations, with a particular focus on security and compliance. This was due partly due to an increasing number of cyber attacks globally due to the Russian invasion of Ukraine, but also due to the increased operational growth of the organisation where policy and procedure needed aligning with the business process. As a result of these new initiatives, we have more than doubled our security score and provided enhanced protection, with a goal to further increase this industry standard score by a further 15 percentage points during the next year.

We also focused on bringing our GDPR policies in line with our compliance and security and updated a number of key policies in this area such as the Privacy Policy, Bring Your Own Device Policy, and the Acceptable Use Policy.

During the year, we also consolidated a number of our core application environments in Microsoft Dynamics to support improved development and deployment into our production systems, affording us better support for agile deployment, meaning we could react more quickly to changing business requirements.

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One of the key business projects that we completed during 2022 was an extension of our Dynamics application; the Community Onboarding Portal which enabled us to not just deal with the backlog of Charitable Organisations (COs) but offered us better insights into our CO's business and the people they supply. This will help inform some aspects of our Impact reporting.

We continued to add improvements and enhancements to RouteMe, such as integration to What3Words for improved accuracy of drops and pick-ups and automatic texting along the routes to notify Charitable Organisations. This means that the CO's are ready and prepared for food deliveries, which in turn improves our delivery efficiency.

We also built the underlying technical platform for an Intranet to allow HR and other departments to populate the content and allow improved internal communications.

Food supply

In 2021 The Felix Project ramped up supply with support from DEFRA and others to help London during the pandemic. These were exceptional times, but during 2022 we have maintained these high levels of supply using our existing and new channels. It is important to remember that, during the pandemic years, there was significant food purchasing from FareShare and DEFRA which inflated our usual surplus food volumes, so to maintain these levels in 2022 has been a significant achievement.

Our Supply team worked hard to address the reduction in food volumes felt after DEFRA funding ceased. Throughout the year they found 170 new food suppliers, which not only redressed falling volumes but allowed us to support even more community organisations across London. In addition, we continue to work closely with the FareShare network, this provided 5,996 tonnes of food (47% of total food rescued) delivered into our depots.

As well as our new partners, we continued to work with suppliers that we have formed excellent relationships with. In 2022 we solidified our relationship with some key supply partners. Amazon became our largest surplus contributor, doubling volumes year on year from 739 tonnes in 2021 to 1,535 tonnes in 2022. Ocado have also more than doubled volumes year on year, moving from 195 tonnes in 2021 to 442 tonnes in 2022, This was supported by two new Ocado depots coming onboard in Q3 2022. This growth will continue into Q1 2023, with a new depot in Purfleet also coming onboard.

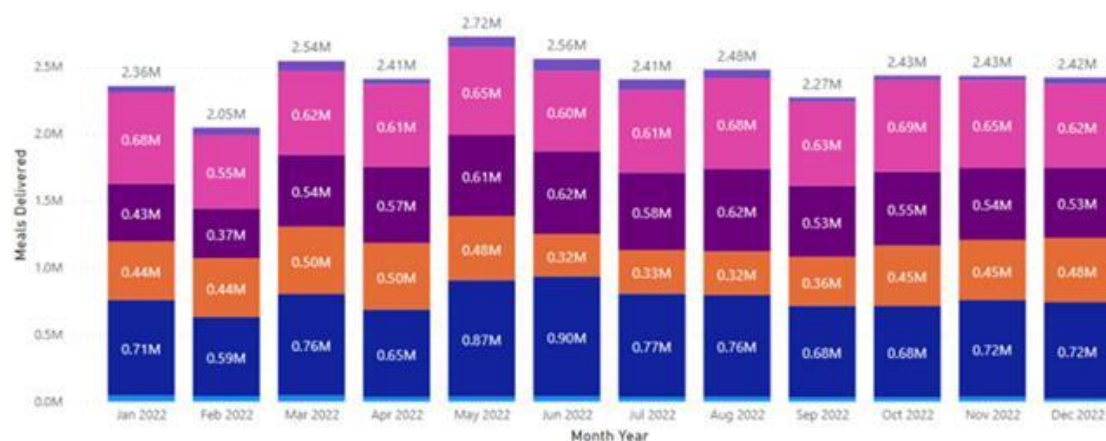
Our key partner Hello Fresh has worked with us in reinventing the distribution model for their surplus from their three depots. Initially, this has increased volumes, and we will continue to see growth into Q1 and Q2 2023.

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Meals Delivered by Month Year and Operation

Operation ● Central London ● East London ● North London ● South London ● West London ● Direct Delivery



29.08M
Meals Delivered

12.17K
Tonnes Delivered

Distributed Food

Operation	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Total
Central London	18.7	17.1	18.7	14.6	15.3	16.3	14.5	14.8	13.6	13.1	15.0	9.3	181.1
East London	299.2	246.8	317.2	273.2	363.8	375.0	322.7	318.5	286.1	285.5	302.1	301.4	3,691.4
North London	182.2	184.2	210.4	208.0	199.9	132.5	136.4	135.7	152.6	188.7	188.0	200.6	2,119.0
South London	180.5	155.3	225.2	238.1	253.9	258.3	242.2	258.3	222.1	230.8	225.2	220.3	2,710.4
West London	283.9	229.3	260.9	257.0	273.1	249.8	256.9	283.5	262.1	286.9	272.7	259.3	3,175.4
Direct Delivery	21.0	23.4	31.5	17.5	33.8	38.2	34.0	26.6	14.1	13.6	14.7	21.7	290.1
Total	985.5	856.1	1,063.9	1,008.2	1,139.8	1,070.1	1,006.7	1,037.5	950.7	1,018.7	1,017.7	1,012.6	12,167.4

To simplify communication channels and build expertise within the supply team, we have invested in staff and split responsibilities in to three key areas – supplier relationships, transport, and key accounts. Members of the team also focused 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 our suppliers.

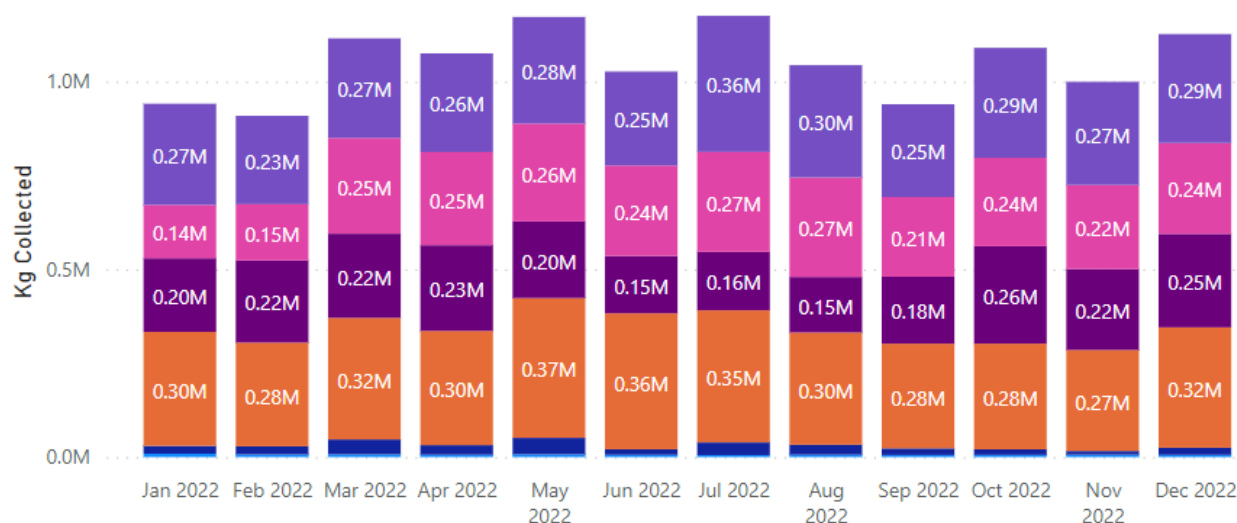
As well as our own vehicles that are driven predominantly by volunteers, to either collect or deliver surplus food, we grew our haulier capability, identifying a new partner to increase our ability to collect food we could not access before.

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.

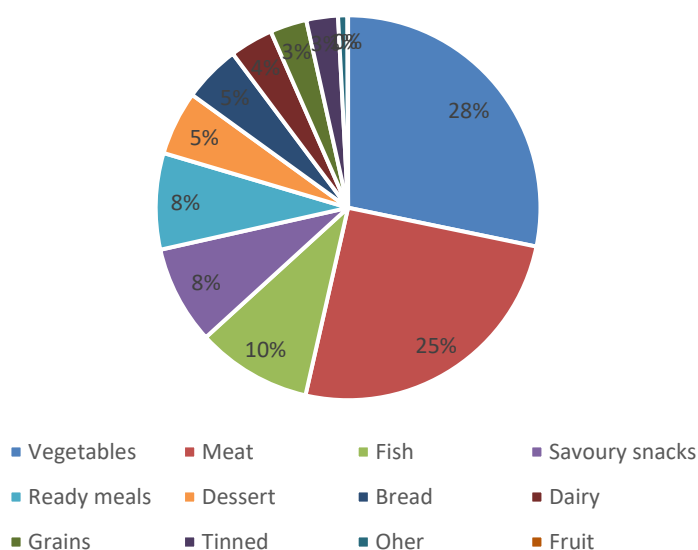
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Operation ● Central London ● Direct Delivery ● East London ● North London ● South London ● West London



Produce Type Breakdown (2022) KG



Community

2022 was a year of consolidation, putting in place the building blocks that will lead to a sustainable future that sees us supporting the communities we partner with beyond the offer of food.

We launched the first iteration of the Community Portal which will help us to share information more effectively with our communities. This iteration allowed us to validate and refresh our waitlist whilst capturing more insightful data about those who wish to receive food from us.

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During the year we reduced the waitlist to just over 300 community organisations confirmed as interested in joining Felix, but, due to the economic situation the list increased to over 500 by the end of the year. The waitlist is now populated by many schools who are increasingly reporting the impact of children arriving at school hungry throughout the week.

Alongside our technology developments, we went back to basics to ensure all our community organisations meet current Food Safety Standards. All community organisations were checked, helping to build our confidence in the safety of the food we distribute on behalf of our food partners (excluding schools who will be checked in 2023). Each check provided the opportunity for us to share best practice with our network of community organisations and allowed them to update us on their activities and the experiences they are having with increased demand for food. This confirmed the wider messaging that many people are finding themselves food insecure for the first time, having to navigate a confusing array of benefits and to keep afloat despite being in paid employment.

We continued to develop relationships with local authorities and now hold regular interactions with representatives of all 32 boroughs and the City. In addition, we are developing partnerships with housing associations through our interactions with the G15, the group of the largest housing associations in the UK. Furthermore, partnerships with the larger stakeholders in the voluntary sector continue to develop and we will no doubt begin to deliver on these partnerships in future years.

An exciting development was the launch of the Felix Food Fight, our foray into providing an educational toolkit aimed at children in years 5 and 6 at primary school (10 year olds). Providing teacher developed, curriculum relevant lesson plans and activities, the aim is for the children to develop an understanding of the impact of food waste on the planet and to encourage school communities to embrace the use of surplus food. We hope this will present us with the opportunity to provide more food where it is very much needed in a way that removes any stigma for those who will benefit most from being able to access a free source of food. Whilst 2022 saw minimal growth in the number of community organisations and schools Felix works with due to capacity constraints felt elsewhere in the operation, the Community Team used this time to learn more about the communities we work in, which in turn will enable us to adapt our services to better support the solutions they want to deliver to support themselves. This will feed into improving the impact we make with the resources available. We look forward to 2023 as we put these improvements into practice.

Volunteering

Volunteers are the lifeblood of The Felix Project, supporting across our operations in a wide variety of roles. Felix could not function without their incredible contribution.

2022 was a year of record-breaking numbers, with 8,599 people supporting across South, East, North, West and Central London's operations. This is over double the number of people that volunteered in 2021. This number includes the 5,886 corporate volunteers that contributed their time to Felix, mainly on one-off group days. We would like to extend a massive thank you to all groups and individuals, who have brought their energy, enthusiasm, and expertise to Felix throughout the year.

We have successfully developed a partnership with Amazon who provide us with 18 volunteer drivers with vans per week on average.

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Additionally, in 2022, volunteers contributed a Felix record of 144,603 hours, covering an average of 64% of shifts. In the final quarter, shift coverage rose to 70% which, given multiple external pressures on the volunteering landscape, is an achievement. Indeed, across the UK, formal volunteer numbers have fallen, and predictions suggest this could increase because of the cost-of-living crisis and continued concerns regarding Covid (particularly amongst the older population).

While applications dipped at the beginning of the year, with the team's attention focused on recruitment, we saw a large increase in monthly applications and first shifts across sites by the final quarter. In fact, in December, we saw 617 applications to volunteer – a number not seen since 2021 when the pandemic caused a surge in prospective volunteer interest. First shifts also rose to 214 in December, the highest number for the year. We were delighted to open our doors to so many new faces.

Our team is passionate about the volunteer experience and is always looking at ways to make our roles more accessible, enjoyable, and fulfilling. We have introduced an Equal Opportunities Form so we can track our progress as we strive to use more inclusive recruitment methods, provide opportunities for a diverse volunteer base, and ensure Felix a welcoming environment for all.

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 across the Senior Leadership team and within operations. The charity recruited a Head of Distribution to oversee the depots and ensure that there are consistent processes in place to drive efficiencies. A new Learning and Employability Manager was also recruited and will lead the development and implementation of a strategy going forward. At the end of 2022, our staffing establishment was 158.

A Depot Manager with additional strategic responsibilities for Health and Safety is now in post. We have already seen several improvements in the depots, with an increased focus on reporting, manual safety, and protective clothing for all staff who are working in the depot space. Alongside this there has been greater awareness of the importance of Health and Safety for our teams through the learning management platform and the introduction of daily toolbox talks.

The focus of 2022 was to deliver against the strategic refresh objectives around optimising policies and processes. A new safe-guarding policy was introduced and . Within the people team several processes were put in place to mitigate employment risks for the charity specifically in relation to right to work.

Despite the ending of our employability scheme, we have a partnership with Beyond Food and currently have apprentices working through them in our Kitchen. Developing a strategy around employability is a key strategic priority for 2023.

We are committed to introducing step changes to help us to “Be London’s best loved charity”. We completed a benchmarking exercise of our pay and benefits. This resulted in us improving some of our benefits for staff and, in line with our financial position, we increased the hourly rate of our lowest staff in line with the London Living Wage and supported our staff with a one-off payment due to the challenges being faced in the cost-of-living crisis.

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The Senior Management Team is now complete comprising our CEO, Director of Income Generation and Marketing, Director of Operations, Director of People and Culture, and Director of Finance, supported by the Head of Technology and the Head of Special Projects.

Additionally, new appointments across most departments of the organisation took place in line with our plans to support our growth. The average number of staff grew from 93 in 2021 to 143 in 2022.

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

Our Fundraising

The trustees are grateful to all the corporate partners, trusts, foundations, and individuals who supported our work in 2022. We continued to invest in activities which see greatest return on investment for the organisation, and also developed plans to focus on other areas which are strategically important for long-term sustainable growth.

As one of our strategic objectives is to “secure dependable and adequate... income” we have focused our efforts on long-term strategic relationships with individuals, foundations, trusts and corporate partners. At the start of 2022, we analysed what additional resources were needed to meet this strategy and put in place a plan to grow the Fundraising and Marketing teams. Starting with a new Director of Income generation and Marketing in February, the team structure has steadily grown such that we start 2023 with almost a full complement, with additional resources to support Corporate Partnerships, Trusts & Foundations and Marketing as our areas of focus. In 2022, this resulted in a 16% increase in the cost base. This has allowed us to sustain our income in 2022 and to increase our public profile and therefore opportunities for further fundraising. The cost-of-living crisis may negatively impact some income channels (particularly individual giving and community fundraising) but allows us to focus attention in other areas to seek greater support. This will be expanded in 2023 again with a new focus on securing support from central and local government.

Our focus on building a sustainable pipeline of multi-year pledged income has meant that we currently have over £3m of income pledged for 2023.

Our fundraising policy

In 2022, we did not use any external fundraisers. We do have commercial partnership agreements with some of our corporate partners whereby we benefit from raised funds and awareness through sales of their products. These partners are Dash Water and Hello Fresh.

Any fundraising done through third parties is reviewed and agreed at a Senior Leadership level prior to launch, and continuously monitored by members of the fundraising team to ensure compliance with our policies and procedures. The Felix Project is registered with The Fundraising Regulator and abides by their standards of fundraising activity, known as the ‘Code of Fundraising Practice’. Our Complaints policy is available from our website. There have been no complaints any fundraising activity in 2022. All appropriate team members are aware of the Code of Fundraising Practice guidance on fundraising involving children and people in vulnerable circumstances.

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Our Impact journey in 2022

Another focus for 2022 was how we understand and measure our impact as an organisation. Following the strategic refresh in April 2022, we have completed various stages of work, as follows:

STAGE ONE: Impact Review/Purpose alignment (Feb-April 2022)

The results of the Impact Review showed that:

1. We do not have clarity about our purpose;
2. Several tensions were shown to exist (immediate 'relief' vs longer-term, environmental vs social);
3. The data we hold are outputs (X number of deliveries of X kg food to X number of COs who work with X individuals), not impact measures.

STAGE TWO: Theory of Change (May - July 2022)

A Theory of Change (ToC) is a model that describes/displays:

- how our **Inputs** translate into the **Activities** we carry out
- the **Outputs** Felix's Activities generate and their associated **Outcomes**
- the desired **Impact** we would like to be having ie. the long-term outcomes, or change

Our Theory of Change is an ongoing, live document that we will continue to refine and improve.

STAGE THREE: Building an Impact Measurement Framework (Aug to Oct 2022)

During this phase of work we identified the Key Outcomes we will measure. These correlate to the Outcomes on our ToC.

We will collect both qualitative and quantitative data. The collection of data that conveys impact must be unbiased and impartial. We will therefore work with external consultants throughout this work to ensure:

- we are asking the right questions to the right audience;
- we are gathering data in the right format;
- we remain impartial and unbiased;
- we are interpreting and analysing the data in the right way to learn about our impact.

Types of data we will collect to understand the impact we are having are:

Impact Survey data. FareShare send a survey to our COs on an annual basis. In addition to this, we will start to send our own Impact Survey on an annual basis, at a 6-monthly interval to FareShare's.

In-depth interviews/focus groups with COs and individuals supported. We will work with external consultants to gather in-depth information from a selection of our COs and the individuals that are recipients of Felix Food. This qualitative research will provide us with the depth and richness of data we need to start to understand how our deliveries of food make a difference to our network of community partners - what went well, what went less well, if there are any negative points to working with Felix; and how, why and in what ways Felix support has made a difference. This research will help inform the content of future Impact surveys, as well as point to areas we may want to focus on in more detail in the future.

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Introductory onboarding information. Information supplied to us when a CO signs up with Felix e.g. number of individuals reached, the type of support the CO provides (other than food provision). This data will be refreshed and updated in 2023.

Operational data. Internal data such as geographical location of our deliveries e.g. postcode/borough, kg food delivered to CO, the type of food delivered to a CO.

The Roadmap for 2023

In the remaining two years of our current strategy period we will continue working to achieve the following Strategic Goals relevant to the organisation's impact:

- To clarify our purpose, vision and mission, to develop our first theory of change and identify appropriate measures of the impact of our work
- We will be monitoring and testing the efficacy of our activities in pursuit of our mission and vision and adjusting our work to optimise our intended outcomes of a London where no-one goes hungry and good food is never wasted

We will:

- Start to track the impact measures we currently hold, using our current IT infrastructure;
- Ensure all data collected is stored in a way that we can access, track and conduct analysis;
- Commission and conduct research that will inform the content of future impact surveys, as well as provide us with indicators of impact that are up to date and can start to inform our work now;
- Start to align the data we are gathering with external data sets that allow us to understand our activity in relation to the external landscape;
- Replenish the data we currently hold about our COs (Community Portal 2.0), which will inform our work on impact;
- Continue to revise our Theory of Change.

We will continue our journey of converting the entire business to be based on impact and efficacy (the difference we make) rather than simply volumes and money (output). In addition, we continue to aspire to:

- Understand whether we are having a genuine, lasting impact on London & Londoners and the environment
- Own the data that funders and supporters are asking for
- Understand the impact we are *truly having*, and the change we are *truly making*, as opposed to the impact we hope we are having
- Understand whether we are really making the difference we wanted to make. And if not, to make any necessary changes
- Be able to collaborate with partners in order to increase our impact
- Be able to share our unique perspective, using the insight and understanding of our work and our reach into communities
- Be able to make impact-driven decisions about our work based on robust data
- Work more efficiently as an aligned organisation, towards our 'North Star'

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

FOR THE YEAR ENDED 31 DECEMBER 2022

2023 and beyond

2022 was a year focused on laying strong foundations for our strategic objectives such that we are prepared for 2023 and beyond to optimise our impact and effectiveness. We remain agile and energised to enable to identify and take advantage of opportunities as they arise.

The cost-of-living crisis has deepened with rising inflation especially in food and energy costs which has left millions worse off in 2022 continuing into 2023. In addition, the war in Ukraine continues to cause uncertainty over oil and food supply, pushing prices higher. This in turn is impacting the supply of surplus food as everyone (producers, wholesalers & retailers) tries to cover their costs. We continue to look at innovative solutions to rescue more surplus and deliver to community organisations, support individuals especially the vulnerable and 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.

Financial Review

Income in 2022 was £7.6m (2021: £8.5m). Expenditure was £9.8m (2021: £6.8m), resulting in a deficit of £2.2m (2021: surplus £1.8m) and a net asset value of £10.9m (2021: £13m). Our operating deficit incorporates our ambitious investment plans to deliver on our strategy and support implementation of the 'brilliant basics' as well as the impact of rising prices during 2022.

Summary of Income and Expenditure

Expenditure grew in 2022 from £6.8m to £9.8m. This represents the growth which started in 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 2022 included:

- Renovation of the Enfield (North London) depot.
- Increase in the operations staff team from 89 to 117 at the end of 2022.
- Increase in food collection costs due to taking on additional suppliers, the impact of the HGV and fuel crisis.
- Investment in IT infrastructure to improve operational efficiency and the accuracy of reporting.
- Expanding the Fundraising and Marketing team to ensure we can access sufficient funds in the future to sustain our operations.

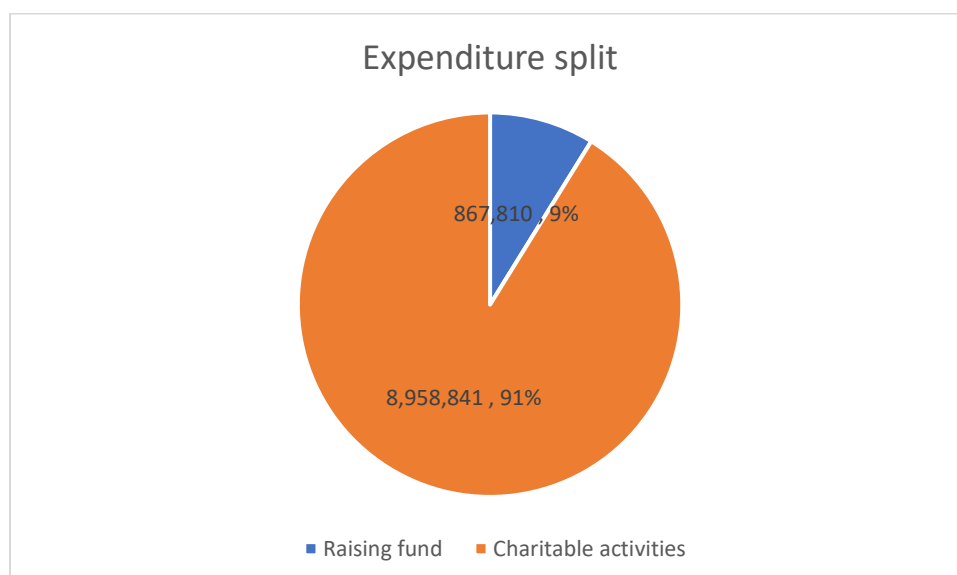
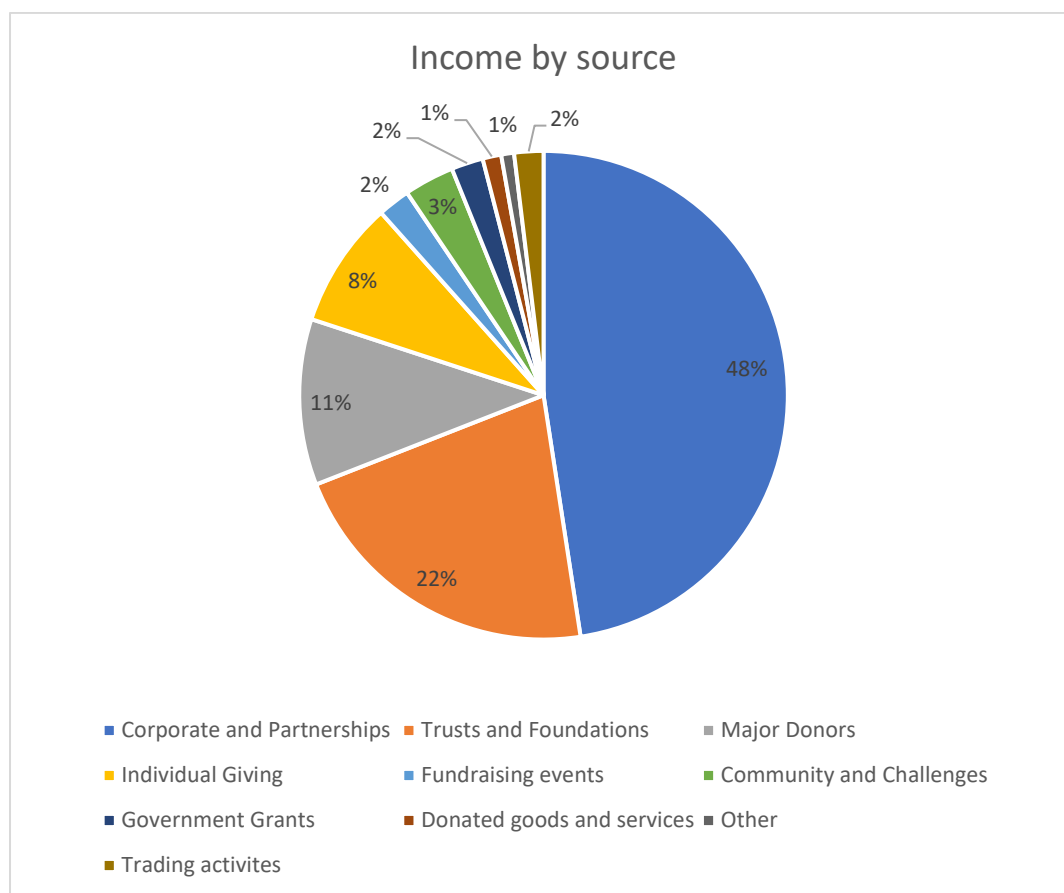
In December 2022 we received a sizable donation of just over £1m. The main purpose of this funding was for Felix to purchase and donate fridges and freezers for community organisations such that that can accept and store more food thus allowing more surplus food to be saved and put to good use. As this donation was made at the close of the year we had not completed the project. Within the restricted reserves there is a balance of just under £1m which will be used to support the buying, distribution and initial running costs of these white goods. As this is not normal operating costs for the Charity it has been shown as a separate column on the the Statement of Activities and highlighted in Note 20.

The impact of this donation has been to reduce our 2022 deficit and it will impact the budgeted deficit in 2023 by the same as this money is spent and goods donated.

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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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FOR THE YEAR ENDED 31 DECEMBER 2022

Reserves

There has been much change at The Felix Project following a period of exceptional growth during the pandemic which saw us move to an operation that now spans four depots, the Felix Kitchen, and the Central London Green Scheme, delivering 30 million meals to community organisations supporting Londoners most in need. This growth led to a Strategic refresh conducted at the beginning of 2022 focusing on ensuring The Felix Project was fit for purpose given the changes in the world around us, a context which continues to change in the light of more recent events. We have focused on understanding our impact as an organisation and ensuring we invest in the foundations for future sustainable operation. This has resulted in a far larger and more sophisticated organisation which will continue to adapt. The kitchen is now an integral part of the solution to food redistribution and our continued success necessitates robust going health & safety management, employee training and of course, income generation. The following reserves policy reflects these changes and future demands.

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 a minimum of 6 months' budgeted unrestricted expenditure. Based on the 2023 budget this expected to be just under £4.3m. In line with this policy the charity's general fund for business continuity (unrestricted general fund) as at 31 December 2022 is £5.5m. (2021: £4m restated)

As the running of the Charity has expanded and we are in a cycle of continuous improvement rather than rapid growth the Trustees have taken the decision to designate only the book value of fixed assets.

The capital committed under fixed assets included in designated funds is £2.8m at the year end (2021: £2.3M) We had previously designated funds for "Impact Growth Fund" to allow us to focus on various initiatives. We have now developed our theory of change and clear impact measures and are currently understanding how best to report on this for 2023. This impact understanding will then help to inform our next strategic period, alongside doing more work to ensure we are well known by communities across London. Furthermore health & safety is imbedded in our core operations. Our income generation requirements have needed to scale up to meet the increased cost commitment and to give future reassurance. In addition, this designated fund was used to upgrade our facilities at the Enfield (North London) depot during 2022. (Impact Growth Fund 2021 £3.1m)

All organisations need to continually take advantage of improvements to technology and continually to innovate to react to opportunities and find solutions. We seek out suitable partners to assist us with exceptional transformations to help manage cost whilst still making advances. This approach is included in our general expenditure future plans such that no specific allocation has been made to the Investment fund in 2022 (2021: £1.8m)

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.

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

FOR THE YEAR ENDED 31 DECEMBER 2022

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)
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)
Ann Marie Belsey (resigned December 2022)
Ben Salama (from July 2022)

Senior management Charlotte Hill OBE – Chief Executive from January 2022
Steve Thomas – Interim Chief Executive until January 2022
Sandrine Cotter – Director of Finance and Services until February 2022
Sue Melly – Director of Finance from May 2022
Tanya Mitchell – Director of Income Generation and Marketing from February 2022
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 Sayer Vincent
Invicta House,
108-114 Golden Lane
London EC1Y 0TL

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

Solicitor Hogan Lovells
Atlantic House
Holborn Viaduct
London EC1A 2FG

**THE FELIX PROJECT
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TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT AND DIRECTORS' REPORT)**

FOR THE YEAR ENDED 31 DECEMBER 2022

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. Trustees will serve until the board meeting following the third anniversary of their appointment 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 leadership team are delighted to welcome Ben Salama to the board of Trustees. Ben represents the voices of our volunteers at Trustee level, alongside Cath Thorpe. He is an experienced technology and business leader who has built and led IT consulting and software businesses across the US, Asia, and Europe. Most recently, Ben was a Managing Director of Accenture, the global technology consulting firm. There, he was part of the team that launched and built Accenture's highly successful digital business serving clients globally.

Ben started as a Felix volunteer driver five years ago and still drives regularly out of the Park Royal depot. Additionally, he has supported the charity's technology activities since 2020, helping define the strategy and working on the implementation of several projects. He served as the charity's head of technology and member of the senior leadership team in 2021 and chairs Felix's IT governance and steering group.

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FOR THE YEAR ENDED 31 DECEMBER 2022

Full Trustee meetings are planned for the 4th week of the start of each new quarter (April, July, October, January) with an additional end of year meeting in December. The senior leadership team prepare quarterly performance management reports, other key information and updates that will have been reviewed 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, reviewing the management of major risks and making recommendations to the quarterly board meetings. In addition to these new subcommittees, we have developed the concept of Advisory Groups. Building on our established 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. Colleagues pitch and highlight their work, enabling everyone to learn from each-others' progress, challenges, and successes.

Management

The Trustees are responsible for the strategic direction and policy of The Felix Project and met five times in 2022. 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, Director of Fundraising & Marketing, Director of People & Culture and the Director of Operations. An extended leadership team includes the Heads of IT and Felix's Kitchen and our Head of Special Projects.

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, through which all trading activity is accounted for. The intention is that 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.

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

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Cyber attacks, 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.

**THE FELIX PROJECT
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FOR THE YEAR ENDED 31 DECEMBER 2022

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.

INVESTMENT POLICY

The Charity had no investments in 2022 but term treasury deposits with two banks are used to hold cash not immediately needed for operational requirements.

RELATED PARTIES

In 2022 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

Sayer Vincent were appointed as auditors to the Charity in September 2022 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: 25 April 2023

**THE FELIX PROJECT
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES**

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Independent auditor's report to the members of The Felix Project

Opinion

We have audited the financial statements of The Felix Project (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 of the parent charitable company's affairs as at 31 December 2022 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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 group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Felix Project'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 trustees' annual report, including the strategic report, other than the group 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 group financial

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

TO THE MEMBERS OF THE FELIX PROJECT

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 group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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 set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

TO THE MEMBERS OF THE FELIX PROJECT

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-

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

TO THE MEMBERS OF THE FELIX PROJECT

compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)
Date

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

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

FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds	Restricted funds: Community freezer project	Restricted funds: All other funds	Total 2022	Unrestricted funds	Restricted funds	Total 2021
Notes	£	£	£	£	£	£	£	£
Income and endowments from:								
Donations and grants receivable	3	4,147,203	1,037,500	2,238,013	7,422,716	4,377,517	3,935,624	8,313,141
Income from other trading activities	4	147,518	0	0	147,518	159,679	0	159,679
Other income	5	64,614	0	0	64,614	46,765	0	46,765
Total income		4,359,335	1,037,500	2,238,013	7,634,848	4,583,960	3,935,624	8,519,584
Expenditure on:								
Raising funds	6	867,810	0	0	867,810	748,530	0	748,530
Charitable activities	7	7,254,070	86,984	1,617,787	8,958,841	4,784,359	1,228,175	6,012,534
Total resources expended		8,121,880	86,984	1,617,787	9,826,651	5,532,889	1,228,175	6,761,064
Net (outgoing)/incoming resources before transfers		(3,762,545)	950,516	620,226	(2,191,803)	(948,928)	2,707,449	1,758,521
Gross transfers between funds		884,370	0	(884,370)	0	1,519,298	(1,519,298)	0
Net income for the year/Net movement in funds		(2,878,175)	950,516	(264,144)	(2,191,803)	570,370	1,188,151	1,758,521
Fund balances at 1 January		11,176,867	0	1,865,784	13,042,651	10,606,498	677,633	11,284,131
Fund balances at 31 December		8,298,692	950,516	1,601,640	10,850,848	11,176,867	1,865,784	13,042,652

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)
CONSOLIDATED CASHFLOW STATEMENT

FOR YEAR ENDED 31 DECEMBER 2022

		Consolidated		Restated Consolidated		Charity		Restated Charity	
		2022		2021		2022		2021	
	Notes	£	£	£	£	£	£	£	£
Fixed assets									
Intangible assets	12		153,338		251,914		153,338		251,914
Tangible assets	13		2,679,597		2,045,558		2,679,597		2,045,558
Investment in Subsidiary	14		1		1		1		1
			<u>2,832,936</u>		<u>2,297,473</u>		<u>2,832,936</u>		<u>2,297,473</u>
Current assets									
Debtors	15	2,103,941		2,866,339		2,105,364		2,862,347	
Cash at bank and in hand		7,225,681		9,044,811		7,058,825		8,911,718	
		<u>9,329,622</u>		<u>11,911,150</u>		<u>9,164,189</u>		<u>11,774,065</u>	
Creditors: amounts falling due within one year	16	(922,913)		(915,716)		(887,438)		(911,122)	
Net current assets			8,406,709		10,995,434		8,276,751		10,862,943
Total assets less current liabilities			<u>11,239,645</u>		<u>13,292,907</u>		<u>11,109,687</u>		<u>13,160,416</u>
Creditors amounts falling due after more than one year	17		(34,697)		(55,255)		(34,697)		(55,255)
Provision for other liabilities	18		(354,100)		(195,000)		(354,100)		(195,000)
Total assets less liabilities			<u>10,850,848</u>		<u>13,042,652</u>		<u>10,720,889</u>		<u>12,910,161</u>
Income funds									
Restricted funds	20		2,552,156		1,865,784		2,552,156		1,865,784
Unrestricted funds									
General funds			5,465,756		3,996,000		5,335,798		3,863,510
Designated funds	21		2,832,936		7,180,868		2,832,935		7,180,868
			<u>8,298,692</u>		<u>11,176,868</u>		<u>8,168,733</u>		<u>11,044,378</u>
			<u>10,850,848</u>		<u>13,042,652</u>		<u>10,720,889</u>		<u>12,910,161</u>

The financial statements were approved by the Trustees on 25 April 2023

Gavin Darby
Chair of the Board of Trustee

Company Registration No. 10068253

THE FELIX PROJECT
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED CASHFLOW STATEMENT

FOR YEAR ENDED 31 DECEMBER 2022

Cashflows from operating activities		2022 £	2021 £
Net cash provided by operating activities	A	(588,188)	747,853
Cashflows from investing activities			
Purchase of fixed assets		(1,258,280)	(1,912,288)
Disposal of fixed assets		2,285	0
Bank interest income		25,053	866
Change in cash and cash equivalents in the year		(1,819,130)	(1,163,569)
Cash and cash equivalents at 1 January		9,044,811	10,208,378
Cash and cash equivalents at 31 December		7,225,681	9,044,811

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

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(2,191,803)	1,562,521
Adjustments for:		
Fixed Asset Gifts in kind income	(4,572)	(95,084)
Depreciation and Fixed Asset Impairment charges	726,031	393,759
Gain on disposal of fixed assets	(928)	0
Loss on disposal of fixed assets	0	622
Bank interest Income	(25,053)	(866)
(Increase)/decrease in debtors	762,398	(1,619,168)
Increase/(decrease) in creditors	145,740	506,070
Net cash provided by operating activities	(588,188)	747,853

B - Analysis of changes in net debt

	Cash and Cash Equivalents	Finance Leases	Total
Net (Debt) as at 31 December 2021	9,044,811	(74,851)	8,969,960
Cash flows	(1,819,130)	0	(1,819,130)
Lease principle falling due	0	19,597	19,597
Net (debt) as at 31 December 2022	7,225,681	(55,254)	7,170,427

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

FOR THE YEAR ENDED 31 DECEMBER 2022

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 current events 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

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. All other income is recognised in line with the above. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation. For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been

**THE FELIX PROJECT
(A COMPANY LIMITED BY GUARANTEE)
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FOR THE YEAR ENDED 31 DECEMBER 2022

finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

The value of services provided by volunteers has not been included in these financial statements. Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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.

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 six months or less.

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

FOR THE YEAR ENDED 31 DECEMBER 2022

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 Leases

Assets that are held by Company under leases which transfer to the Company substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Company are classified as operating leases.

Finance leases

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

1.12 Employee benefits

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

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

FOR THE YEAR ENDED 31 DECEMBER 2022

services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Pensions

The charity contributes to a defined contribution pension scheme and contributions for the year are charged in the Statement of Financial Activities as they become due.

2 Critical accounting estimates

In the application of the group's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical accounting estimates made in the year include the valuation of Gifts in Kind and cost provisions.

More detail on the accounting policies in these areas is provided above.

THE FELIX PROJECT
(A COMPANY LIMITED BY GUARANTEE)
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FOR THE YEAR ENDED 31 DECEMBER 2022

3 Donations and grants receivable	Consolidated and Charity			Consolidated and Charity		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2022			2021		
	£	£	£	£	£	£
Fundraising events	163,164	0	163,164	20,054	54,400	74,454
Corporate and Partnerships	1,488,614	2,143,502	3,632,116	2,336,459	1,008,034	3,344,493
Trusts and Foundations	850,629	789,133	1,639,762	270,503	1,886,264	2,156,767
Government Grants	35,567	125,294	160,861	1,500	888,784	890,284
Major Donors	621,549	217,584	839,133	403,856	47,632	451,488
Individual Giving	639,873	0	639,873	768,731	44,498	813,229
Community and Challenges	253,763	0	253,763	299,694	6,012	305,706
Donated goods and services	94,044	0	94,044	276,720	0	276,720
	<u>4,147,203</u>	<u>3,275,513</u>	<u>7,422,716</u>	<u>4,377,517</u>	<u>3,935,624</u>	<u>8,313,141</u>

Included within the restricted funds column is £1,037,500 relating to the community freezer project.

Analysis of Donated goods and services	2022	2021
	£	£
Pro bono legal and professional fees	6,072	62,889
Pro bono software development consultancy	-	75,261
van hire, waste disposal and other capital assets donated	42,972	138,570
Advertising and marketing campaign services	45,000	-
	<u>94,044</u>	<u>276,720</u>

The Charity received/rescued donation of an estimated 12,147 tonnes of food for distribution during 2022 equivalent to an estimated 29 million meals (2021-12,832 tonnes, 30.5 million meals). In addition, 145k hours of volunteer time with an estimated equivalent cost of £1,609k was provided to the Charity (2021-119k hours, cost £1,293k). Neither donated food nor volunteer time are recognised in the accounts.

4 Income from other trading activity	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	funds	funds	2022	funds	funds	2021
	£	£	£	£	£	£
Sale of donated goods	0	0	0	2,486	0	2,486
Income from other Trading activities	147,518	0	147,518	157,192.62	0	157,192.62
	<u>147,518</u>	<u>0</u>	<u>147,518</u>	<u>159,679</u>	<u>0</u>	<u>159,679</u>

5 Other Income	Unrestricted	Unrestricted
	Funds	Funds
	2022	2021
	£	£
Gain on disposal of fixed assets	928	0
Property and other recharge income	38,633	40,653
Insurance proceeds	0	5,246
Bank Interest	25,053	866
	<u>64,614</u>	<u>46,765</u>

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

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Raising Funds

	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Staff Costs	600,105	416,698
Other Fundraising and publicity expenditure	95,001	126,936
	<u>695,106</u>	<u>543,634</u>
Share of support costs (see note 8)	168,151	196,510
Share of governance costs (see note 8)	4,553	8,385
	<u>867,810</u>	<u>748,530</u>
Analysis by fund		
Unrestricted funds	867,810	748,530
Restricted funds	0	0
	<u>867,810</u>	<u>748,530</u>

7 Charitable Activities

	2022	2021
	£	£
Staff Costs	3,318,578	2,209,315
Other Charitable Expenditure		
-Operations	3,953,484	2,599,717
-Community Distribution	10,384	7,008
-Volunteer Management	39,016	18,345
	<u>7,321,462</u>	<u>4,834,385</u>
Share of support costs (see note 8)	1,594,216	1,129,932
Share of governance costs (see note 8)	43,164	48,216
	<u>8,958,841</u>	<u>6,012,534</u>
Analysis by fund		
Unrestricted funds	7,254,070	4,784,359
Restricted funds	1,704,771	1,228,175
	<u>8,958,841</u>	<u>6,012,534</u>

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

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Support Costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff Costs	1,028,523	2,688	1,031,211	704,815	30,470	735,286
Professional fees	150,003	0	150,003	140,989	46	141,035
IT and Communications	157,163	0	157,163	146,776	186	146,963
IT Strategy	0	0	0	106,657	0	106,657
Audit fees	0	31,800	31,800	0	23,410	23,410
Other support and governance costs	426,678	13,228	439,906	227,205	2,489	229,694
	<u>1,762,367</u>	<u>47,716</u>	<u>1,810,083</u>	<u>1,326,442</u>	<u>56,602</u>	<u>1,383,045</u>
Share of costs						
Raising Funds (see note 6)	168,151	4,553	172,704	196,510	8,385	204,896
Charitable Activities (see note 7)	<u>1,594,216</u>	<u>43,164</u>	<u>1,637,380</u>	<u>1,129,932</u>	<u>48,216</u>	<u>1,178,149</u>
	<u>1,762,367</u>	<u>47,717</u>	<u>1,810,084</u>	<u>1,326,442</u>	<u>56,602</u>	<u>1,383,045</u>

9 Consolidated net expenditure/ income for the year is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation	726,031	393,759
Loss or profit on disposal of fixed assets	(928)	0
Interest payable	3,146	4,063
Operating lease rentals payable:		
Property	708,052	608,620
Operating lease rentals receivable:		
Property	(30,611)	(40,653)
Auditor's remuneration (excluding VAT):		
Audit - current year	22,000	19,508
Other services	10,304	4,042

Other services from auditors include £1,040 in relation to VAT advisory.

10 Trustees and Related Party Transactions

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. A trustee, David Hudd, provided pro bono legal work to the charity during 2022 valued at £6,072 (2021- £62,889). There were no other related party transactions in the year.

Aggregate donations from trustees were £675 in the year (2021- nil).

THE FELIX PROJECT
(A COMPANY LIMITED BY GUARANTEE)
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FOR THE YEAR ENDED 31 DECEMBER 2022

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Raising funds	12	12
Charitable activities	111	69
Support	20	12
	<u>143</u>	<u>93</u>

Employment costs

	2022 £	2021 £
Wages and salaries	4,061,263	2,636,227
Social security costs	397,735	252,864
Other pension costs	172,553	100,578
	<u>4,631,551</u>	<u>2,989,669</u>

The Key Management Personnel detailed in the trustees report received total employee remuneration in the year of £467,488 (2021-£338,626).

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

	2022	2021
£150,000-£160,000	0	1
£100,001 - £110,000	1	0
£90,001 - £100,000	0	0
£80,001 - £90,000	1	0
£70,001 - £80,000	2	2
£60,001 - £70,000	3	2

THE FELIX PROJECT
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FOR THE YEAR ENDED 31 DECEMBER 2022

12 Intangible Fixed Assets

	Consolidated and Charity		
	IT Software	Software development in progress	2022
	£	£	£
Cost			
At 1 January 2022	303,480	41,690	345,170
Additions	15,485	0	15,485
Transfers	41,690	(41,690)	0
At 31 December 2022	<u>360,655</u>	<u>0</u>	<u>360,655</u>
Depreciation			
At 1 January 2022	93,256	0	93,256
Depreciation charge for the year	114,061	0	114,061
At 31 December 2022	<u>207,317</u>	<u>0</u>	<u>207,317</u>
Total			
At 31 December 2022	<u>153,338</u>	<u>0</u>	<u>153,338</u>
At 31 December 2021	<u>210,224</u>	<u>41,690</u>	<u>251,914</u>

IT Software additions in the year comprise of costs of the build for a Community Portal - a piece of software that is designed to manage beneficiaries in an efficient manner.

THE FELIX PROJECT
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Tangible Fixed Assets

	Consolidated and Charity					Fixed Assets under Construction	2022
	Depot Costs	Vehicles	IT Equipment	Equipment and Machinery	Kitchen Equipment		
	£	£	£	£	£	£	£
Cost							
At 1 January 2022	851,745	836,727	98,341	716,655	218,728	47,660	2,769,856
Additions	454,496	424,780	9,207	360,296	7,908	0	1,256,687
Reclassifications	0	0	0	0	0	(9,320)	(9,320)
Disposals	0	0	(258)	(27,690)	0	0	(27,948)
At 31 December 2022	1,306,241	1,261,507	107,290	1,049,261	226,636	38,340	3,989,275
Depreciation and Impairment							
At 1 January 2022	95,203	410,782	35,442	165,758	17,114	0	724,299
Depreciation charge for the year	216,227	168,300	27,449	155,620	44,374	0	611,970
Accumulated depreciation on asset disposals	0	0	(285)	(26,306)	0	0	(26,591)
At 31 December 2022	311,430	579,082	62,606	295,072	61,488	0	1,309,678
Total							
At 31 December 2022	994,811	682,425	44,684	754,189	165,148	38,340	2,679,597
At 31 December 2021	756,543	425,945	62,899	550,898	201,614	47,660	2,045,558

Motor vehicles with a net book value at 31 December 2022 of £53,579 (2021-£82,804) are held through finance lease arrangements.

14 Investment in Subsidiary	2022	2021
Charity only	£	£
Shares in group subsidiary	1	1

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

15 Debtors	Consolidated	Restated Consolidated	Charity	Restated Charity
	2022	2021	2022	2021
	£	£		
Amount falling due within one year:				
Trade debtors	365,541	498,451	369,278	492,651
Other debtors	345,904	294,852	348,590	296,661
Prepayments and accrued income	1,392,496	2,073,035	1,387,496	2,073,035
	2,103,941	2,866,338	2,105,364	2,862,347

Other debtors includes an amount of £136,973 (2021- £136,973) due in more than one year (see note 17).

The Charity debtors figure contains £10,185 of intercompany debt (2021 £8,010).

16 Creditors: Amount falling due within one year:	Consolidated	Consolidated	Charity	Charity
	2022	2021	2022	2021
	£	£		
Trade creditors	269,932	332,480	269,932	332,480
Other creditors	80,902	72,494	57,046	70,400
PAYE and Social Security	110,497	84,475	110,497	84,475
Accruals and deferred income	461,582	426,267	449,963	423,767
	922,913	915,716	887,438	911,122

Other creditors includes an amount of £20,558 (2021-£19,596) being amounts due within a year for finance leases.

THE FELIX PROJECT
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17 Creditors amounts falling due after more than one year

	Consolidated and Charity	Consolidated and Charity
	2022	2021
	£	£
Finance leases (1 to 5 years)	34,697	55,255
	<u>34,697</u>	<u>55,255</u>

18 Provision for other liabilities

	Consolidated and Charity			
	At 1 January 2022	Addition in year	Released in year	At 31 December 2022
	£	£	£	£
Dilapidations provision	195,000	60,000	0	255,000
Property and vehicle repairs provision	0	86,600	0	86,600
Rent review provision	0	12,500	0	12,500
Total	<u>195,000</u>	<u>159,100</u>	<u>0</u>	<u>354,100</u>

The dilapidations provision represents the Charity's estimated liability for dilapidations on the Deptford and Park Royal depot leases.
The remaining provisions relate to depot and vehicle maintenance costs.

19 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 £1,778 (2021: £18,115) was owed in respect of the card facilities.

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20 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 1 January 2022 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 December 2022 £
2022					
Equipment / Capital	212	0	(212)	0	0
Schools Programme	78,044	288,000	(55,523)	0	310,521
Felix's Kitchen	951,428	796,234	(961,630)	(100,000)	686,032
Transport and Vans	556,577	80,000	0	(106,577)	530,000
New East London Depot	118,340	205,560	(282,359)	(28,058)	13,483
FareShare Funding (General)	2,776	48,500	(48,500)	0	2,776
Enfield Refurbishment	0	512,792	0	(512,792)	0
Across Operations	70,020	258,371	(269,563)	0	58,828
New depot - WRAP 2	88,386	48,556	0	(136,942)	0
Community Freezer Project	0	1,037,500	(86,984)	0	950,516
Totals	1,865,784	3,275,513	(1,704,771)	(884,369)	2,552,156
	Balance at 1 January 2021 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 December 2021 £
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	0
Volunteers	0	10,000	(10,000)	0	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)	0
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	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

The transfer between funds amounting to £884K represents the value of donations to the charity restricted to the purchase of capital assets.

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.

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21 Designated funds

	Consolidated and Charity				Balance at 31 December 2022
	Balance at 1 January 2022	Utilised	Un-designated	New designation	
	£	£	£	£	£
Impact Growth Fund	3,080,712	(980,367)	(2,100,345)	0	0
Investments	1,802,684	(390,422)	(1,412,262)	0	0
Fixed assets	2,297,472	0	0	535,463	2,832,935
Totals	<u>7,180,868</u>	<u>(1,370,789)</u>	<u>(3,512,607)</u>	<u>535,463</u>	<u>2,832,935</u>

	Balance at 1 January 2021	Utilised	Un-designated	New designation	Balance at 31 December 2022
	£	£	£	£	£
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>

The amounts utilised during the year represent funds spent as set out by the trustees at the beginning of the year.

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

The trustees have determined that the general unrestricted fund should be used to support business continuity and as such have undesignated the funds remaining in the Impact Growth and Investment designated funds.

22 Analysis of net assets between funds

	Consolidated and Charity		
	Unrestricted funds 2022	Restricted funds 2022	Total 2022
	£	£	£
Fund balances at 31 December 2022 are represented by:			
Intangible fixed assets	153,338	0	153,338
Tangible fixed assets	2,679,597	0	2,679,597
Net current assets/(liabilities)	5,854,554	2,552,156	8,406,710
Creditors amounts falling due after more than one year	(34,697)	0	(34,697)
Provision for other liabilities	(354,100)	0	(354,100)
	<u>8,298,692</u>	<u>2,552,156</u>	<u>10,850,848</u>
	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>

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23 Operating lease commitments

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

	Consolidated and Charity 2022	Consolidated and Charity 2021
	£	£
Within one year	573,536	485,217
Between two and five years	1,582,452	1,628,687
In over five years	737,540	1,048,051
	<u>2,893,528</u>	<u>3,161,955</u>

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). The taxable profits from 2022 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

The Felix Project Trading Company Limited (registered company number 11824361)	2022	2021
Summary Profit and Loss account		
	£	£
Turnover	150,347	157,213
Cost of Sales	(3,541)	(15,587)
Gross Profit	<u>146,806</u>	<u>141,626</u>
Administrative Expenses	(10,918)	(9,137)
Operating Profit/Profit before Taxation	<u>135,888</u>	<u>132,489</u>
Tax on profit on ordinary activities	(6,173)	-
Profit For the Financial Year After Taxation	<u>129,716</u>	<u>132,489</u>
 The assets and liabilities		
Current assets	175,376	145,093
Current liabilities	(45,660)	(12,603)
Total net assets	<u>129,716</u>	<u>132,489</u>
 Share capital	<u>1</u>	<u>1</u>

Excluding its subsidiary, the charity's income for 2022 is £7,624,490 and the net outgoings for the year is £2,189,273

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25 **Prior year adjustment**

When reviewing the income recognition for 2021, it was noted that income relating to an agreement with Streetsmart should be recognised at the point it is raised by the partner, rather than when the funds are paid to the charity. Funds had not been appropriately accrued into the 2021 accounts and as the amount was considered material to the accounts, an adjustment to the prior year figures has been made and the balances restated.

Reserves position	Restricted	Unrestricted	Total
	31 December 2021	31 December 2021	
	£	£	£
Funds previously reported	1,865,784	10,980,868	12,846,652
Prior period adjustment			
Recognition of 2021 Streetsmart	0	196,000	196,000
Restated funds balance	<u>1,865,784</u>	<u>11,176,868</u>	<u>13,042,652</u>
Impact on movement in funds			
	Restricted	Unrestricted	Total
	31 December 2021	31 December 2021	
	£	£	£
Net movement in funds as previously reported	1,188,151	374,370	1,562,521
Prior period adjustment			
Recognition of 2021 Streetsmart	0	196,000	196,000
Net movement in funds as restated	<u>1,188,151</u>	<u>570,370</u>	<u>1,758,521</u>

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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	Philip King Will Charitable Trust
Ambassadeurs Group	PWC
Barnett and Sylvia Shine Charitable Foundation No.2	Queen Anne's Gate Foundation
Belvedere Trust	RCRT Foundation
BESA	ReLondon
Black Lines Drinks	Robert Barr Charitable Trust
BlackRock	Rothschild Foundation
Blavatnik Family Foundation	Royal Borough of Greenwich
Boodle Hatfield	Salisbury New Pool Settlement Charitable Fund
Capital Generation Partners	Schroders
Casa Stella	Seacontainers
Catalyst Housing	Sipsmith
City Bridge Trust	St James's Place Charitable Foundation
Coco Di Mama	The 29th May 1961 Charitable Trust
Credit Suisse	The Albert Van den Bergh Charitable Trust
Crown Real Estate	The Aridev Foundation
Crxss Management	The Atlas Fund
DASH	The Band Trust
David and Ruth Lewis Family Charitable Trust	The Barratt Developments PLC Charitable Foundation
Fidelity	The Batchworth Trust
Fortnum and Mason	The Carpenter Charitable Trust
Garfield Weston Foundation	The Charity of Stella Symons
Glendower Capital/CVC	The Chellaram Foundation
Goldman Sachs	The Childhood Trust
GreenJinn	The CMF Charitable Trust
Guy's & St Thomas' Foundation	The Coral Samuel Charitable Trust
Hello Fresh	The Cranswick Charitable Trust
Highfields Trust CIO	The Dyers' Company Charitable Trust
ICAP	The F G Roberts Charitable Trust
Inner London Magistrates' Court's Poor Box and Feeder Charity	The February Foundation
Investec	The Gemini Trust
Islamic Relief Fund	The Gosling Foundation Ltd
JA Clark Charitable Trust	The Grace Trust
Jera Global Markets	The Hollick Family Foundation
Joron Charitable Trust	The Hosking Charitable Trust
Julius Baer	The J P Jacobs Charitable Trust
Knight Frank	The Jagclif Charitable Trust
Lane Clark Peacock	The Jansen Foundation
Lime	The Julia and Hans Rausing Trust
London Borough of Brent	The Linbury Trust

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Appendix A: Partner Acknowledgement

London Borough of Enfield	The Locker Foundation
London Borough of Lambeth	The Loveday Charitable Trust
London Borough of Lewisham	The Mackintosh Foundation
London Borough of Newham	The Peter and Elisabetta Mallinson Trust
Masonic Charitable Foundation	The Peter Stormonth Darling Charitable Trust
Maverick	The Pilgrim Family Charitable Trust
McLain Family Foundation	The Portmore Charitable Trust
Michael Marks Charitable Trust	The Sisi & Savita Trust
Mission 44	The Sterry Family Foundation
Montier Charitable Trust	The Tanlaw Foundation
Morgan Stanley	The Thompson Family Charitable Trust
Mukul Madhav Foundation UK	The Tresanton Trust
Mulberry	The Vandervell Foundation
Northern Trust	The Volant Charitable Trust
Oak Foundation	The Westminster Foundation / Grosvenor
Ocado	The William Allen Young Charitable Trust
Orange Tree Trust	Tower Hill Trust
P F Charitable Trust/The Fleming Family	Unilever
Partners Capital	Vovos Better World Fund
PayPal	Westfield
Pennington Manches Cooper	Young Camden Foundation