

**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 2023**

# THE FELIX PROJECT

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## THE FELIX PROJECT

### TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT AND DIRECTORS' REPORT)

#### FOR THE YEAR ENDED 31 DECEMBER 2023

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

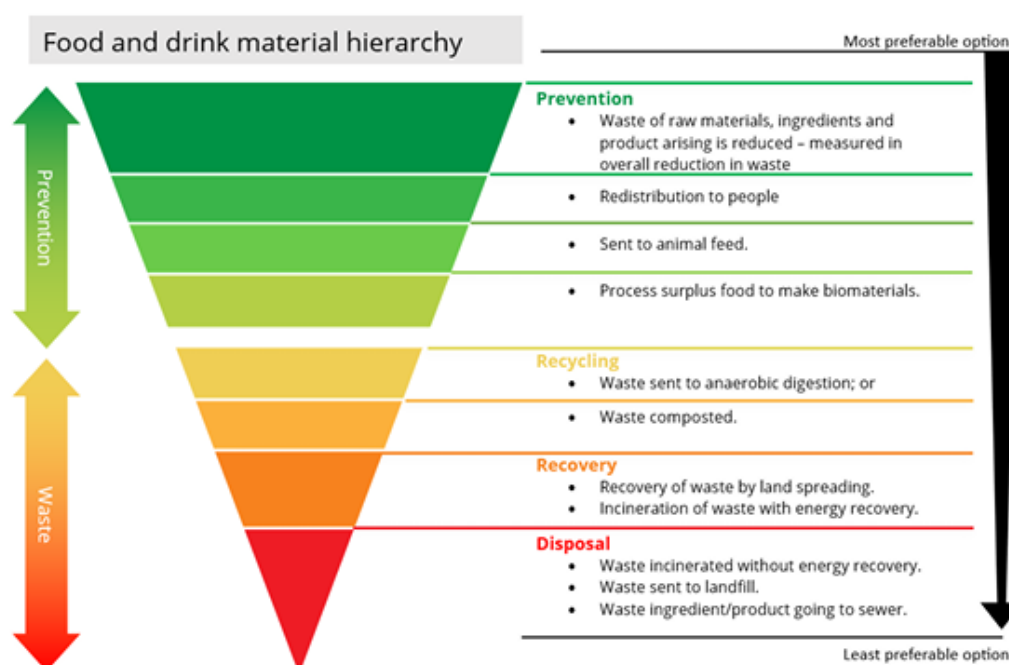
The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019'.

#### Our Charitable Objects

To preserve and protect the environment and to relieve those in need by reason of youth, age, ill-health, disability, financial hardship or other social or economic disadvantage by the redistribution of surplus food to relieve the above needs.

#### The External Context

It is estimated that 10.7 million tonnes of food were wasted in the UK in 2021, 40% of which originates from within the food supply chain. This makes little sense from a resource perspective and is a travesty for our planet - when food goes to landfill the potent greenhouses that are newly created are fuelling climate change. According to The Waste and Resources Action Programme (WRAP), the redistribution of food to people is one of the most preferable solutions in the prevention of food wastage.



2023 has been a year of continuing economic uncertainty, with the cost-of-living crisis impacting heavily on the communities The Felix Project serves, compounded by food inflation being at its highest for 45 years. Research we conducted this year tells us that **1 in 4 working London parents** struggle to afford to feed their families. In addition, 25% of working parents said they had skipped a meal or not bought food for themselves to ensure their children could eat. 14% of working families in London say they have turned to a food support service for the first time in the last year. Incredibly 11% of working families in London from our survey have less than £3 a day to spend on food.

#### What We Do - Our Vision and Mission

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

Our 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.'**

The Felix Project rescues food from farms, the hospitality and food sector, the manufacturing sector, and the retail industry to minimise the amount of food that is wasted and the detrimental effect it has on the environment. The food we rescue is food that cannot, or is not, going to be eaten but is perfectly fit for human consumption. We redistribute all types of food including fresh fruit and vegetables, dairy, meat and fish, ambient products that do not require refrigeration, chilled and frozen. We deliver it, free of charge, to a network of over 1,000 organisations throughout London. These are organisations such as hostels, community centres and schools that are embedded in their local communities and support individuals in a variety of ways.

Many of the individuals supported by these organisations are those 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.

The Felix Project has four depots in West, North, East and South-east London. In addition to this, our Green Scheme operates in Central London and Canary Wharf. While representing a small part of our output, this low carbon footprint operation (food is collected and delivered in electric vehicles, on foot or on bicycle) circumvents the need for expensive warehousing.

At Felix's Kitchen, next to our depot in East London, a team of creative professional chefs turns surplus food into healthy and delicious meals that can be microwaved or heated on a hob. These meals provide a valuable addition to the food we rescue.

Alongside our staff team sits an inspiring and incredibly dedicated team of volunteers who underpin our ability to achieve what we do daily. Our volunteers help with processing the incoming and outgoing food at our depots, collect food from suppliers and deliver it to community organisations, help prepare the meals made in the kitchen, support with administration tasks, at events, and more.

#### **Our Strategic Objectives**

Our current strategy runs to the end of 2024. Our strategic objectives are:

- 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.

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- Measure and track impact as well as outputs.
- Innovate for maximum efficiency and effectiveness.

#### Food supply

In 2023 The Felix Project rescued 13,400 tonnes of food that may otherwise not have been eaten. That is the equivalent of 32 million meals and is the largest amount of food we have redistributed per year to date. We have maintained these high levels of supply using existing and new channels, constantly evolving, and innovating both through new partnerships and with existing ones.

Significant new supply streams were identified and established during the year, including at Western International Market in Southall, and an orchard in Kent where we have taken over the harvesting of all of their apples, plums, and pears for 5 years. At the market in Southall, we worked with traders to rescue 170 tonnes of fresh fruit and vegetables. Embedding ourselves on the market, in the office and across all the units has resulted in relationships that will continue for many years across multiple organisations.

At the orchard we were supported by more than 800 volunteers from 50 organisations who committed 2,406 hours of picking time to rescue apples, pears, and plums throughout August, September, and October. With the support of Amazon, who provided all the logistics, we rescued 106 tonnes of pears, apples and plums which were delivered to our network of community partners in London. In addition, as some of the apples were not viable for eating, we worked with local partners to turn them in to 33 tonnes of juice – giving life to fresh, raw ingredients and diversifying the range of products for our community partners.

We have worked hard to ensure our supply volumes come from a range of partners, to increase our resilience and decrease risk to our business. We significantly increased surplus donations with two key strategic partners – Amazon & Ocado Retail Limited. This resulted in an increase of surplus of 17% and 43% respectively. The number of key strategic partners providing significant volume has increased, whilst the number of suppliers from across the whole food industry underpinning that base.

Due to investment in frozen infrastructure at our depots and our community partners thanks to the support of His Majesty the King, we increased frozen redistribution by 240 tonnes vs 2022. Notable partners for this newly unlocked supply are Pret, Quorn, Whitby Sea Food & Staple Food Group.

Food volumes from our close partner FareShare have increased volumes from 6,029 tonnes (2022) to 6,465 in 2023. Our organisations continue to work closely alongside each other and go from strength to strength, working effectively in the same space but to each other's strengths to ensure food is rescued from many and varied sources from across the food industry.

#### Community

2023 has been another busy year during which the impact of the cost of living was felt heavily across London and drove demand for our services higher than ever. We worked with 1,119 community organisations and schools during the year (vs 1,059 in 2022). All were asking for more food and our waitlist remained consistently over 600 (including 270 schools), peaking at over 700 in the latter part of the year.

As well as redistributing an increased amount of food to our network of community partners, we have continued to:

- evolve our services as we learn more about the communities our food reaches
- develop partnerships that enable us to offer more than just food to the community organisations and schools we support
- develop our use of technology to support our understanding and effectiveness.

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At the beginning of the year, we worked with partners to supply 800 fridges and freezers to community organisations across the UK, thanks to the support of His Majesty King Charles III and other key funders. Providing these units increased the chilled and frozen capacity of our networks significantly, enabling an increase in the amount of food redistributed.

Working with Mayor's Fund for London, we secured funding from the Greater London Authority (GLA) to support families and children in the school holidays. This model requires extensive coordination across all Felix operations to create the right mix of food for families. This year we piloted a surplus recipe kit model - Create & Make - with partners Mayor's Fund for London and StreetBox. This provided families with surplus food, store cupboard staples and suggested recipes to inspire families to cook and create meals. We are on target to have exceeded the funded delivery of 7 million meals over the school holidays in collaboration with Mayor's Fund for London and 3 million meals over the weekends, both programmes supported by the Mayor.

We also evaluated our Felix Food Fight programme. Although we were disappointed there was not a greater uptake of the educational materials by the schools, the evaluation revealed the significance of the need for families that are struggling, and the extent to which the weekly market stalls have enhanced the relationship between families and schools. Schools were better able to establish relationships with those they had not been able to engage before and reported seeing a change in circumstances of families. Special credit goes to the staff and volunteers involved in the market stalls who are making a difference in their communities and helping to keep families struggling the most to keep their children in school and the families fed.

A further focus this year has been developing our relationships with housing associations and the G15, the group of the largest housing associations in the UK. We became founder members of the London Food Insecurity Network working with HACT (Housing Associations Charitable Trust) which has seen us secure our first funding stream from housing associations to support our existing work to support their residents.

#### Felix's Kitchen

Our kitchen, situated next to our depot in East London, was established in 2021 and is an integral part of our work. Every day, food Felix has rescued from potentially being wasted is used as ingredients for delicious, healthy, and nutritious individually packed meals.

2023 was a year of incredible growth for Felix's Kitchen. Our priority was to try and increase output in response to the growing demand for our meals as people struggled to afford the energy bills to cook from scratch using raw ingredients. This resulted in us producing over one million meals (total number of 1,114,234) - a 15% increase on 2022. This is the equivalent of over 2 nutritious & delicious Felix Meals being eaten every minute of every day of the year.

With the continued support of Morgan Stanley, the kitchen team exceeded its targets and records time and time again, breaking monthly records on four separate occasions, with the strongest month being October during which 107,620 meals were produced.

Our daily meal production average for the year was 3,971 meals and since May 23 it has not dropped below a 4,000 average. This has resulted in more meals being produced for individuals throughout London alongside a decreased cost per meal of £1.19 (vs £1.26 in 2022).

The investment in the kitchen's infrastructure has created a more efficient and safer working environment and the investment in people and structure means we are set for another fantastic year in 2024.

#### Distribution

At Felix we strive to find the most effective ways to distribute more food to more communities and we continue to deliver food in a variety of ways:

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1. **Delivery of food directly to community organisations** – this is how most of our food is delivered to community partners. Food is delivered via our four warehouse locations and on some occasions directly via our haulage partners to larger charities
2. **Collection of food from our warehouses** – for those community partners that have the resources to collect food from our sites, this enables us to support more organisations with our own fleet and team of staff and volunteer drivers
3. **Community distribution** - large volumes of food are delivered (usually the equivalent of approximately 2,000 meals) and distributed to families who are ready to receive the food and take it straight home
4. **Green Scheme** – our operation in Central London and Canary Wharf has electric vans, walking routes and cycling routes that collect smaller amounts of food and deliver then hyper-locally

In 2023 our Park Royal operation moved to be hosted by one of our major food suppliers. Ocado Retail Limited have been incredible supporters of the charity with surplus food, volunteer time, PR support, funding and now this very generous support through warehouse space in West London. A huge thanks to them for this incredible partnership.

Special thanks go to our partner Amazon who continues to support our operations with vans and drivers when demand for our services peaks as well as throughout the year for business as usual.

#### Health and Safety

Health & Safety continues to be a primary focus across all activities at The Felix Project. We have continued to roll out staff training across the depots and have continued to develop more robust reporting tools and practices.

#### Technology

We have continued our technical consolidation of external applications into our Microsoft Dynamics environment. One of the largest projects we undertook was to implement the Volunteer Management and Engagement module to support the team managing the volunteers. This went live in Q4. We also implemented a proof-of-concept module in Dynamics to support ad hoc food offers in the Green Scheme. This uses technology to connect the supplier with the charitable organisation and bypass the need for warehouse space, drivers, volunteers etc and uses technology to automate the process. We will expand the use of this during 2024.

As part of our continued improvements in the business intelligence space, we worked on a number of critical business dashboards to help analyse areas of the business and provide qualitative data to support business decisions.

With the ever-continuing risk from external threats from bad actors, we created a Security Council where we implemented a number of areas to ensure a proactive approach to security and compliance, including document classification and policies to support data retention. We also conducted and passed a penetration test on our web site.

#### Volunteering

Our volunteers contribute so much to the work of the charity, and we are forever grateful for this. Last year volunteers dedicated 181,250 hours (vs 144,603 in 2022) across our operations. Applications have remained stable despite the external changes and a general decline reported in volunteering across the UK. During the year we saw a massive increase in the number of group volunteering requests focussing on our Kitchen and Poplar site.

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We introduced a group charging model to increase the security of group volunteering bookings, as our experience of non-attendance was having a negative effect on our ability to deliver our agreed targets and operations.

The team's focus has been collaborating with local communities and organisations to profile the work of the charity and generate interest in volunteering.

This year for the first time we worked in partnership with a farmer in Kent. With the support of our volunteers, we rescued 170 tonnes of fruit directly from the trees.

The implementation of the new Volunteer management platform brought about several challenges and frustrations for our staff and volunteer team. We continue to work through these and learn the lessons for future technical programmes.

#### Staff

Our establishment saw a steady increase during 2023 enabling the charity to invest in resources to support the delivery of our operations and organisational objectives. At the end of the year, we had a total of 179 staff (vs 158 in 2022) on permanent, fixed term and casual contracts.

The health and well-being of our staff teams is central to our ability to operate effectively and provide a service to our community organisations. We have invested in an employee assistance programme, giving our staff access to a platform offering a wealth of information and advice on well-being issues. Within this, staff can access counselling and advice from registered doctors.

We have ambitious plans to support us to be 'London's best loved charity', listening and responding to the voices of our staff teams. We saw an overall increase in the completion rate of our staff engagement survey up from 68% in 2022 to 86% in 2023. Staff provided us with direct feedback and suggestions about the things that matter most to them. We are committed to using their feedback as we build our action plan for 2024 and beyond. Some of the results of the survey were:

- On a scale of 1 to 10, with 10 being extremely likely, how likely is it that you would recommend Felix as a place to work? In 2022, **56%** of staff rated 8-10 vs **75.45%** in 2023, *almost a 20% increase in 12 months*.
- On a scale of 1 to 10, with 10 being excellent, how would you rate your work-life balance? In 2022, **41%** of staff rated 8-10 vs **48.39%** in 2023.
- On a scale of 1 to 10, 10 being extremely satisfied, how satisfied are you with the benefits (e.g. holiday, flexible working, pension) you receive from The Felix Project? In 2022, **30%** of staff rated 8-10 vs **46.88%** in 2023.
- Do you feel valued at work? In 2022, **84%** of staff rated yes, to some extent or yes absolutely vs **89.68%** in 2023.
- Do you feel like the management team is transparent? In 2022, **66%** of staff rated yes, to some extent or yes absolutely vs **85.16%** in 2023, almost a 20% increase.

We celebrated our achievement as a recognised accredited London Living Wage (LLW) employer, in line with our equity, diversity, inclusion & belonging (EDIB) objectives. We will ensure that our hourly pay is in line with or greater than the nationally agreed LLW.

Despite some of the challenges we faced with our Learning Management System we have, through our new Learning and Development Advisor, signed up to a new platform, giving our staff access to mandatory and other learning modules to enhance their learning and development. This will very much provide the foundations, alongside investment within the training budget, for our new Performance Management framework.



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The new Employability Manager joined our team and will take forward our strategy to embed employability across the charity, utilising funding from key external partners.

We are committed to ensuring that our policies and procedures are in line with best practice and employment legislation. In line with this we have introduced new policies and supported and developed our managers to effectively understand and use these on the ground.

#### Our Fundraising

In 2023 we raised £12,880,736 - an exceptional achievement in a highly challenging market where so many charities are in desperate need of money. We are eternally grateful to our partners and donors who have stood side by side with us, funding £12,844,593 of operational expenditure.

Our strategy focused on elevating our brand awareness, investing in talented new staff to build understanding of our purpose and mission, and establishing motivating need to give food, volunteering time, and funds. It is with thanks to The Evening Standard, Wharf Life, Landsec, JC Decaux, Pearl and Dean, The Maverick Group and Premier Comms that we have been able to increase our prompted brand awareness from 14.1% to 18.5% and consideration to give from 51.4% to 62.9%.

We have been privileged to secure support from the King Charles III Charitable Fund, with His Majesty kindly visiting our Poplar depot and kitchen in February 2023. Subsequently, we have been named a beneficiary partner of the Coronation Food Project, inspired by His Majesty.

In May, The Felix Project in partnership with the Mayor's Fund for London was awarded £2M by the Greater London Authority as part of a wider investment of £3.1M to help deliver around 7 million meals to children from low-income families, helping parents and carers feed their children during the school holidays.

The charity has received outstanding grant support from the Julia and Hans Rausing Trust, BBC Children in Need, Comic Relief, the Garfield Weston Foundation, the Betty Messenger Charitable Trust, the Chellaram Foundation, the Pears Foundation, The Linbury Trust, the City Bridge Foundation, The Tresanton Trust and many more.

With support from Mission 44, we have worked with young people to co-design a volunteering programme which we hope will encourage their peers from underserved communities to join Felix's community.

Thanks to the support from the National Lottery Community Fund, we were able to commission research on our social impact and work with a consultant to define our impact measurement and evaluation strategy.

Volunteering and funding go hand in hand at Felix, for which we are enormously grateful. Our operation is powered, in part, by our corporate partners and donors. We extend our sincerest gratitude to Morgan Stanley for their partnership support. Over 4,500 of their staff gave their time at our Poplar depot and Felix's Kitchen to help fund and run our operation. Thanks also to Ocado Retail Limited for funding and the gift of premises; to Sainsbury's for their donation through the 'Evening Standard Winter Survival Appeal'. Thanks also to Jera Global, Bloomberg, and The Clarkson Foundation for significant funding that has allowed us to deliver 2.9 meals for every £1 gifted.

We were overwhelmed by the kindness of the general public, our major donors, trustees, and other partners who, as part of our Winter Emergency Empty Plate Appeal, raised over £500,000 in the last quarter of 2023. A substantial part of this funding was generated through our participation in the Big Give Christmas Challenge, with significant support from The Childhood Trust. We have achieved all of this with a spirit of togetherness, all with a shared commitment and passion to fight hunger in London.

The Income Generation and Marketing team has increased in size to drive this income growth. Our focus has been to establish strategic partnerships; helping businesses, funders, and individuals to meet their

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organisational and personal goals for social fairness and to contribute to saving our planet from climate change.

It is important for the charity to grow long term sustainable income streams. We are seeking to build our individual giving and legacy programmes. Alongside this, we're striving to offer an increased portfolio of challenge and mass participation events, which included the launch of our first Santa Stair Climb hosted in One Canada Square, the third-tallest building in the UK which is owned and managed by the Canary Wharf Group, a pivotal partner of the charity.

With growth in staff resources and campaigns, we have ensured thorough due diligence in contracts and compliance with the fundraising codes of practice. We are registered with the Fundraising Regulator. We have refreshed our gift acceptance and refusal policy. During 2023 we received a handful of complaints, typically related to challenge event queries. In 2024 we are aiming to streamline our income processes, automating uploads into our CRM.

We say it day in day out: it is only with the support of our partners, donors, and statutory funders that The Felix Project can serve London's community experiencing food insecurity.

#### Our Impact Journey in 2023

In 2023, we continued our ongoing focus on measuring, understanding, and improving the difference we are making in our fight to tackle the environmental problem of food waste and the social problem of food insecurity. Building on the work that was carried out in 2022, we have moved through the following additional stages:

#### **STAGE ONE: Refining Theory of Change & Impact Measurement Framework (January-April)**

- We refined the Theory of Change and Impact Indicators originally developed in 2022;
- This was done in order better to reflect both our operations on the ground and our vision for a London where no good food is wasted, and no one goes hungry;

#### **STAGE TWO: Creating specific Impact Policies (April-June)**

- We created an Impact Strategy and a Research & Evaluation Policy;
- Both documents emphasise a 'one-organisation' approach, whereby different teams within Felix take a consistent approach to monitoring and evaluating projects, as well as committing to understanding our work through impact data.

#### **STAGE THREE: Gathering richer data (June-November)**

- We commissioned an external consultant to conduct in-depth interviews with a wide range of our community organisations;
- We carried out our first Impact Survey of community organisations, receiving an excellent response rate (66%);
- These responses were used to create a bespoke dashboard, which are now being used to inform operational and strategic decision-making.
- At the same time, the Community and IT Teams have worked together to create a Community Portal, which holds a greater level of granular data on community organisations and will also be used to inform decision making.
- We also supported the volunteer, HR, Kitchen, and Supply teams to gather data that helps us to understand our impact in different areas of the organisation.

#### **STAGE FOUR: Telling the story of our Impact (December)**

- We changed the stylistic approach of our annual Impact Report and brought forward publication to mid-January.

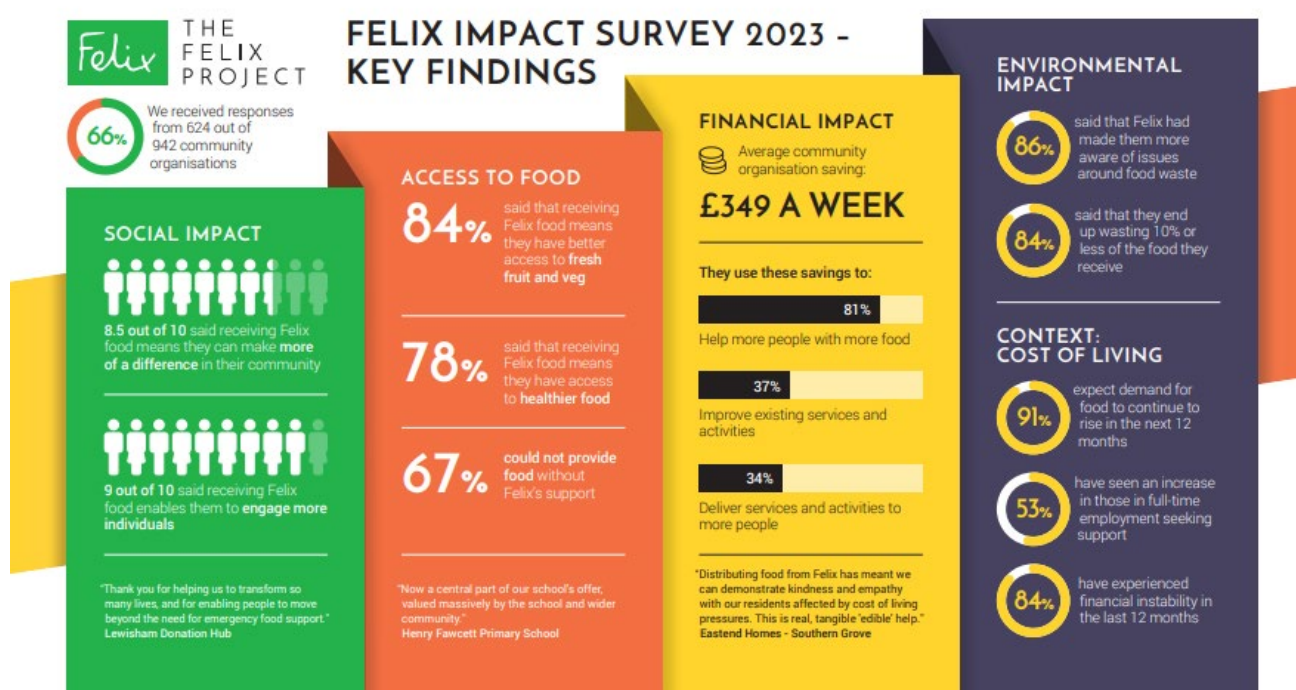
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The next phase of our impact work will be to use the knowledge we have gained from the data we have gathered to make decisions that will maximise the difference we are able to make in the years ahead. To do this, we will continue to monitor and evaluate our work and will repeat the following evaluations in 2024:

- CO Impact Survey (September)
- Supplier Impact Survey (September)
- Volunteer Survey (November)
- Staff Survey (November)
- Felix's kitchen meals



There are also several new projects being launched in 2024, which we will evaluate:

- Warehouse Employability pilot (from February)
- Multibank Project pilot (from March)
- Kitchen Employability project (from July)

By the end of 2024, we will have been able to use this huge range of data to embed an evidence-based approach to decision making, focused on efficacy and impact against our key indicators, as outlined in our Theory of Change and Impact Measurement Framework. We will also be developing the 'Education and wider influence' section of our Theory of Change. We have appointed a new Impact, Reporting and Evaluation Manager who will help us to achieve this.

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 ask us for;
- Understand the difference we are *truly making*, as opposed to the difference we *hope* we are making;
- Collaborate with partners in order to increase our impact;
- Share our unique perspective, using the insight and understanding of our work and our reach in communities;
- Employ a consistent 'one-organisation' approach across The Felix Project.

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#### **Equity, Diversity, Inclusion & Belonging**

The Felix Project received a donation from One Trust to support the organisation to invest in equity, diversity, inclusion & belonging (EDIB) initiatives. In 2023, this funding was used to enlist the support of Social Justice Collective (SJC) – an expert EDIB consultancy – to conduct an analysis of Felix's policies and processes. SJC set up focus groups and interviews with staff to gain insight into their experiences, alongside using staff and volunteer survey data.

Throughout the year, EDIB principles were embedded in Felix's wider strategy to foster a culture where staff and volunteers feel valued and feel a sense of belonging. Our EDIB Working Group, sponsored by Charlotte Hill, Felix's CEO, is an established forum and attended by senior management, staff, and volunteers. In 2023 the following have been achieved:

- Raising the profile of EDIB through awareness sessions and talks for staff and volunteers.
- Becoming an accredited London Living Wage Employer.
- Becoming a Disability Confident Committed organisation.
- Ensuring site-accessibility is a priority (the West London depot moved to a wheelchair accessible site).
- Creating designated prayer spaces for staff and volunteers at all sites.
- Continuing to collect and analyse data to understand the diversity of our volunteering population.
- Collating data to understand what our gender pay gap is.
- Commissioning an EDIB analysis to develop a data-informed road map for Felix's EDIB journey.
- Allocating a budget to EDIB and dedicated resource via a new EDIB Lead role.

Additionally, as a response to interest across the organisation, we reported on our gender pay gap for the first time. We recognise this is not a level requirement for us due to size (under 250 staff) however gender equality and removing gender pay gaps are important components on our EDIB journey.

Our gender pay gap is 11.6% in favour of women. According to the Office for National Statistics across the UK in 2023 full-time employees hourly pay for women was 7.7% less than their male counterparts, and across the charity sector even higher at 10.3%. A significant factor for The Felix project is the diversity of our Senior Leadership team, with several positions held by women.

The year 2023 not only strengthened Felix's pre-existing EDIB foundations, but paved the way for an EDIB strategy that aims to invest in and foster diverse and happy teams. Using this roadmap, we aim to make Felix a place where all staff and volunteers feel a sense of inclusion and belonging in our mission to fight food waste and hunger in London.

#### **Environmental Sustainability**

We continue to measure our carbon footprint and last year we worked with partners to start to understand in more detail the work we can do across the organisation to decarbonise, where practical and possible. We are excited that this work is coming to fruition, and we look forward to reporting on progress in next year's report.

#### **2024 and beyond**

It feels like each year when we reflect on the year we are leaving, there has been some sort of crisis that has impacted on vulnerable Londoner's ability to put food on the table – and 2023 was no different with the real impact of the cost-of-living crisis being felt by so many. This year we have seen an increase in those in-work Londoners who are experiencing food insecurity for the first time, as the cost of so many other elements of their life increases, and food is the only elastic part of their outgoings. So, as we look to 2024 and beyond, we have to remain hopeful that things might get easier for both the community organisations we support with

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food, who are seeing a real pinch in terms of increased costs alongside increased demand, as well as the communities they support.

Both National and London elections will take place in 2024. These provide an opportunity for us to raise both regionally and nationally the various levers that can be pulled to ensure we move towards our vision of a London where no one goes hungry and good food is never wasted. At the age of 8 years old, the Felix Project is building a body of evidence and a voice that we believe we can start to use to drive impact in ways beyond the redistribution of surplus food alone.

In 2024, we know that we will be moving depots in South London, and with the support of His Majesty the King, will be opening our South London Coronation Food Hub with both a new depot and also a processing unit to allow us to accept more surplus gluts from the farmgate and turn them into things such as soups and sauces with longer life. We will also be refreshing our strategy this year and looking at the impact we want to have as an organisation from 2025, alongside refreshing our organisational values. Environmental sustainability and our commitment to equity, diversity, inclusion and belonging will remain core foundations of our work. 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 2023 was £12.9m (2022: £7.6m). Expenditure was £12.8m (2022: £9.8m), resulting in a surplus of £36k (2022: deficit £2.2m) and a net asset value of £10.9m (2022: £10.9m). Our operating surplus 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 2023.

#### Summary of Income and Expenditure

Expenditure grew in 2023 from £9.8m to £12.8m. 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 2023 included:

- Distribution of Freezers as part of the Community Freezer Project (costs £750k higher in 2023)
- Increase in average staff numbers from 143 in 2022 to 167 for 2023 (this with other staff increases including our commitment to being a London Living Wage employer has accounted for a year on year uplift of £1.07m).
- Increase in food collection costs due to taking on additional suppliers, the impact of the HGV and fuel crisis and general inflation (costs £120k higher in 2023).
- Increase in operating costs for the charity's depots including a rent review at Deptford and the impact of maintenance and repairs of organisational assets which have seen higher utilisation (costs £260k higher in 2023)
- The impact of food cost inflation which according to official figures from the Office of National Statistics (ONS) did reach as high as 19.2% in March 2023.

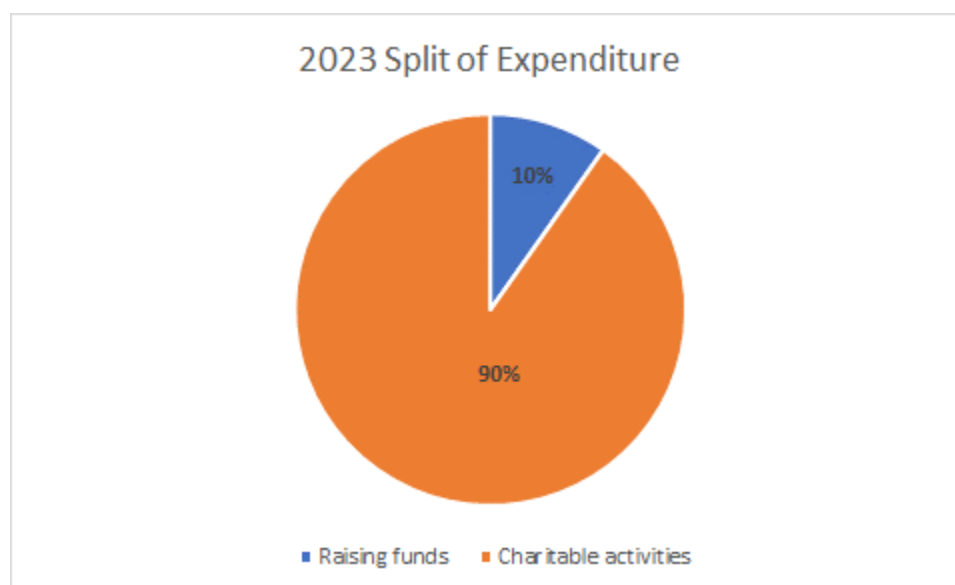
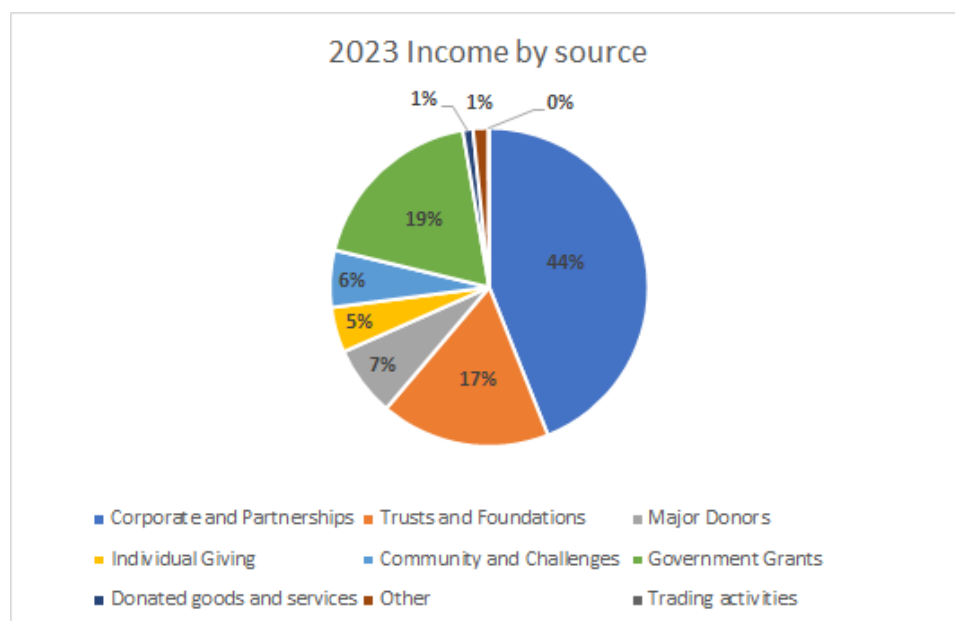
We strive to keep our costs low whilst delivering a high-quality service, maximising the funds donated and, where possible and appropriate, using volunteer and donated services.

## THE FELIX PROJECT

### TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT AND DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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#### 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 Green Scheme, delivering 32 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 ongoing health & safety management, employee training and of course, income generation.

## THE FELIX PROJECT

### TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT AND DIRECTORS' REPORT)

#### *FOR THE YEAR ENDED 31 DECEMBER 2023*

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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 2024 budget this is expected to be just over £5.6m.

In line with this policy the charity's general fund for business continuity (unrestricted general fund) as of 31 December 2023 is £6.5m (2022: £5.5m).

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 continue to designate only the remaining book value of fixed assets.

The capital committed under fixed assets included in designated funds is £2.5m at the year-end (2022: £2.8m).

# THE FELIX PROJECT

## TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT AND DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 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.

#### 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 until July 2023; Chair, Fundraising Committee from July 2023)

Jane Byam Shaw OBE

Justin Byam Shaw OBE (Chair, Fundraising Committee until July 2023)

David Hudd

Michael Millership

Asi Panditharatna MBE

Ben Salama (Chair, Operations Committee from July 2023)

Cath Thorpe (Chair, People Committee)

Francesco Vanni d'Archirafi

Julian Wakeham (Chair, Finance Committee)

Karin Woodley CBE

<b>Senior management</b>	Charlotte Hill OBE – Chief Executive Shane Dorsett – Chief Operating Officer Simon Hawkins – Interim Director of Finance from August 2023 Sue Melly – Director of Finance (on sabbatical from August 2023) Tanya Mitchell – Director of Income Generation and Marketing Bernadette Thomas – Director of People and Culture
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<b>Registered office</b>	c/o Sayer Vincent LLP 110 Golden Lane London EC1Y 0TL
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<b>Auditor</b>	Sayer Vincent LLP 110 Golden Lane London EC1Y 0TG
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<b>Banker</b>	National Westminster Bank plc 1 Abbey Road Park Royal London NW10 7YQ
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<b>Solicitor</b>	Hogan Lovells Atlantic House Holborn Viaduct London EC1A 2FG
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# THE FELIX PROJECT

## TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT AND DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document

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

#### Governance

In accordance with the Articles of Association, Trustees are appointed to the Board by resolution of the Trustees. 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.

At the end of 2023 we began the process of looking for several new Trustees to join our Board. Working with Saxton Bampfylde we were successful in recruiting four new Trustees, who will officially join our Board from 25<sup>th</sup> April 2024. The four new Trustees bring a wealth of experience to The Felix Project from across the food industry, property management, technology, operations, logistics, and London networks. The board and senior leadership team are delighted to welcome:

Matt Birch is the UK Country Manager, Grocery, Amazon. He previously worked as a Trading Executive at Central England Co-operative and prior to that at Sainsburys for 10 years, including as the Director of Commercial Operations and the Director of Retail and Property.

Paul Drechsler is the current Chairman of the International Chamber of Commerce. He has extensive experience on various Boards including non-Exec Director of Greencore plc and the Chairman of BusinessLDN / London First.

## THE FELIX PROJECT

### TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT AND DIRECTORS' REPORT)

#### ***FOR THE YEAR ENDED 31 DECEMBER 2023***

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Adam Park is the CEO of HelloFresh UK. He previously worked at Boston Consulting Group for 9 years, where he specialised in strategy definition and driving transformation at pace.

Full Trustee meetings are planned for the 4<sup>th</sup> week of the start of each new quarter (April, July, October, January) with an additional 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.

To provide mechanisms for more robust review, scrutiny, and development of plans across all areas of the charity the Board has four sub-committees for finance, fundraising, operations, and people. 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 subcommittees, the Tech steering group, the security council, the Marketing and communications group and the Volunteer Voice groups all meet on a regular basis and act as advisory groups. These groups incorporate the input of important stakeholders beyond the members of the board and have been successful in overseeing and co-ordinating practical initiatives across the organisation. We have also introduced local Health & Safety meetings at each depot to give staff and volunteers the opportunity to raise any concerns or opportunities for improvement and share best practice. These then feed into a quarterly H&S meeting with some of the senior leaders from across the organisation to ensure continuous improvement around our organisational commitment to safety.

#### **Management**

The Trustees are responsible for the strategic direction and policy of The Felix Project and met five times in 2023. 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 Chief Operations Officer, Director of Finance, Director of Income Generation and Marketing and Director of People & Culture. An extended senior leadership team includes the Heads of Technology and Felix Central Services.

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

### TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT AND DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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#### RISK MANAGEMENT

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

#### Principal Risks

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

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

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

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

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

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

**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.

**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.

## **THE FELIX PROJECT**

### **TRUSTEES' REPORT (INCLUDING STRATEGIC REPORT AND DIRECTORS' REPORT)**

***FOR THE YEAR ENDED 31 DECEMBER 2023***

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#### **INVESTMENT POLICY**

The Charity had no investments in 2023 other than term treasury deposits with two banks which are used to hold cash not immediately needed for operational requirements.

#### **RELATED PARTIES**

In 2023 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 re-appointed as auditors during the year.

On behalf of the board of Trustees

**Mr Gavin Darby**

Chair of the Board of Trustees

Dated: 25 April 2024

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

***FOR THE YEAR ENDED 31 DECEMBER 2023***

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2023 was 12 (2022: 12). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

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

## TO THE MEMBERS OF THE FELIX PROJECT

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### 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 2023 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 2023 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 statements does not cover the other information, and, except to the extent otherwise explicitly stated in our

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

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

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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

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.

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

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

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

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

### Capability of the audit in detecting irregularities

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

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the 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-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.



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

**TO THE MEMBERS OF THE FELIX PROJECT**

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A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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: 25 June 2024  
for and on behalf of Sayer Vincent LLP, Statutory Auditor  
110 Golden Lane, LONDON, EC1Y 0TG

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

## THE FELIX PROJECT

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2023**

		Unrestricted Funds	Restricted Funds: Community Freezer Project	Restricted Funds: All Other Funds	Total 2023	Total 2022
	Notes	£	£	£	£	£
<b>Income and Endowments from:</b>						
Donations and Grants Receivable	3	7,265,785	150,000	5,254,136	12,669,921	7,422,716
Income from other trading activities	4	9,792	-	-	9,792	147,518
Investment Income	5	172,484	-	-	172,484	25,053
Other Income	5	28,539	-	-	28,539	39,560
<b>Total income</b>		<b>7,476,600</b>	<b>150,000</b>	<b>5,254,136</b>	<b>12,880,736</b>	<b>7,634,848</b>
<b>Expenditure on:</b>						
Raising funds	6	1,259,979	-	-	1,259,979	867,811
Charitable activities	7	6,064,124	912,048	4,608,442	11,584,614	8,958,840
<b>Total resources expended</b>		<b>7,324,103</b>	<b>912,048</b>	<b>4,608,442</b>	<b>12,844,593</b>	<b>9,826,651</b>
<b>Net (outgoing) / incoming resources before transfers</b>		<b>152,497</b>	<b>(762,048)</b>	<b>645,494</b>	<b>36,143</b>	<b>(2,191,803)</b>
Gross transfers between funds	20	534,737	-	(534,737)	-	-
<b>Net income for the year / Net movement in funds</b>		<b>687,234</b>	<b>(762,048)</b>	<b>110,957</b>	<b>36,143</b>	<b>(2,191,803)</b>
Fund balances at 1 January		8,298,691	950,516	1,601,640	10,850,847	13,042,650
Fund balances at 31 December		<b>8,985,925</b>	<b>188,468</b>	<b>1,712,597</b>	<b>10,886,990</b>	<b>10,850,847</b>

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

All income and expenditure derive from continuing activities.

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

# THE FELIX PROJECT

## CONSOLIDATED AND CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2023

Consolidated and Charity Balance Sheets  
As at 31 December 2023

	Notes	Consolidated 2023		Consolidated 2022		Charity 2023		Charity 2022	
		£	£	£	£	£	£	£	£
<b>Fixed assets</b>									
Intangible assets	12		50,487		153,338		50,487		153,338
Tangible assets	13		2,454,555		2,679,597		2,454,555		2,679,597
Investment in Subsidiary	14		-		-		1		1
			<u>2,505,042</u>		<u>2,832,935</u>		<u>2,505,043</u>		<u>2,832,936</u>
<b>Current assets</b>									
Debtors	15	1,546,334		2,103,941		1,547,566		2,105,364	
Cash at bank and in hand		11,272,503		7,225,681		11,263,096		7,058,825	
			<u>12,818,837</u>		<u>9,329,622</u>		<u>12,810,662</u>		<u>9,164,189</u>
<b>Creditors: amounts falling due within one year</b>	16	(4,047,707)		(922,913)		(4,043,665)		(887,438)	
			<u>8,771,130</u>		<u>8,406,709</u>		<u>8,766,997</u>		<u>8,276,751</u>
<b>Total assets less current liabilities</b>			<u>11,276,172</u>		<u>11,239,644</u>		<u>11,272,040</u>		<u>11,109,686</u>
Creditors: amounts falling due after more than one year	17		(13,131)		(34,697)		(13,131)		(34,697)
Provision for other liabilities	18		(376,051)		(354,100)		(376,051)		(354,100)
<b>Total assets less liabilities</b>			<u><u>10,886,990</u></u>		<u><u>10,850,847</u></u>		<u><u>10,882,858</u></u>		<u><u>10,720,889</u></u>
<b>Income funds</b>									
Restricted funds	20		1,901,065		2,552,156		1,901,065		2,552,156
Unrestricted funds									
General funds			6,480,883		5,465,756		6,476,751		5,335,798
Designated funds	21		2,505,042		2,832,935		2,505,042		2,832,935
			<u>8,985,925</u>		<u>8,298,691</u>		<u>8,981,793</u>		<u>8,168,733</u>
			<u><u>10,886,990</u></u>		<u><u>10,850,847</u></u>		<u><u>10,882,858</u></u>		<u><u>10,720,889</u></u>

The financial statements were approved by the Board of Trustees on 25 April 2024.

Gavin Darby  
Chair of the Board of Trustees  
Company Registration No. 10068253

# THE FELIX PROJECT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR YEAR ENDED 31 DECEMBER 2023

#### Consolidated cash flow statement For the period to 31 December 2023

Cash flows from operating activities	2023 £	2022 £
Net cash provided by / (used by) operating activities	A 4,464,668	(588,188)
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(594,413)	(1,258,280)
Disposal of fixed assets	4,083	2,285
Bank interest income	172,484	25,053
Change in cash and cash equivalents in the year	4,046,822	(1,819,130)
Cash and cash equivalents as at 1 January	7,225,681	9,044,811
Cash and cash equivalents as at 31 December	11,272,503	7,225,681

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

	2023 £	2022 £
Net movement in funds (as per the Statement of Financial Activities)	36,143	(2,191,803)
Adjustments for:		
Fixed asset gift in kind income	(3,819)	(4,572)
Depreciation and fixed asset impairment charges	902,456	726,031
Loss / (Gain) on disposal of fixed assets	19,587	(928)
Bank interest income	(172,484)	(25,053)
Decrease in debtors	557,607	762,398
Increase in creditors	3,125,178	145,740
<b>Net cash provided by / (used by) operating activities</b>	<b>4,464,668</b>	<b>(588,188)</b>

#### B – Analysis of changes in net debt

	Cash and Cash Equivalents	Finance Leases	Total
<b>Net (debt) as at 31 December 2022</b>	7,225,681	(55,254)	7,170,427
Cash flows	4,046,822	-	4,046,822
Lease principal falling due	-	20,557	20,557
<b>Net (debt) as at 31 December 2023</b>	<b>11,272,503</b>	<b>(34,697)</b>	<b>11,237,806</b>

# THE FELIX PROJECT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

##### Charity information

The Felix Project is a private company limited by guarantee incorporated in England and Wales. The registered office is c/o Sayer Vincent, 110 Golden Lane, London EC1Y 0TG.

##### 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 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.

# THE FELIX PROJECT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR YEAR ENDED 31 DECEMBER 2023

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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.

#### 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.

# THE FELIX PROJECT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR YEAR ENDED 31 DECEMBER 2023

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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**

Rentals payable under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the life of the lease.

#### **1.12 Employee benefits**

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

# THE FELIX PROJECT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR YEAR ENDED 31 DECEMBER 2023

#### 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.

#### 3 Donations and grants receivable

	Consolidated and Charity			Consolidated and Charity		
	Unrestricted Funds	Restricted Funds	Total 2023	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£	£	£	£
Fundraising Events	-	-	-	163,164	-	163,164
Corporate and Partnerships	4,123,902	1,541,155	5,665,057	1,488,614	2,143,502	3,632,116
Trusts and Foundations	628,157	1,591,823	2,219,980	850,629	789,133	1,639,762
Government Grants	239,016	2,154,200	2,393,216	35,567	125,294	160,861
Major Donors	920,514	-	920,514	621,549	217,584	839,133
Individual Giving	591,607	1,002	592,609	639,873	-	639,873
Community and Challenges	715,354	31,246	746,600	253,763	-	253,763
Donated goods and services	131,945	-	131,945	94,044	-	94,044
	<b>7,350,495</b>	<b>5,319,426</b>	<b>12,669,921</b>	<b>4,147,203</b>	<b>3,275,513</b>	<b>7,422,716</b>

Included within the Restricted Funds column is £150,000 related to the Community Freezer project (2022 - £1,037,500).

#### Analysis of Donated goods and services

	2023	2022
	£	£
Pro bono legal and professional fees	<b>40,107</b>	6,072
Pro bono rent and parking	<b>36,327</b>	-
Pro bono graphic design services	<b>1,500</b>	-
Van hire, waste disposal and other capital assets donated	<b>51,311</b>	42,972
Advertising and marketing campaign services	<b>2,700</b>	45,000
	<b>131,945</b>	94,044

The charity received / rescued donations of an estimated 13,402 tonnes of food for distribution during 2023, equivalent to an estimated 31.9 million meals (2022 – 12,147 tonnes, 29 million meals).

In addition, 181k hours of volunteer time with an estimated equivalent cost of £1,978k was provided to the charity (2022 – 145k hours, cost £1,609k).

Neither donated food nor volunteer time are recognised in the accounts.



# THE FELIX PROJECT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR YEAR ENDED 31 DECEMBER 2023

#### 4 Income from other trading activity

	Unrestricted Funds £	Restricted Funds £	2023 Total £	Unrestricted Funds £	Restricted Funds £	2022 Total £
Income from other Trading activities	9,792	-	9,792	147,518	-	147,518
	<b>9,792</b>	<b>-</b>	<b>9,792</b>	<b>147,518</b>	<b>-</b>	<b>147,518</b>

#### 5 Other Income

	Unrestricted Funds 2023 £	Unrestricted Funds 2022 £
Gain on disposal of fixed assets	417	928
Property and other recharge income	28,122	38,633
Bank Interest	172,484	25,053
	<b>201,023</b>	<b>64,614</b>

#### 6 Raising Funds

	2023 £	2022 £
<b>Fundraising and publicity</b>		
Staff Costs	732,774	600,105
Other fundraising and publicity expenditure	239,823	95,001
	<b>972,597</b>	<b>695,106</b>
Share of support costs (see Note 8)	283,840	168,151
Share of governance costs (see Note 8)	3,542	4,554
	<b>1,259,979</b>	<b>867,811</b>
<b>Analysis by fund</b>		
Unrestricted funds	1,259,979	867,811
Restricted funds	-	-
	<b>1,259,979</b>	<b>867,811</b>

# THE FELIX PROJECT

## NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 31 DECEMBER 2023

### 7 Charitable Activities

	2023 £	2022 £
Staff Costs	4,123,755	3,318,578
Other Charitable Expenditure		
- Operations	5,455,406	3,953,484
- Community Distribution	54,737	10,384
- Volunteer Management	18,872	39,016
	<b>9,652,770</b>	<b>7,321,462</b>
Share of support costs (see Note 8)	1,908,035	1,594,216
Share of governance costs (see Note 8)	23,809	43,162
	<b>11,584,614</b>	<b>8,958,840</b>
<b>Analysis by fund</b>		
Unrestricted funds	6,064,124	7,254,070
Restricted funds	5,520,490	1,704,770
	<b>11,584,614</b>	<b>8,958,840</b>

### 8 Support Costs

	Support Costs £	Governance Costs £	2023 £	Support Costs £	Governance Costs £	2022 £
Staff Costs	1,372,265	-	1,372,265	1,028,523	2,688	1,031,211
Professional fees	259,337	-	259,337	150,003	-	150,003
IT and Communications	254,019	-	254,019	157,163	-	157,163
Audit fees	-	27,333	27,333	-	31,800	31,800
Other support and governance costs	306,254	18	306,272	426,678	13,228	439,906
	<b>2,191,875</b>	<b>27,351</b>	<b>2,219,226</b>	<b>1,762,367</b>	<b>47,716</b>	<b>1,810,083</b>
<b>Share of costs</b>						
Raising Funds (see Note 6)	283,840	3,542	287,382	168,151	4,554	172,705
Charitable Activities (see Note 7)	1,908,035	23,809	1,931,844	1,594,216	43,162	1,637,378
	<b>2,191,875</b>	<b>27,351</b>	<b>2,219,226</b>	<b>1,762,367</b>	<b>47,716</b>	<b>1,810,083</b>

# THE FELIX PROJECT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR YEAR ENDED 31 DECEMBER 2023

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

	2023 £	2022 £
Depreciation	902,456	726,051
Loss or profit on disposal of fixed assets	19,588	(928)
Interest payable	2,572	3,146
Operating lease rentals payable: Property	890,766	755,632
Operating lease rentals receivable: Property	-	(30,611)
Auditor's remuneration (excluding VAT):		
- Audit current year	23,300	22,000
- Other services	85	10,304

Other services from auditors in 2023 represent the provision of a Registered Office service. In 2022 this represented the provision of payroll services by the previous auditor..

#### 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. There were no related party transactions this year.

Aggregate donations from six trustees were £18,676 in the year (2022 – from two trustees totalling £5,066).

#### 11 Employees

##### Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Raising funds	18	12
Charitable activities	121	111
Support	28	20
	167	143

##### Employment costs

	2023 £	2022 £
Wages and salaries	5,234,965	4,061,263
Social security costs	528,655	397,735
Other pension costs	227,308	172,553
	5,990,928	4,631,551

## THE FELIX PROJECT

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR YEAR ENDED 31 DECEMBER 2023

The Key Management Personnel detailed in the Trustees' report received total employee remuneration in the year of £566,766 (2022 - £467,488).

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

	2023	2022
£140,001 - £150,000	1	-
£100,001 - £110,000	-	1
£90,001 - £100,000	1	-
£80,001 - £90,000	1	1
£70,001 - £80,000	1	2
£60,001 - £70,000	1	3

#### 12 Intangible Fixed Assets

Cost	Consolidated and Charity IT Software	
	£	£
At 1 January 2023	360,655	360,655
Additions	-	-
Disposals	-	-
At 31 December 2023	<b>360,655</b>	<b>360,655</b>
<b>Depreciation</b>		
At 1 January 2023	207,317	207,317
Depreciation charge for the year	102,851	102,851
At 31 December 2023	<b>310,168</b>	<b>310,168</b>
<b>Total</b>		
At 31 December 2023	<b>50,487</b>	<b>50,487</b>
At 31 December 2022	153,338	153,338

# THE FELIX PROJECT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR YEAR ENDED 31 DECEMBER 2023

#### 13 Tangible Fixed Assets

Cost	Depot Costs £	Vehicles £	IT Equipment £	Consolidated and Charity Equipment and Machinery £	Kitchen Equipment £	Fixed Assets Under Construction £	2023 £
At 1 January							
2023	1,306,241	1,261,507	107,290	1,049,261	226,636	38,340	3,989,275
Additions	156,086	101,689	15,271	57,550	114,791	152,486	597,873
Reclassifications	28,770	480	8,725	725	-	(38,340)	360
Disposals	(98,605)	(37,554)	(11,858)	(41,629)	-	-	(189,646)
At 31 December 2023	<b>1,392,492</b>	<b>1,326,122</b>	<b>119,428</b>	<b>1,065,907</b>	<b>341,427</b>	<b>152,486</b>	<b>4,397,862</b>
<b>Depreciation and Impairment</b>							
At 1 January							
2023	311,430	579,082	62,606	295,072	61,488	-	1,309,678
Depreciation charge for the year	278,877	237,192	32,455	202,244	48,836	-	799,604
Accumulated depreciation on asset disposals	(81,670)	(37,554)	(11,133)	(35,618)	-	-	(165,975)
At 31 December 2023	<b>508,637</b>	<b>778,720</b>	<b>83,928</b>	<b>461,698</b>	<b>110,324</b>	<b>-</b>	<b>1,943,307</b>
<b>Total</b>							
At 31 December 2023	<b>883,855</b>	<b>547,402</b>	<b>35,500</b>	<b>604,209</b>	<b>231,103</b>	<b>152,486</b>	<b>2,454,555</b>
At 31 December 2022	994,811	682,425	44,684	754,189	165,148	38,340	2,679,597

Motor vehicles with a net book value at 31 December 2023 of £24,354 (2022 - £53,579) are held through finance lease arrangements.

#### 14 Investment in Subsidiary (Charity only)

	2023 £	2022 £
Shares in group subsidiary	1	1

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

# THE FELIX PROJECT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR YEAR ENDED 31 DECEMBER 2023

#### 15 Debtors

	Consolidated 2023 £	Consolidated 2022 £	Charity 2023 £	Charity 2022 £
<b>Amounts falling due within one year:</b>				
Trade debtors	173,753	365,541	175,353	369,278
Other debtors	315,701	345,904	315,333	348,590
Prepayments and accrued income	1,056,880	1,392,496	1,056,880	1,387,496
	<u>1,546,334</u>	<u>2,103,941</u>	<u>1,547,566</u>	<u>2,105,364</u>

Other debtors include an amount of £Nil (2022 - £136,973) due in more than one year.

The Charity debtors figure contains £1,233 of intercompany debt (2022 - £10,185).

#### 16 Creditors: Amounts falling due within one year

	Consolidated 2023 £	Consolidated 2022 £	Charity 2023 £	Charity 2022 £
Trade creditors	603,756	269,932	603,756	269,932
Other creditors	71,719	80,902	71,752	57,046
PAYE and Social Security	133,487	110,497	133,487	110,497
Accruals and deferred income	3,238,745	461,582	3,234,670	449,963
	<u>4,047,707</u>	<u>922,913</u>	<u>4,043,665</u>	<u>887,438</u>

Other creditors include an amount of £21,566 (2022 - £20,558) being amounts due within a year for finance leases.

#### 17 Creditors: amounts falling due after more than one year

	Consolidated and Charity 2023 £	Consolidated and Charity 2022 £
Finance leases (1 to 5 years)	13,131	34,697
	<u>13,131</u>	<u>34,697</u>

## THE FELIX PROJECT

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR YEAR ENDED 31 DECEMBER 2023

#### 18 Provision for other liabilities

	Consolidated and Charity		
	At 1	Additions in Year	Released
	January		In Year
	2023		
	£	£	£
Dilapidations provision	255,000	181,051	(60,000)
Property and vehicle			
repairs provision	86,600	-	(86,600)
Rent review provision	12,500	-	(12,500)
Total	354,100	181,051	(159,100)

The dilapidations provision represents the Charity's estimated liability for dilapidations on the leases for Deptford, Enfield, Park Royal and Poplar depots.

#### 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 currency negotiation up to £20,000. At the year-end an amount of £5,740 (2022: £1,778) was owed in respect of the card facilities.

## THE FELIX PROJECT

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR YEAR ENDED 31 DECEMBER 2023

#### 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:

2023	Consolidated and Charity				
	Movement in funds				
	Balance at 1 January 2023 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 December 2023 £
Equipment / Capital Schools	-	175,942	(79,050)	(87,198)	9,694
Programme	310,521	295,000	(250,498)	(230,000)	125,023
Felix's Kitchen	686,032	586,750	(979,187)	(82,000)	211,595
Transport and Vans New East London Depot	530,000	447,580	(441,235)	(144,384)	391,961
FareShare Funding (General)	13,483	264,418	(240,075)	19,643	57,469
Across Operations	2,776	48,500	(48,500)	-	2,776
Community Freezer Project	58,828	85,346	(88,161)	(3,346)	52,667
GLA Funded Projects	950,516	150,000	(912,048)	-	188,468
Felix Connect	-	2,154,200	(2,154,200)	-	-
FareShare Funding (Health & Safety)	-	19,000	(18,650)	-	350
Reaching Communities	-	64,624	(56,718)	(7,452)	454
Farm to Freezer	-	216,705	(179,101)	-	37,604
	-	896,071	(73,067)	-	823,004
Totals	2,552,156	5,404,136	(5,520,490)	(534,737)	1,901,065



# THE FELIX PROJECT

## NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 31 DECEMBER 2023

2022	Consolidated and Charity				
	Movement in funds				Balance at 31 December 2022 £
	Balance at 1 January 2022 £	Incoming Resources £	Undesignated £	New Designation £	
Equipment / Capital	212	-	(212)	-	-
Schools Programme	78,044	288,000	(55,523)	-	310,521
New East London					
Depot	118,340	205,560	(282,359)	(28,058)	13,483
Transport and Vans	556,577	80,000	-	(106,577)	530,000
Felix's Kitchen	951,428	796,234	(961,630)	(100,000)	686,032
FareShare Funding					
(General)	2,776	48,500	(48,500)	-	2,776
Enfield					
Refurbishment	-	512,792	-	(512,792)	-
Across Operations	70,020	258,371	(269,563)	-	58,828
New depot – WRAP2	88,386	48,556	-	(136,942)	-
Community Freezer					
Project	-	1,037,500	(86,984)	-	950,516
Totals	1,865,783	3,275,513	(1,704,771)	(884,369)	2,552,156

The transfer between funds amounting to £534,737 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 funds to unrestricted funds.

### 21 Designated funds

2023	Consolidated and Charity			
	Balance at 1 January 2023 £	Utilised £	Undesignated £	New Designation £
Fixed assets	2,832,935	(926,126)	-	598,233
Totals	2,832,935	(926,126)	-	598,233

# THE FELIX PROJECT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR YEAR ENDED 31 DECEMBER 2023

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

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.

## 22 Analysis of net assets between funds

Fund balances at 31 December 2023 are represented by:	Consolidated and Charity		
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Funds 2023 £
Intangible fixed assets	50,487	-	50,487
Tangible fixed assets	2,454,555	-	2,454,555
Net current assets / (liabilities)	6,870,065	1,901,065	8,771,130
Creditors: amounts falling due after more than one year	(13,131)	-	(13,131)
Provision for other liabilities	(376,051)	-	(376,051)
	8,985,925	1,901,065	10,886,990

Fund balances at 31 December 2022 are represented by:	Consolidated and Charity		
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Funds 2022 £
Intangible fixed assets	153,338	-	153,338
Tangible fixed assets	2,679,597	-	2,679,597
Net current assets / (liabilities)	5,854,553	2,552,156	8,406,709
Creditors: amounts falling due after more than one year	(34,697)	-	(34,697)
Provision for other liabilities	(354,100)	-	(354,100)
	8,298,691	2,552,156	10,850,847

# THE FELIX PROJECT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR YEAR ENDED 31 DECEMBER 2023

#### 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 2023 £	Consolidated and Charity 2022 £
Within one year	779,614	620,072
Between two and five years	1,574,602	1,799,457
In over five years	630,245	897,112
	<b>2,984,461</b>	<b>3,316,642</b>

#### 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 2023 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) Summary Profit and Loss account	2023 £	2022 £
<b>Turnover</b>	<b>12,353</b>	150,348
Cost of Sales	(11)	(3,541)
<b>Gross Profit</b>	<b>12,342</b>	146,807
Administrative Expenses	(8,210)	(10,918)
<b>Operating Profit / Profit before Taxation</b>	<b>4,132</b>	135,889
Tax on profit on ordinary activities	-	(6,173)
<b>Profit for the Financial Year after Taxation</b>	<b>4,132</b>	129,716
<b>The assets and liabilities</b>		
Current assets	9,440	175,376
Current liabilities	(5,307)	(45,659)
<b>Total net assets</b>	<b>4,133</b>	129,717
<b>Share capital and reserves</b>	<b>1</b>	<b>1</b>

Excluding its subsidiary, the charity's income for 2023 is £12,999,700 and the net income for the year is £161,727.

## THE FELIX PROJECT

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### Appendix A: Partner acknowledgement

Our work in 2023 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:

Funder name
Accenture
Avanade
BBC Children in Need
Betty Messenger Charitable Foundation
BlackRock
Blavatnik Family Foundation
Bloomberg
Canary Wharf Group PLC
Canopus Trust
Capital Generation Partners
Cargill
Chapman Charitable Trust
Charities Trust
Chellaram Foundation
Citi Foundation
City Bridge Foundation
Comic Relief
Dash Water
David and Ruth Lewis Family Charitable Trust
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Freshfields Bruckhaus Deringer LLP
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Golden Acre Foods
HarperCollins (NewsCorp)
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Hello Fresh
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Hinduja Foundation UK
Hosking Charitable Trust
Howard de Walden Estate
Ian Mactaggart Trust
Impax Asset Management
Inner London Magistrates' Court's Poor Box and Feeder Charity

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Investec
Islamic Relief Fund
JERA Global Markets
John and Lorna Trust
John Ryder Memorial Trust
Julius Baer International
King Charles III Charitable Fund
Knight Frank
Lane Clark & Peacock LLP
Les Ambassadeurs Group
Lime
London Plus
Love is Kindness Charitable Trust
McKinsey & Co.
McLain Family Foundation
Mission 44
Montier Charitable Trust
Morgan Stanley
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Mulberry
National Lottery Community Fund
Northern Trust
Oak Foundation
Ocado Retail Ltd
Orr Mackintosh Foundation
P F Charitable Trust
PayPal Giving Fund
Peabody Community Foundation
Philip King Will Charitable Trust
R Finney Charitable Trust
Rothschild Foundation
Sarah's Trust
Schroders Giving
Silicon Valley Bank
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Temasek International
The 29th May 1961 Charitable Trust
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The Albert Van den Bergh Charitable Trust
The Atlas Fund
The Barratt Developments PLC Charitable Foundation
The Basil Samuel Charitable Trust
The Beacon Lodge Charitable Trust
The Cadogan Charity
The Carpenter Charitable Trust
The Childhood Trust

## THE FELIX PROJECT

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The Christopher Rowbotham Charitable Trust
The Clarkson Foundation
The David & Jennie Kirk Charitable Trust
The David Mathias Charity
The Dyers' Company Charitable Trust
The Gemini Trust
The Gosling Foundation Ltd
The Grace Trust
The Greater London Authority
The Holbeck Charitable Trust
The Hollick Family Foundation
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The J P Jacobs Charitable Trust
The Jonathan Towler Foundation
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The Loveday Charitable Trust
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The Peter Lawrence & Family Charitable Trust
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