

FARESHARE NORTH EAST
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Charity Number: 1189901

DEBÉRE LIMITED
Chartered Accountants
Swallow House
Parsons Road
Washington
Tyne and Wear
NE37 1EZ

FARESHARE NORTH EAST
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

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FARESHARE NORTH EAST
MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS
YEAR ENDED 31 MARCH 2022

Reference and Administrative Information

Registered Office	Stamfordham Road Westerhope Newcastle upon Tyne NE5 5HH
Board of Trustees	Sir Paul Ennals Craig Bankhead Jane Streater Jane Tiplady Andrew Hook Graeme Heron Molly Dunne
Chief Executive	Jake Hanmore
Independent Examiner	Debére Limited Chartered Accountants Swallow House Parsons Road Washington Tyne & Wear NE37 1EZ
Bankers	Unity Trust Bank Plc 4 Brindley Place Birmingham B1 2JB

FARESHARE NORTH EAST
REPORT OF THE TRUSTEES
YEAR ENDED 31 MARCH 2022

The trustees present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of 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).

Objectives & Activities

The charity's objectives are contained in its Foundation Constitution, which states (a) the relief of poverty and the promotion of good health and nutrition in North East England by redistributing surplus produce (in particular food) to organisations working to meet the needs of individuals in social, economic, health-related or emotional distress, and the needs of children; and (b) the conservation, protection and improvement of the physical environment through the reduction of food waste. The trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing aims and objectives, and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims & objectives they have set.

Now into its second year as a fully registered charity, building on a decade of experience operating as a Community Interest Company as part of Changing Lives, FareShare North East has gone from strength to strength. The high water mark of our activities during the Covid-19 Pandemic has subsided, leaving behind a sustainable charity that is capable of delivering double the amount of impact based on levels before the Pandemic.

As anticipated, the number of groups FareShare North East supports has reduced to a more manageable level of 220 groups throughout the year, compared to 356 during the previous year. The amount of food redistributed has also decreased to 1,470 tonnes, down from 2,021, over the course of the year. To give comparison to before the Pandemic, FareShare North East redistributed just 637 tonnes across the whole of 2019, to an average of just over 100 community groups. Being able to scale up to respond to Covid-19 quickly, and being able to return to operate sustainably at more than double the former capacity, shows that FareShare North East has adapted well to life as an independent charity and can expect to deliver sustainable growth in future.

Details of specific aims, activities, and achievements are included in the Achievements and Performance section of the Trustees Report below.

Achievements & Performance

FareShare North East serves one of 21 regions covered by the FareShare Network. In partnership with FareShare UK, FareShare North East covers the geographic North East of England, working to re-distribute fit for purpose, in-date, quality surplus products from the food industry to charities and community groups. A wide range of groups benefit, including school breakfast clubs, drop-in centres, homelessness projects and pantries.

During the reporting year of 2021/22, FareShare North East redistributed 1,470 tonnes of food to 220 charities, which contributed towards providing 3.4 million meals in the community. Although less food was redistributed overall, this should be seen as a successful return to a new normal, with FareShare North East now able to sustainably support the redistribution of twice as much food compared to before the pandemic.

FARESHARE NORTH EAST
REPORT OF THE TRUSTEES *(continued)*
YEAR ENDED 31 MARCH 2022

Financial Review

Now into the second full year of operating as an independent charity, FareShare has managed to establish sufficient reserves to ensure it can continue to operate sustainably. These reserves have enabled FareShare to confidently continue to serve many of the community groups that it signed up during the Covid-19 pandemic, as well as having an eye towards future growth and capacity improvements.

One of these major capacity improvements was agreed by the Board of Trustees early in the year, which involved investing in a substantially larger chiller and freezer to give capacity for future growth. This chiller was funded out of core costs, on the understanding that FareShare UK, the national charity responsible for the wider network, fully supported these growth plans and suggested that they would shortly be in a position to retrospectively fund such endeavours. The relevant funding was received as expected early in the current financial year.

As with the previous Annual Report, risks to food volume were identified as a key threat to future sustainability. Investing in capacity to receive more food and continuing to carefully manage existing inventory are key measures to help mitigate this risk, with FareShare North East continuing to do both carefully and sustainably.

Additionally, this year the hive up process between the old Community Interest Company that FareShare used to operate with and the CIO took place, with all assets and resources from the CIC transferring to the CIO, which are now represented in this set of accounts.

Principal Funding Sources

The charity has a mix of funding sources, from grants, trusts, corporate partners, and contributions from community groups through membership of FareShare North East's redistribution activities. In past years this last stream of income, the community group membership, has formed the vast majority of income for the charity.

Notable funders this year include:

- Kavli Trust
- Garfield & Weston
- William Webster Trust
- The Shears Foundation
- Bernicia Foundation

During the year a hive-up transfer from the dormant Community Interest Company that FareShare used to operate took place, with recent funders of the CIC noted in this year's Annual Report for the CIO.

Reserves Policy

As at 31 March 2022 the total unrestricted reserves were £229,860, of which £60,000 belongs to a designated fund for closure costs, £88,301 belongs to a designated capital fund whilst £81,559 consists of unrestricted funds available to cover operational costs.

The Trustees have set a reserves target of the equivalent of at least 6 months operational costs, plus the equivalent of any associated redundancy and winding up costs as the minimum value of unrestricted reserves to be held at any one time. This creates a target for 2022/23 of £291,693. Currently the unrestricted reserve is £81,559 and the closure cost fund £60,000. Whilst this is significantly below our reserves target, trustees are confident that we will make progress towards the target in the coming financial year. The main reason for the drop is that during the year a new chiller was purchased costing over £70,000 and a transfer was made to the capital fund to cover the NBV of this asset. Funding was received from FareShare UK after the end of the year to cover this acquisition and this grant will be reflected in the accounts for 2022/23.

FARESHARE NORTH EAST
REPORT OF THE TRUSTEES *(continued)*
YEAR ENDED 31 MARCH 2022

Plans for Future Periods

The key objectives for the charity in 2022/23 are:

- Grow consistently throughout the year, to reach 259 community group members;
- Increase food supply to the community, with a target of redistributing 1,400 tonnes of surplus food during the year;
- Fully open a hub in Teesside to allow for additional growth to the south of the region; and
- Working in partnership with JET & Nourish Food School, deliver cookery skills training at the community cafe on site at Newcastle.

Structure, Governance, and Management

Governing Document

The charity is registered as a Charitable Incorporated Organisation with the Charity Commission. The charity is governed by a Foundation Model Constitution document.

Recruitment and Appointment of New Trustees

The current trustees of the charity were appointed during the formation and registration of the organisation with the Charity Commission. Trustees are appointed for terms of no more than four years, and can serve no more than three consecutive terms. New trustees, up to a maximum of 12, can be appointed by the existing trustees.

Organisational Structure

The charity is governed by the Board of Trustees who are responsible for setting the strategic direction of the organisation and establishing policy. A Chief Executive is appointed by the Trustees to manage the day to day affairs of the charity.

Induction and Training of New Trustees

All new Trustees receive an induction briefing from the Chair and are invited to visit the regional centre in Newcastle to gain a greater understanding of how the organisation performs its work. As opportunities present themselves, Trustees are encouraged to attend external training events provided by organisations such as VONNE or Connected Voice that support the third sector in the North East.

Key Management Remuneration

All senior management pay scales are determined by the Board of Trustees and are in line with local and national roles at an equivalent level.

Wider Network

FareShare North East forms part of the FareShare network. As part of this national group the operations of FareShare North East are restricted to the North East of England, however there are opportunities to collaborate with the wider national network, especially in applying to certain types of funding.

FARESHARE NORTH EAST
REPORT OF THE TRUSTEES *(continued)*
YEAR ENDED 31 MARCH 2022

Risk Management

The charity has an Executive Sub-committee, consisting of the Chair, Treasurer, and two experienced Trustees. Along with the Chief Executive, this Sub-committee meets quarterly to review key risks. These risks are assessed and logged in a comprehensive risk register, which covers risks including, but not limited to, Governance, External Risks, Finance, Operations, Regulatory, and Compliance.

Trustees' responsibilities in relation to the Financial Statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income resources and application of resources of the charity for that period. 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 charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are responsible for safeguarding the assets of the charity and, hence, taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiner

A Resolution to appoint Claire Miller at Debére Limited as Independent Examiner for the ensuing year will be proposed at the Annual General Meeting.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the trustees on 6 September 2022 and signed on its behalf by

Sir Paul Ennals - Chair

FARESHARE NORTH EAST
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
FARESHARE NORTH EAST
YEAR ENDED 31 MARCH 2022

I report on the accounts of the Charitable Incorporated Organisation for the year ended 31 March 2022, which are set out on pages 7 to 21.

Respective Responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this period under section 144(2) of the Charities Act 2011 ('the 2011 Act'), and that an independent examiners report is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of Independent Examiners Report

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair view' and my report is limited to those specific matters set out in the independent examiner's statement.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

(1) Which gives me reasonable cause to believe that, in any material respect, the requirements to:

- keep accounting records in accordance with s130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act.

have not been met; or

(2) to which in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Claire Miller BA (Hons) FCA
Independent Examiner

ON BEHALF OF DEBÉRE LIMITED
Chartered Accountants

Swallow House
Parsons Road
Washington
Tyne and Wear
NE37 1EZ

Date: 6 September 2022

FARESHARE NORTH EAST
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds General £	Unrestricted Funds Designated £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income from:						
Other trading activities	4	17,243	–	–	17,243	18,563
Charitable activities	5	387,800	–	123,233	511,033	546,158
Donations and legacies		<u>43,604</u>	<u>–</u>	<u>–</u>	<u>43,604</u>	<u>3,812</u>
Total income		<u>448,647</u>	<u>–</u>	<u>123,233</u>	<u>571,880</u>	<u>568,533</u>
Expenditure:						
Charitable activities		<u>447,798</u>	<u>18,628</u>	<u>42,821</u>	<u>509,247</u>	<u>259,553</u>
Total expenditure	6	<u>447,798</u>	<u>18,628</u>	<u>42,821</u>	<u>509,247</u>	<u>259,553</u>
Net incoming / (outgoing) resources before transfers	8	849	(18,628)	80,412	62,633	308,980
Transfers						
Gross transfers between funds		<u>(85,765)</u>	<u>85,765</u>	<u>–</u>	<u>–</u>	<u>–</u>
Net movement in funds		(84,916)	67,137	80,412	62,633	308,980
Total funds brought forward		<u>166,475</u>	<u>81,164</u>	<u>61,341</u>	<u>308,980</u>	<u>–</u>
Total funds carried forward		<u>81,559</u>	<u>148,301</u>	<u>141,753</u>	<u>371,613</u>	<u>308,980</u>

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

All income and expenditure derives from continuing activities.

The notes on pages 9 to 21 form part of these financial statements

FARESHARE NORTH EAST

Charity Number: 1189901

BALANCE SHEET**31 MARCH 2022**

	Notes	2022	2021
		£	£
Fixed assets			
Intangible assets	9	2,680	1,780
Tangible assets	10	<u>188,560</u>	<u>47,099</u>
		191,240	48,879
Current assets			
Debtors	11	90,166	171,390
Cash at bank and in hand		<u>223,097</u>	<u>195,530</u>
		313,263	366,920
Creditors: amounts falling due within one year	12	<u>(108,013)</u>	<u>(106,819)</u>
Net current assets		205,250	260,101
Creditors: amounts falling due after more than one year	13	<u>(24,877)</u>	<u>—</u>
Net assets		<u>371,613</u>	<u>308,980</u>
Net assets			
Funds			
Restricted funds	14	141,753	61,341
Unrestricted funds:	15		
Designated funds		148,301	81,164
General funds		<u>81,559</u>	<u>166,475</u>
Total charity funds	16	<u>371,613</u>	<u>308,980</u>

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)).

For the year ended 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors/trustees responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476;
- The directors/trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the Board of Trustees on 6 September 2022 and signed on their behalf by:

Sir Paul Ennals
Chair

The notes on pages 9 to 21 form part of these financial statements

FARESHARE NORTH EAST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the charity's governing document, 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 address of the charity's registered office and principal place of business is Stamfordham Road, Westerhope, Newcastle upon Tyne, NE5 5HH.

Fareshare North East meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the levels of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Fund accounting

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Income

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Voluntary income received by way of donations and gifts to the charity is included in full in the Statement of Financial Activities when received. Intangible income is not included unless it represents goods or services which would have otherwise been purchased. Gifts in kind are valued and brought in as income and the appropriate expenditure. There were no gifts in kind in the year ended 31 March 2022.

Investment income

Interest is included when receivable by the charity.

FARESHARE NORTH EAST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES *(continued)*

Expenditure

All expenditure is accounted for on an accruals basis.

Charitable activities include all costs relating to activities where the primary aim is part of the objects of the charity along with the indirect costs. The indirect costs have been apportioned on a reasonable basis.

Governance costs include salary (approximately 10% of Chief Executive Officer role) cost attributable to the management of the charity's assets, organisational and administration and compliance with constitutional and statutory requirements. Governance costs also include audit and accountancy fees as well as the Annual General Meeting costs.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash held at bank and cash in hand.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Statement of Financial Position date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Financial instruments

The charity has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102, in full to all of its financial instruments. All of the charity's financial assets and financial liabilities qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Pension costs

The charity provides a defined contribution scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the Statement of Financial Activities.

FARESHARE NORTH EAST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES *(continued)*

Intangible Assets and Amortisation

Intangible assets are initially recorded at cost and are subsequently stated at cost less any accumulated amortisation and impairment losses.

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Website development	33% straight line
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Tangible Fixed Assets and Depreciation

Tangible fixed assets are capitalised and included at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment	15% reducing balance
Motor vehicles	25% reducing balance

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense unless these costs are required to be capitalised as an intangible or tangible fixed asset.

Employees are only entitled to carry forward unused holiday entitlement in exceptional circumstances, and only by agreement with management. The cost of any unused entitlement is recognised in the period in which the employee's services are required.

Critical Accounting Estimates and Areas Of Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The only significant area of judgement is the useful economic lives of fixed assets, details of which are given above.

FARESHARE NORTH EAST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

2. STATEMENT OF FINANCIAL ACTIVITIES FOR THE PRIOR YEAR

	Note	Unrestricted Funds General £	Unrestricted Funds Designated £	Restricted Funds £	Total Funds 2021 £
Income from:					
Other trading activities	4	18,563	–	–	18,563
Charitable activities	5	370,519	–	175,639	546,158
Donations and legacies		<u>3,812</u>	<u>–</u>	<u>–</u>	<u>3,812</u>
Total income		<u>392,894</u>	<u>–</u>	<u>175,639</u>	<u>568,533</u>
Expenditure:					
Charitable activities		<u>138,941</u>	<u>6,314</u>	<u>114,298</u>	<u>259,553</u>
Total expenditure	6	<u>138,941</u>	<u>6,314</u>	<u>114,298</u>	<u>259,553</u>
Net incoming / (outgoing) resources before transfers	8	253,953	(6,314)	61,341	308,980
Transfers					
Gross transfers between funds		(87,478)	87,478	–	–
Net movement in funds					
Total funds brought forward		<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total funds carried forward		<u>166,475</u>	<u>81,164</u>	<u>61,341</u>	<u>308,980</u>

3. COMPANY STATUS

The company is a charitable incorporated organisation.

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2022 £	2021 £
Miscellaneous income	<u>17,243</u>	<u>–</u>	<u>17,243</u>	<u>18,563</u>
	<u>17,243</u>	<u>–</u>	<u>17,243</u>	<u>18,563</u>

In the year ended 31 March 2022, income from other trading activities of £17,243 (2021: £18,563) was unrestricted and £nil (2021: £nil) was restricted.

FARESHARE NORTH EAST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

5 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2022 £	2021 £
Covid related grant	–	–	–	10,000
Community Foundation	1,000	–	1,000	20,250
Castles & Coast Housing Association	–	–	–	1,000
Aviva Crowdfunder	–	–	–	927
DEFRA Support	–	–	–	25,000
Light Up Wylam	–	–	–	1,707
Manning Trust	–	–	–	1,000
The National Lottery Community Fund	–	–	–	72,349
Asda Funding	–	–	–	30,500
FSUK	2,928	30,000	32,928	33,201
WRAP	–	–	–	39,688
Transition Fund	–	–	–	40,000
Clothworkers	–	–	–	9,900
Fundraising	–	–	–	2,859
Membership income – CFM	272,313	–	272,313	159,156
Membership income – FSUK grant	–	–	–	98,621
William Webster Trust	3,000	–	3,000	–
The Shears Foundation	5,000	–	5,000	–
Bernicia Foundation	9,000	–	9,000	–
Kavli Foundation	–	82,083	82,083	–
Garfield Weston	25,000	–	25,000	–
	<u>318,241</u>	<u>112,083</u>	<u>430,324</u>	<u>546,158</u>

Grants transferred from the CIC:

	Unrestricted Funds £	Restricted Funds £	2022 £	2021 £
The National Lottery Community Fund	–	11,150	11,150	–
WRAP	60,659	–	60,659	–
Hadrian Trust	2,000	–	2,000	–
FORE	4,900	–	4,900	–
LGA	1,000	–	1,000	–
Greggs	1,000	–	1,000	–
	<u>69,559</u>	<u>11,150</u>	<u>80,709</u>	<u>–</u>
Total income from charitable activities	<u>387,800</u>	<u>123,233</u>	<u>511,033</u>	<u>546,158</u>

In the year ended 31 March 2022, income from charitable activities of £387,800 (2021: 370,519) was unrestricted and £123,233 (2021: £175,639) was restricted.

FARESHARE NORTH EAST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

6. EXPENDITURE

	Direct Costs £	Staff Costs £	Depre- ciation £	Other Costs £	2022 £	2021 £
Charitable activities	22,181	243,033	30,764	210,669	506,647	256,953
Governance costs	—	—	—	<u>2,600</u>	<u>2,600</u>	<u>2,600</u>
	<u>22,181</u>	<u>243,033</u>	<u>30,764</u>	<u>213,269</u>	<u>509,247</u>	<u>259,553</u>

In the year ended 31 March 2022, total expenditure of £466,426 (2021: £145,255) was unrestricted and £42,821 (2021: £114,298) was restricted.

Governance costs are made up as follows:

	2022 £	2021 £
Independent Examiners fees	1,250	1,250
Accountancy fees	<u>1,350</u>	<u>1,350</u>
	<u>2,600</u>	<u>2,600</u>

Other costs are made up as follows:

	2022 £	2021 £
Rent and utilities	5,133	4,800
Telephone	1,300	683
Printing and office supplies	5,940	2,052
Website costs	607	1,149
Repairs and maintenance	5,107	10,107
Cleaning and hygiene	4,122	3,127
Travelling expenses	1,698	—
Motor vehicles expenses	47,179	21,272
Vehicle hire	11,097	9,796
Equipment hire	2,935	—
Insurance	2,355	2,958
Fees and subscriptions	1,249	72
Training	533	822
Advertising	842	—
Consultancy and legal fees	18,621	12,404
Voluntary expenses	6,195	10,656
Bank charges	575	317
Interest payable on hire purchase agreements	786	—
Sundry expenses	1,242	315
Bad debt provision	22,203	—
Loan owed from group undertaking written off	61,245	—
Amounts owed from group undertaking written off	<u>9,705</u>	<u>—</u>
	<u>210,669</u>	<u>80,530</u>

FARESHARE NORTH EAST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

7. STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

The aggregate payroll costs were:

	2022	<i>2021</i>
	£	£
Wages and salaries	226,593	136,234
Social security costs	12,058	7,783
Other pension costs	3,982	3,536
Staff support costs	<u>400</u>	<u>—</u>
	<u>243,033</u>	<u>147,553</u>

No employee earned in excess of £60,000 (2021: none) during the year.

Particulars of employees:

The average number of staff employed by the charity during the financial period amounted to:

	2022	<i>2021</i>
	No	No
Total	<u>13</u>	<u>9</u>

Key management personnel

The key management personnel of the charity comprise the trustees and the business manager. Total employee benefits of the key management personnel for the year were £1,100 (2021: £990).

Trustees' remuneration and expenses

No remuneration directly or indirectly out of the charity was paid or payable for the current and previous periods to any trustee or any persons known to be connected with any of them. No reimbursement of expenses has been made or is due to be made to any of the trustees in respect of the current and previous periods.

As part of the organisation's insurance policy, trustees have been indemnified against consequence of any neglect or default on their behalf.

8. NET INCOMING / OUTGOING RESOURCES

Net incoming/(outgoing) resources are stated after charging:

	2022	<i>2021</i>
	£	£
Depreciation and amortisation	30,764	13,591
Accountancy and Independent Examiner's fees	<u>2,600</u>	<u>2,600</u>

FARESHARE NORTH EAST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

9 INTANGIBLE FIXED ASSETS

	Website Development £
Cost	
At 31 March 2021	2,000
Additions	2,000
Disposals	<u>—</u>
At 31 March 2022	<u>4,000</u>
Amortisation	
At 31 March 2021	220
Charge for the year	1,100
Disposals	<u>—</u>
At 31 March 2022	<u>1,320</u>
Net book value	
At 31 March 2022	<u>2,680</u>
At 31 March 2021	<u>1,780</u>

10 TANGIBLE FIXED ASSETS

	Equipment £	Motor Vehicles £	Total £
Cost			
At 31 March 2021	8,155	52,315	60,470
Additions	94,152	76,973	171,125
Disposals	<u>—</u>	<u>—</u>	<u>—</u>
At 31 March 2022	<u>102,307</u>	<u>129,288</u>	<u>231,595</u>
Depreciation			
At 31 March 2021	292	13,079	13,371
Charge for the year	13,400	16,264	29,664
Disposals	<u>—</u>	<u>—</u>	<u>—</u>
At 31 March 2022	<u>13,692</u>	<u>29,343</u>	<u>43,035</u>
Net book value			
At 31 March 2022	<u>88,615</u>	<u>99,945</u>	<u>188,560</u>
At 31 March 2021	<u>7,863</u>	<u>39,236</u>	<u>47,099</u>

All tangible fixed assets are held for charitable purposes.

FARESHARE NORTH EAST
NOTES TO THE FINANCIAL STATEMENTS
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11. DEBTORS

	2022 £	2021 £
Trade debtors	83,477	74,188
VAT and social security	4,072	18,407
Prepayments and accrued income	2,617	1,688
Amounts due from group undertakings	<u>—</u>	<u>77,107</u>
	<u>90,166</u>	<u>171,390</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	12,894	4,124
Accruals and deferred income (see below)	76,400	90,300
Other creditors	3,007	12,395
Hire purchase agreements	<u>15,712</u>	<u>—</u>
	<u>108,013</u>	<u>106,819</u>

The obligations under hire purchase agreements of £15,712 (2021: £nil) are secured by way of a fixed charge over the assets acquired.

	<i>31 March</i> <i>2021</i> £	Receivable £	Released £	31 March 2022 £
Middlesbrough Football Club Foundation	—	20,000	—	20,000
Middlesbrough Philanthropic	30,000	—	—	30,000
Garfield Weston	25,000	—	(25,000)	—
Membership fees	<u>32,700</u>	<u>26,400</u>	<u>(32,700)</u>	<u>26,400</u>
	<u>87,700</u>	<u>46,400</u>	<u>(57,700)</u>	<u>76,400</u>

The deferrals included in creditors relate to those grants, donations and income specified as relating to a specific period and represent those parts of the grants, donations or income which relate to periods subsequent to the accounting year end and are treated as grants or income in advance, or alternatively where there are conditions which must be fulfilled prior to entitlement or use of the grant or donation by the charity.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £	2021 £
Hire purchase agreements	<u>24,877</u>	<u>—</u>

The obligations under hire purchase agreements of £24,877 (2021: £nil) are secured by way of a fixed charge over the assets acquired.

FARESHARE NORTH EAST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

14. RESTRICTED FUNDS

For the year ended 31 March 2022

	Movement in resources:				
	<i>Balance 31 March 2021 £</i>	Incoming £	Outgoing £	Transfers to Unrestricted £	Balance 31 March 2022 £
The National Lottery Community Fund	–	11,150	(11,150)	–	–
Asda Funding	17,743	–	(2,154)	–	15,589
FSUK	7,687	–	(1,922)	–	5,765
WRAP	29,574	–	(22,636)	–	6,938
Clothworkers	6,337	–	(1,584)	–	4,753
Kavil Foundation	–	82,083	–	–	82,083
Big Lottery	–	<u>30,000</u>	<u>(3,375)</u>	–	<u>26,625</u>
	<u>61,341</u>	<u>123,233</u>	<u>(42,821)</u>	–	<u>141,753</u>

For the period ended 31 March 2021:

	Movement in resources:			
	Incoming £	Outgoing £	Transfers to Unrestricted £	Balance 31 March 2021 £
<i>The National Lottery Community Fund</i>	<i>62,350</i>	<i>(62,350)</i>	–	–
<i>Asda Funding</i>	<i>30,500</i>	<i>(12,757)</i>	–	<i>17,743</i>
<i>FSUK</i>	<i>33,201</i>	<i>(25,514)</i>	–	<i>7,687</i>
<i>WRAP</i>	<i>39,688</i>	<i>(10,114)</i>	–	<i>29,574</i>
<i>Clothworkers</i>	<u><i>9,900</i></u>	<u><i>(3,563)</i></u>	–	<u><i>6,337</i></u>
	<u>175,639</u>	<u>(114,298)</u>	–	<u>61,341</u>

The National Lottery Community Fund

Funding received to cover core costs for staff wages and volunteer costs (2021: funding also covered PPE expenditure).

Asda Funding

Capital funding received for capital improvements (2021: funding also covered driver salaries).

FSUK

Central van funding received for the purchase of a van (2021: funding also covered driver salaries and £7,501 towards the CEO role).

WRAP

Funding received for various capacity enhancement, including reach truck, PPT, safety barriers, forklift truck charging, handwash and wage costs.

Clothworkers

Funding received for the purchase of a forklift truck.

FARESHARE NORTH EAST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

14. RESTRICTED FUNDS *(continued)*

Big Lottery

Funding received for the purchase of a fridge freezer.

Kavil Foundation

During the year funding was awarded from the Kavli Trust for a two calendar year period. This funding is restricted in the first year to cover six months of core costs for the upcoming Tees Food Hub, due to open late 2022, and fund a training programme in partnership with Nourish Food School. This training programme is due to run throughout the two year programme and will support beneficiaries in gaining valuable cookery life skills. For the second year, in addition to the partnership with Nourish Food School, funding has been awarded to recruit a Training Manager to support an in-house warehouse training programme.

15 UNRESTRICTED FUNDS

For the year ended 31 March 2022:

	<i>Balance At 31 Mar 2021 £</i>	Incoming £	Outgoing £	Transfers £	Balance At 31 Mar 2022 £
<i>Designated funds:</i>					
Capital fund	21,164	–	(18,628)	85,765	88,301
Contingencies for closure	<u>60,000</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>60,000</u>
Total designated funds	81,164	–	(18,628)	85,765	148,301
<i>General funds</i>	<u>166,475</u>	<u>448,647</u>	<u>(447,798)</u>	<u>(85,765)</u>	<u>81,559</u>
	<u>247,639</u>	<u>448,647</u>	<u>(466,426)</u>	<u>–</u>	<u>229,860</u>

For the period ended 31 March 2021:

	Incoming £	Outgoing £	Transfers £	Balance At 31 Mar 2021 £
<i>Designated funds:</i>				
Capital fund	–	(6,314)	27,478	21,164
Contingencies for closure	<u>–</u>	<u>–</u>	<u>60,000</u>	<u>60,000</u>
Total designated funds	–	(6,314)	87,478	81,164
<i>General funds</i>	<u>392,894</u>	<u>(138,941)</u>	<u>(87,478)</u>	<u>166,475</u>
	<u>392,894</u>	<u>(145,255)</u>	<u>–</u>	<u>247,639</u>

Designated funds are as follows:

Capital fund – This fund includes all of the assets that are not covered by restricted funds less any hire purchase liabilities in relation to the assets.

Contingencies for closure – the balance has been based on the estimated costs of closing the charity.

FARESHARE NORTH EAST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

For the year ended 31 March 2022:

	Intangible fixed assets £	Tangible fixed assets £	Net Current assets £	Long Term Liabilities £	Total 2022 £
Restricted funds:					
Asda Funding	–	15,589	–	–	15,589
FSUK	–	5,765	–	–	5,765
WRAP	–	6,938	–	–	6,938
Clothworkers	–	4,753	–	–	4,753
Kavil Foundation	–	–	82,083	–	82,083
Big Lottery	–	<u>26,625</u>	–	–	<u>26,625</u>
	–	59,670	82,083	–	141,753
Designated funds:					
Capital fund	–	128,890	(15,712)	(24,877)	88,301
Contingencies for closure	–	–	60,000	–	60,000
General unrestricted funds	<u>2,680</u>	–	<u>78,879</u>	–	<u>81,559</u>
Total funds	<u>2,680</u>	<u>188,560</u>	<u>205,250</u>	<u>(24,877)</u>	<u>371,613</u>

For the period ended 31 March 2021:

	Intangible fixed assets £	Tangible fixed assets £	Net current assets £	Total 2021 £
Restricted funds:				
Asda Funding	–	2,971	14,772	17,743
FSUK	–	7,687	–	7,687
WRAP	–	8,940	20,634	29,574
Clothworkers	–	<u>6,337</u>	–	<u>6,337</u>
	–	25,935	35,406	61,341
Designated funds:				
Capital fund	–	21,164	–	21,164
Contingencies for closure	–	–	60,000	60,000
General unrestricted funds	<u>1,780</u>	–	<u>164,695</u>	<u>166,475</u>
Total funds	<u>1,780</u>	<u>47,099</u>	<u>260,101</u>	<u>308,980</u>

17. CONTROLLING PARTY

In the opinion of the trustees the charity is not controlled by any single party.

FARESHARE NORTH EAST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

18. TAXATION

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.