



FareShare report and financial statements For the year ended 31 March 2017



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Definitions

The **FareShare network** consists of 20 Regional Centres spread across the UK. Three Regional Centres are managed directly by FareShare and the others are run by third-party independent charities.

FareShare refers to this charity (Registered Charity No. 1100051). FareShare provides the network with central support in a number of areas, for example sourcing food, transporting food to where it is most needed, PR and communications, fundraising and operational support. FareShare also provides a service, known as **FareShare FoodCloud**, which reduces store level food waste. FareShare directly manages three Regional Centres: London, West Midlands and Merseyside.

The Regional Centres run by third-party independent charities are not reflected in these accounts. However, in the trustees' report we give statistics for measures such as food received, charities and people supported which relate to the whole of the FareShare network. These aggregate statistics describe the overall social impact of the network that FareShare has supported since its inception.

Community Food Members (CFMs) refer to the charities and community groups that receive food from the 20 Regional Centres that make up the FareShare network. **Community Food Associates (CFAs)** refer to the charities and community groups that receive food through FareShare FoodCloud; these organisations are connected with their local supermarket and collect the surplus food directly from the store.



The FareShare network at a glance

In 2016-2017 the FareShare network redistributed a record amount of food to charities. For the first time ever, our network of Regional Centres received more than 10,000 tonnes of food from the food industry – 10,580 tonnes to be exact. Including the 2,972 tonnes managed through our store level solution, FareShare FoodCloud, we received 13,552 tonnes in total.

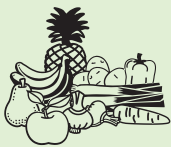
Collectively, the FareShare network of 20 Regional Centres and FareShare FoodCloud contributed enough food for 28.6 million meals to vulnerable people, a record amount! Across the UK, we supported 6,723 charities and community groups with food, a 170% increase on the previous year.

No good food
should go
to waste

We believe that no good food should go to waste. When we saw the problem of UK hunger we found a solution. We redistribute surplus food to charities who turn it into meals.

We are doers.
We are a community.
We change lives.

The FareShare network – year to March 2017



13,552

tonnes of food received
(up 49% from 9,770 tonnes)
(92.5% is surplus)



484,376

people supported
every week
(up 129% from 211,565)



6,723

charities and community
groups helped
(+170% from 2,489)



28.6 million

meals provided to
vulnerable people
(up 56% from 18.3 million)



£22.4 million

estimated value of
food to charities
(+14% from 19.6 million)



1,300

towns and cities
reached across the UK –
20 Regional Centres

Report from Chair and Chief Executive

The last year again saw strong growth right across the organisation.

The FareShare network increased the number of people fed each week by 129% to 484,376 and the number of charities we support has grown by 170% to 6,723.

The following pages identify and explain that growth. It is worth commenting on some of the real highlights of the year.

6,723 +170%

charities receiving
our food and

484,376 +129%

people a week
being fed



John Bason, Chair



Lindsay Boswell, Chief Executive

This past year has been the first full year of FareShare FoodCloud. This is our platform to connect charities with local Tesco stores to divert their surpluses at the end of day. This has now allowed us to have a FareShare presence and impact in 1,300 towns and cities across the UK. It has always been our ambition for this model to spread to other retailers and we are deeply grateful for the leadership shown by Tesco, who have fully funded this programme yet are prepared to share the learning with others. We are delighted that Waitrose is the second retailer to join and are confident that others will do so in 2017/18. The sheer size and scale of this programme is reflected in our accounts and, to allow the reader to track like-for-like activity, we have separated out FareShare FoodCloud in the financial report.

We invested heavily in the development of a new food tracking and tracing system with funding from The Fidelity UK Foundation. We are delighted to report that this system went live on time, within budget and with high levels of operator satisfaction.

Thanks to substantial funding from the Enterprise Rent-A-Car Foundation, we are due to open our 21st Regional Centre in Ipswich to cover East Anglia in late summer of 2017.

The exceptional surplus that arose in 2016 is being carried forward to fund expenditure and investment over a number of years. As expected, FareShare incurred a deficit in 2017 and may also incur a deficit in 2018. Our aim is to maximise our social impact while also being prudent in the management of our resources.



The FareShare network includes 17 Regional Centres that are operated under license for us by independent charitable organisations with whom we share matching passion and drive. They all do an amazing job and the numbers in this report for the FareShare network tell the story of their impact. We are hugely grateful to them, their volunteers and all of the funders and food donors.

FareShare is ambitious. Our Regional Centres across the four nations of the United Kingdom have charity waiting lists and there is so much more to do. We have achieved strong growth this year with only 5% of the food that is surplus and could feed people in need. We know there is so much more we can do...and are determined to do it!



More than meals

92%

of beneficiaries say having a meal
through our charity members
helps them face the day ahead

Report of Trustees

More than Meals: Making a difference with FareShare food

In December 2016, we published a new report by NatCen Social Research, based on research amongst the beneficiaries of our Community Food Members, which aimed to quantify the benefits of food redistribution for vulnerable people.

The report found that 75% of beneficiaries are able to save money as a result of the food FareShare provides to charities, such as community centres, homeless hostels and luncheon clubs for older people. With savings used for a variety of purposes, including paying bills and rent, as well as seeking employment, this demonstrates that food provision by charities to vulnerable people has far-reaching benefits and impact.

The food provided by FareShare to thousands of charities not only helps to fulfil the dietary and nutritional requirements of people in need, it also improves their physical and mental well-being. 53% of beneficiaries say their physical strength has increased since accessing food at the charity and 92% say the food helps them 'face the day ahead'. Sharing a meal with people who care also helps fight loneliness and isolation. 82% say that eating a meal at the charity makes them feel part of a community.

Summary of key findings from the NatCen report:

- 53% said their physical strength had improved with 52% reporting an improvement in energy levels
- 71% stated that this helped them to pay rent and bills
- 75% of clients believe that they had saved money as a result of getting food at the Community Food Member
- 33% used the savings to help them attend job interviews or the job centre.



The report shows how important food is in enabling charities to provide meals but also other support to help people back on their feet. FareShare is supporting charities to provide hundreds of thousands of meals each week while at the same time increasing the number of clients using other services. Given the continuing budgetary constraints faced by many organisations in the public and voluntary sectors, the need for FareShare's services is only likely to grow over the coming years"

Lindsay Boswell, CEO, FareShare

- 57% of clients state they eat their main meal of the day at the charity
- 59% of clients state that they are now able to eat more fruit and vegetables



The impact of FareShare

The NatCen research provides evidence of the direct impact of the work of FareShare on the lives of those who receive the food FareShare redistributes.

Key findings from the publication "More than Meals: Making a difference with FareShare food" are highlighted throughout this annual report



More than meals

75%

of beneficiaries believe they are saving
money as a result of getting food from
our charity members

Report of Trustees

What happened in 2016/2017

Securing more food

The FareShare network received 49% more food compared to the previous year. The food managed by FareShare FoodCloud more than trebled to 2,972 tonnes.

This growth was due to increased collaboration with logistics companies, retailers and their supply chains, which includes manufacturers, growers/producers and importers. Widely respected in the food industry because of our food safety standards, we now work with over 450 businesses.

We have continued to work closely with four of the biggest grocery retailers in the country – Asda, The Co-Op Food, Sainsbury's and Tesco – each of whom provided FareShare with very valuable volumes of surplus food from their chilled Distribution Centres across the country. Our retail partners are also increasingly, with great success, encouraging their suppliers to work with us.

One key element that has helped us increase access to available food is our involvement with logistics experts:

- One of the biggest barriers to food companies is the logistics and funding of transporting food to our Regional Centres. As a result, we have forged partnerships with key hauliers and logistics companies such as Fowler Welch and Nagel Langdons, who regularly transport stock to retailers. These hauliers now offer their clients the option of redistributing their surplus stock, at no additional cost, to FareShare by piggy-backing onto existing collections and deliveries.

The strengthening of our relationship with food partners means that we have seen an increase in the volumes of food in key categories:

- The amount of surplus meat and fish we redistributed rose by almost 30%. In the last year alone, 2 Sisters Food Group, Pork Farms, Moy Park and Peperami, have started to redistribute their surplus meat products to charities, joining Kerry Foods, Faccenda Foods and ABP Food Group.
- We redistributed almost 15% more fruit and vegetables, totalling almost 1,900 tonnes of fresh produce. We have started working with AMT Fruit and G's Fresh, who have joined long-term partners such as Mack, Thanet Earth, Produce World, IPL, Albert Bartlett and Greenvale.
- With Bidvest Logistics and Bidfood having undertaken a range of measures to reduce food waste as part of their efforts to operate a sustainable supply chain, we have also increased the amount of food redistributed from the food service industry by 15%.



We're also seeing a step change in the way that supermarkets are talking about food waste, and that's being reflected right up the supply chain. In the past, food waste has been a bit of a dirty word, something to be swept under the carpet. There is a lot more transparency now. Tesco in particular has been urging their suppliers to ensure that food should go to feed hungry people before it's used for animal feed, sent to anaerobic digestion plants or to landfill – and this has led to real results."

Mark Varney,
FareShare Director of Food



Report of Trustees

What happened in 2016/2017 continued

Securing more food continued

The work we did with our food partners last year also extended to running new and exciting consumer-facing initiatives with two existing suppliers who wanted to engage their consumers in a different way:

- In December 2016, we partnered with Coca-Cola on their Christmas Campaign through an on-pack donation promotion. The campaign raised £83,000; enough to provide 300,000 meals and was a key development in public awareness for FareShare. By partnering with one of the world's best-known brands at Christmas, we were able to raise awareness with new audiences. 21% of people surveyed as part of the Charity Awareness Monitor Programme remembered the appeal.
- We collaborated for a second year with Yeo Valley on their unique 'Left-Yeovers' range – yoghurt flavoured with surplus fruit. During the year, Yeo Valley launched three unique flavours exclusively available through Tesco stores and raised in excess of £24,000. This continues their commitment to illustrating the issue of food waste and enables them to demonstrate the role manufacturers can play in repurposing surplus food.



NEIGHBOURHOOD FOOD COLLECTION

In partnership with Tesco and the Trussell Trust, we took part yet again in the Neighbourhood Food Collection in stores across the UK during December 2016. Just over 1,400 fantastic volunteers helped collect food from generous Tesco customers, who donated enough for an astounding 2.8 million meals. In addition, we received a top-up from Tesco equivalent to 20% of the value of the food donated. These food drives provide us with much-needed ambient food that complements the predominantly fresh products we get from the industry. It is also an opportunity to engage with shoppers on the issues of food waste and food poverty. We are very much looking forward to taking part in the next Neighbourhood Food Collection in December 2017.

FARESHARE FOODCLOUD

Following its official launch in March 2016 our unique store level scheme FareShare FoodCloud has gone from strength to strength at a very rapid rate.

Through the scheme, a staggering 4,472 charities and community groups were linked up with their local Tesco where they were able to collect quality, unsold food at the end of day. 2,972 tonnes was redistributed to these charities, our Community Food Associates (CFAs) who use the food as part of their overall service to support people in need in their community.

With 7 million meals contributed to and 98% of CFAs saying they would recommend the scheme to their peers, we are extremely proud of the progress and achievements of FareShare FoodCloud. The scheme has also won Tesco and FareShare two awards: Tesco won the IGD Sustainable Futures Award and was recognised for embedding sustainability into its business and proactively engaging its customers and for inspiring positive change in food waste. FareShare's Kris Gibbon-Walsh, who leads the team that delivers the FareShare FoodCloud programme, also scooped the IGD Leading Light Award.

In January 2017, we were delighted to announce Waitrose's adoption of the programme and in the subsequent months, two further retailers asked to set up pilot schemes which are currently being rolled out.



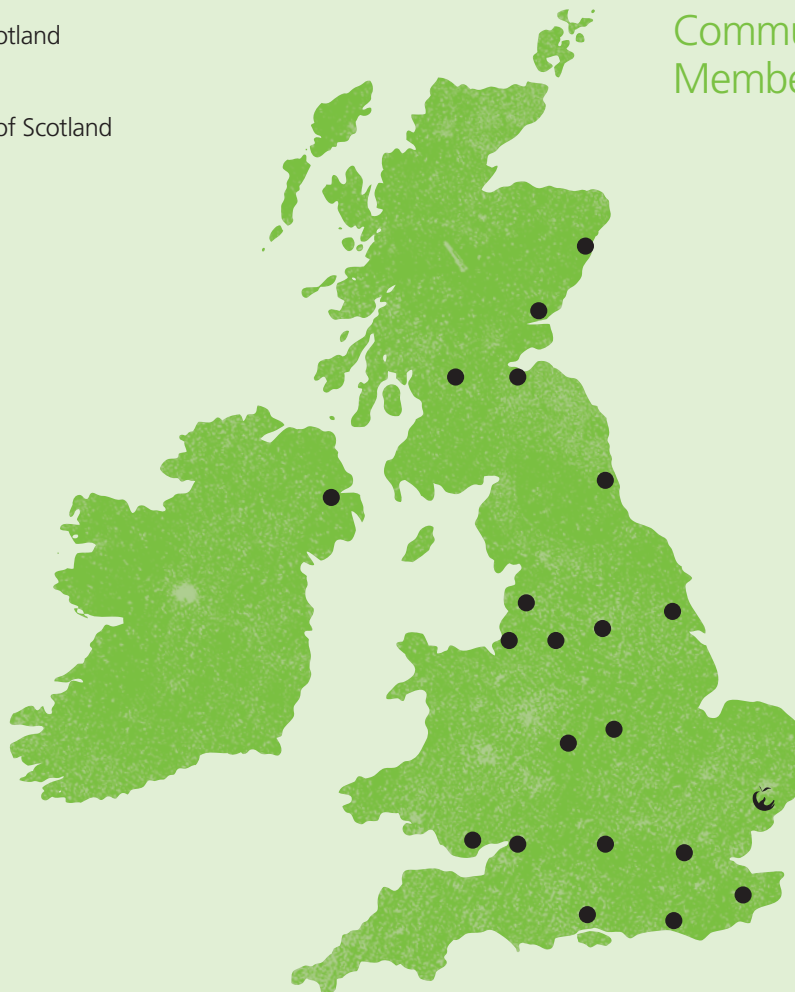
Report of Trustees

A national network

Where we operate

THERE ARE 20 FARESHARE REGIONAL CENTRES IN THE UK

Central & South East Scotland
Cymru South Wales
East Midlands
Glasgow and the West of Scotland
Grampian
Greater Manchester
Hull & Humber
Kent
Lancashire & Cumbria
London
Merseyside
North East
Northern Ireland
Southern Central
South West
Sussex
Tayside & Fife
Thames Valley
West Midlands
Yorkshire



FareShare London:

224

Community Food
Members



Opening in
Summer 2017

FareShare Merseyside:

219

Community
Food Members

FareShare West Midlands:

151

Community
Food Members

Report of Trustees

What happened in 2016/2017 continued

Our operations

FareShare directly runs the London, Merseyside and West Midlands Regional Centres. The others are run by third-party independent charities. Only the London, Merseyside and West Midlands Regional Centres are reflected in these accounts.

All of the Regional Centres have developed their operations in order to improve efficiency and increase their reach and impact. Overall, the FareShare network gained a total of 213 Community Food Members over the year, a steady increase of 9% on the previous year.

FARESHARE LONDON

FareShare London provided food to 224 Community Food Members. The team developed its operating model and achieved an increase of 25% in collections, where charities collect their food orders from the Deptford-based warehouse rather than get it delivered by FareShare in our vans. This is helping to free up volunteers and van capacity to enable FareShare London to start new van routes and reach new locations in the outer boroughs.

The work in London received significant support from The City Bridge Trust, The Drapers' Company, The Haberdashers' Company and The Leathersellers' Company.

FARESHARE MERSEYSIDE

FareShare Merseyside also experienced growth thanks in part to the work carried out by its Sub-Regional Centre, FareShare in the Wirral, which was officially launched on 11 March 2016. In its first year as a fully functioning warehouse, FareShare in the Wirral provided food to 56 Community Food Members. This extension has enabled FareShare Merseyside to develop its reach and to support charities and community groups in North Wales, Cheshire and Warrington.



FARESHARE WEST MIDLANDS

FareShare West Midlands also continued its growth with a total of 151 Community Food Members receiving food, up from 109. The work in the West Midlands received significant support from the Masonic Charitable Foundation.

In March 2017, FareShare West Midlands celebrated a decade of fighting hunger and tackling food waste in the Midlands. To mark the milestone, the team held a special event at their Birmingham centre. The celebration was helped along by Lord Mayor of Birmingham, Councillor Carl Rice; local charities supported by FareShare; and some of the retailers and suppliers, including 2 Sisters, Aldi, Greenvale, Sainsbury's and Tesco.

The team of dedicated volunteers were given certificates of appreciation as thanks for being true food heroes.

FARESHARE EAST ANGLIA

Throughout the year, we secured funding to establish a new FareShare Regional Centre, FareShare East Anglia. We are excited to be working on the opening of a warehouse based in Ipswich in 2017/2018. This new operation will enable FareShare to tap into vast quantities of surplus food available in the region as well as reach new areas such as Stowmarket, Felixstowe, Colchester, Sudbury, Clacton-on-Sea, Bury St Edmunds and Harwich. The project is kindly supported by The Global FoodBanking Network made possible by The Enterprise Rent-A-Car Foundation. FareShare East Anglia will be run directly by FareShare and will be included in our accounts starting from the year to March 2018.



FareShare West Midlands works hard to get good surplus food to our local charities and community groups who turn it into nutritious meals for people in need. I congratulate everyone who works and volunteers here at FareShare and also thank the companies who donate their surplus food."

Lord Mayor of Birmingham, Cllr Carl Rice

Report of Trustees

Special focus – GLADYS

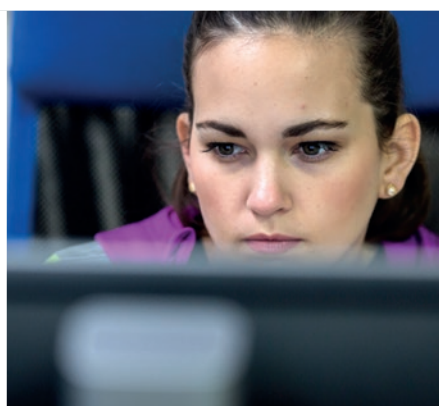
In 2015/16 FareShare embarked on a key project to replace the operational management system, which was used to record food in and food out. One of the critical objectives of the project was to improve the productivity of all FareShare Regional Centres and the National Team in their management of surplus food.

During 2016/17, we worked closely with Quantiv, a UK-based software design consultancy and Future Processing, a Polish development company, to develop and roll out GLADYS – to **Gather, Log And Distribute Your Surpluses** – a cloud-hosted, browser-based system for the management and distribution of surplus food. The project was made possible through a significant grant from The Fidelity UK Foundation and we are grateful for their generous support.

GLADYS was launched and rolled out to all of FareShare's warehouses and Head Office on 1 April 2017. The system manages the receipt of food, inventory and stock rotation, allocation of food to charity members as well as returns, transfers between Regional Centres and waste disposal.

This solution is enabling the FareShare network:

- To be more efficient in its processes and has already improved the productivity of our warehouses by 40%, for example through simpler and faster data input of received food into the system. Overall, the system means FareShare can handle more food with the same number of staff and volunteers, whilst maintaining the tight control vital to keeping the trust of the food industry, the integrity of their brands and the safety of the products.
- To better demonstrate to funders, food and logistics partners the impact of their support. The system holds an extensive set of data and provides the best suite of reports and analytics FareShare has ever had access to.
- To upskill and empower volunteers using the system as a training tool.
- To acquire deeper understanding of the groups to whom we provide food, which enables us to match our deliveries to their clients' needs. This insight allows us to understand better the landscape of food poverty and its causes in the UK.



Report of Trustees

What happened in 2016/2017 continued

Voluntary income



In 2017 income from donations was £2.8 million (2016: £3.9 million). See note 1 to the accounts.

A significant source of new funding was secured via our strategic partner, The Global FoodBanking Network (GFN). As a result, the Enterprise Rent-A-Car Foundation confirmed that it would be investing a total of £3 million to address hunger in the UK through GFN and its partner, FareShare, over the next six years. This investment is part of its Fill Your Tank campaign, a US\$60 million programme launched by the Enterprise Rent-A-Car Foundation to combat hunger in Europe and North America. FareShare received £500,000 of this in 2016/17 with £150,000 being invested in the development of five of the independently-run Regional Centres and the remainder used to fund our growth in food provision, our UK-wide operations and a national volunteering programme.

We also continued to enjoy a range of successful and long-term partnerships with existing funders including the Asda Foundation, Aspen Insurance UK Limited, BNY Mellon, Cargill, Elanco, Sodexo and Tesco. We were also delighted to start new partnerships with The Big Lottery Fund, Bloomberg and Vanquis Bank, which we hope will extend over a number of years.

Our vital national work on securing food and managing our network of Regional Centres has been supported through transformational funding programmes from Comic Relief, the Dulverton Trust, Esmée Fairbairn Foundation, Henry Smith Charity, John Ellerman Foundation, John Laing Charitable Trust, the Rayne Foundation, the Stavros Niarchos Foundation and the Garfield Weston Foundation.

We remain grateful to the loyal donors who choose to support our work through regular or one-off gifts, some of whom do so at a significant level. We are also extremely grateful to the increasing number of schools, colleges, community and faith groups who support our work by raising vital funds. We were delighted to take part in the Charity Walk for Peace in Newham in May, organised by the Ahmadiyya Muslim Association. The FareShare team took part in the 10k walk raising over £1,000, which was topped up with a donation of £2,000 from AMA UK.

Young Marketeers from schools across Southwark continued to sell produce that they had grown in their playgrounds at Borough Market, London, raising over £900 for FareShare over two market days. The programme, run by School Food Matters, supports children in inner-city schools to learn how to grow fruit and veg from seeds, and teaches them basics about running a market stall.

INCOME IN THE YEAR TO MARCH 2017 £000



EXPENDITURE IN THE YEAR TO MARCH 2017 £000





More than meals

71%

of beneficiaries state that getting food
from our charity members help
them to pay rent & bills

Report of Trustees

What happened in 2016/2017 continued

The increasing focus on food poverty and food waste

This year again we have seen the interest in those issues rise amongst a broad range of stakeholders:

THE PUBLIC/VOLUNTEERS:

The public is not only interested, but also very concerned about food waste and food poverty. Research by NFP Synergy's Charity Awareness Monitor shows that 49% of a people questioned were very or extremely concerned about food poverty in the UK and 48% were either very or extremely concerned about food waste in the UK.

Our challenge is to tap into the passion and drive of the many individuals who are angered by food waste and engage with them so that we can all work together to make a difference. One way individuals can be involved is by volunteering in our warehouses across the country. FareShare is supported by hundreds of fantastic and committed volunteers who help us receive, sort and deliver the food. Our amazing volunteers keep FareShare moving in various roles across our network of Regional Centres,



whether they help sort the food in our warehouses, input data about food received into our operational management system, GLADYS, or they drive vans to deliver the food. Our volunteers are true food heroes and we cannot thank them enough.

The increase of food into our network and the number of charities signing up to become members meant that support from our volunteers has never been more important and the need to grow our base of volunteers across the country has never been greater.



Thanks to investment from the Enterprise Rent-A-Car Foundation, we have been able to initiate a national volunteering programme combining research, new recruitment methods and retention strategies to ensure that we strengthen our network to match the supply of food with the demand of our charity members. As part of this programme, a new volunteering portal will be launched in 2017/2018, together with communication tools to share and celebrate the impact of food that our volunteers help us achieve.

Report of Trustees

THIRD SECTOR PARTNERSHIPS:

- We were delighted in June that the **National Federation of Women's Institutes (NFWI)** voted to adopt a resolution to "Avoid Food Waste and Address Food Poverty" at their Annual General Meeting. Throughout the year, the FareShare network has had the fantastic opportunity to engage with a number of WI branches who have shown great interest in our operation and have learnt ways that food surplus can be used to feed vulnerable people.

Given the reach and scale of the WI, there are many opportunities for collaboration, not only to highlight the issues of food waste and food poverty, but also to support our work by connecting local WI branches with their closest FareShare Regional Centre and network of charity members.

- FareShare remains a committed member of the Food Poverty Alliance which brings together 12 leading UK charities working with people affected by hunger including, Oxfam, The Trussell Trust, Church Action on Poverty, Magic Breakfast and Sustain. In October 2016, the Alliance launched the End Hunger Campaign, which initially aimed to raise public awareness of the issue of hunger in the UK, and asked people to share their experiences and state what changes they think

need to be made. Speaking at the launch Niall Cooper, Director at Church Action on Poverty, said: "You might imagine that in modern day Britain we all have enough food to eat, or that hunger is only experienced by the few. Yet we see working parents missing meals so that their kids can eat, and vulnerable individuals turning to charities on a daily basis to get a meal. This is simply unacceptable". We look forward to continuing our collaboration with the Food Poverty Alliance in 2017/2018.

- We have continued to enjoy and benefit from close collaboration with our international counterparts and membership organisations The Global FoodBanking Network (GFN) and the European Federation of Food Banks (FEBA). Being part of a global movement to fight hunger and food waste brings opportunities to share best practice and learning experiences from similar-minded organisations. We were honoured to host FEBA's annual convention in April in Edinburgh with 70 delegates from 25 countries taking part. A visit by staff to the Belgian foodbank in Tournai provided FareShare with lots of interesting ideas on how to develop our operations.



Report of Trustees

What happened in 2016/2017 continued

The increasing focus on food poverty and food waste continued

MEDIA FOCUS: 'WASTE NOT, WANT NOT' CAMPAIGN BY THE GROCER

We were delighted when influential food and drink industry publication, The Grocer, launched its major campaign 'Waste Not, Want Not' to reduce "staggering levels" of food waste in the industry, and substantially increase the amount of surplus food that is redistributed to feed people, to 100,000 tonnes each year.

We are supporting the Grocer's campaign, collaborating with its editorial team and welcoming all 24 journalists into our London warehouse for a day of volunteering. The magazine echoes our views, with Adam Leyland the editor of the Grocer saying: "There's a huge amount of perfectly edible food and drink that is either incinerated or goes to landfill, and that cannot be right. The food and drink industry is in a unique position to effect positive change. And it needs to redouble its efforts not only to reduce waste but to prioritise food redistribution wherever humanly possible."

Besides reflecting the good work done by retailers, manufacturers and processors who already work with organisations like FareShare to redistribute good, in-date surplus food, The Grocer's campaign is encouraging food businesses to redouble their efforts on redistribution and be more transparent on food waste.

It also calls for the Government to incentivise the redistribution of surplus food, so that it isn't cheaper to dispose of good food by other means, such as anaerobic digestion. FareShare has been advocating a level playing field for some time. The ability to turn waste into energy is a wonderful thing, but the first priority for good, edible food should be feeding hungry people.

PUBLIC AFFAIRS:

Our CEO Lindsay Boswell gave evidence to the second hearing of the EFRA committee inquiry into food waste in November 2016. The resulting paper upheld many of the points which FareShare raises, such as the lack of adherence to the Food Waste Hierarchy, to which the UK is a signatory and the absence of tax incentives for charitable food distribution, relative to those made available to food businesses sending their surplus for Anaerobic Digestion.

Consequently we hope that the EFRA committee will hold the new Government to account in addressing these two anomalies in particular. In the meantime FareShare is initiating its own programme of policy campaigning, with the support of key food partners with the intention to roll-out to a wider audience as 2017/18 progresses.





More than meals

53%

of beneficiaries of FareShare food say
their physical strength has improved with 52%
reporting an improvement in energy levels

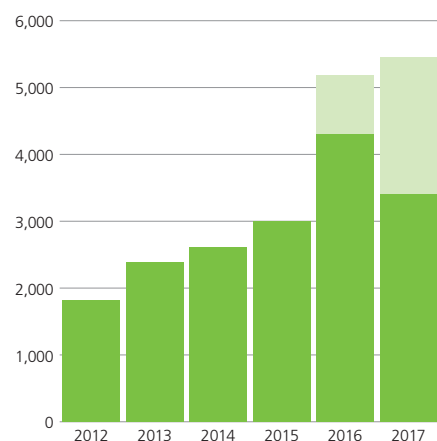
Report of Trustees

What happened in 2016/2017 continued

Financial review

For the fifth year in a row, FareShare grew the amount of food it redistributed to vulnerable and disadvantaged people.

TOTAL INCOME IN THE YEAR TO MARCH
£000



Total income – £5.4 million (+5%)

- 2017 included a donation of £500k from the Enterprise Rent-A-Car Foundation secured by The Global FoodBanking Network
- FareShare FoodCloud income – £2.1 million (more than doubled)

The result in the year was a deficit of £323k (2016: surplus £1,362k). In addition £271k was invested in fixed assets (note 12).

Last year's Report and Financial Statements explained that the exceptional surplus in 2016 arose because several large amounts were received just before or after the year end and there was not enough time for them to be spent on the work we do in the same year. The 2016 surplus is being carried forward to fund expenditure over a number of future years. Our aim is to maximise our social impact while also being prudent in the management of our resources.

Following the 2016 surplus, the trustees set a deficit budget for the year to March 2017 and authorised the expenditure on the new operational management system, GLADYS. The actual deficit is smaller than was budgeted: partly because of the donation from the Enterprise Rent-A-Car Foundation which is funding expenditure for a period to November 2017. Another deficit budget has been approved for the year to March 2018.

INCOME

In 2017 income from donations was £2.8 million (2016: £3.9 million).

Donated income in 2017 included £500,000 from Enterprise Rent-A-Car Foundation as part of a six year funding arrangement secured via our strategic partner, The Global FoodBanking Network.

The timing of the receipt of voluntary income continues to be weighted towards the end of the financial year. This means that the associated expenditure is often included in next year's statement of financial activities. This expenditure has been designated in the reserves of FareShare at the year end. A full explanation of the reserves is given in notes 18 and 19 to the accounts.

Earned income more than doubled in 2017 to £2.7 million. This was mainly as a result of strong growth in FareShare FoodCloud.

Year to March	2017 £000	2016 £000
Income		
FareShare FoodCloud	2,053	797
Community Food Member fees	449	353
Pallet fees	112	75
FareShare 1st	44	33
Other income	14	7
Total earned income	2,672	1,265

Report of Trustees

This is the second year of FareShare FoodCloud. This activity has grown strongly to represent 38% (2016: 15%) of our total income. The income and expenditure of FareShare FoodCloud is set out in note 10 to the accounts. This note shows that FareShare FoodCloud covered its costs including a contribution to core costs. The growth of FareShare FoodCloud results in a major increase in our social impact: particularly in the geographical reach of FareShare's work and in the number of charities receiving food.

COSTS

The expenditure on raising funds fell to £443,000 (£537,000 in 2015/16), a decrease of 18% reflecting the additional activity during the previous year (specifically working with Credit Suisse). As a proportion of donated income, the expenditure on raising funds rose to 16% (14% in 2015/16).

Total expenditure in the year increased by 52% to £5,769,000 (£3,804,000 in 2015/16). This is in line with the amount of food redistributed: up 49% to 13,552 tonnes. The total spending on charitable activities was £5,326,000 (£3,267,000 in 2015/16). The total spent on support costs was £607,000 (£460,000 in 2015/16) which represents 11% of FareShare's total expenditure.

CASH

Despite incurring a deficit of £323k and investing £271k in fixed assets, our cash balance is strongly up on the position a year ago – £2.5 million (2016: £1.5 million). Note 19 shows that £603k of cash was represented by restricted funds. Further cash will be applied to fund projects that have been designated (note 18) and to fund the deficit budget set for the year to March 2018.

RESERVES

FareShare has a risk based reserves policy to protect the operational requirements of the charity from short term disruption to ensure that our partners can continue to operate. The FareShare network supports 6,723 charities and community groups, providing food to 484,376 individuals a week. The estimated value of the food we provide to our Charity Food Members and Associates was £22.4 million during the year. If FareShare were suddenly unable to operate, the repercussions on our partners would be severe and cause serious problems for the vulnerable and disadvantaged people whom they help.

FareShare is significantly supported through donations and grants from a few, large organisations, who, by their nature, are dynamic and whose priorities are subject to change at short notice. Given that some of these supporters are companies that directly compete with one another, in particular Tesco, Asda and Sainsbury's, the trustees have allowed for this added risk in calculating this reserves policy.

A strength of the FareShare model is that the majority of the FareShare Regional Centres are run by third party independent charities. It is important that, were there to be a sustainability issue in one of these organisations, that the FareShare operation would be able to continue in that region. This need has been taken into account by the trustees in setting the reserves policy.

It is the aim of the trustees to ensure that reserves are sufficient to ensure that FareShare continues to operate on a going concern basis in order to meet its objectives and that the level of reserves required should take into account the risk around potential rapid changes in major income streams.

The trustees have decided that FareShare should aim to hold general reserves, after designations, of up to six months of committed expenditure. This target was derived by considering the risk to projected income streams against the requirement to fund non-cancellable expenditure for up to six months.

We include costs such as staff costs, rent on our properties and van lease payments in committed expenditure but we exclude expenditure in FareShare FoodCloud. Based on the results for the year to March 2017, we estimate annual committed expenditure to be £3.3 million. Our target reserves are therefore £1.65 million. Our general reserves at March 2017 were £1.4 million representing 87% of the target level.

Structure, governance & management

DIRECTORS AND TRUSTEES

John Bason – Chair
Paola Bergamaschi
Vince Craig
Lucy Danger
Maureen Edmundson
resigned May 2017
Peter Freedman
William Garnett
Stephen Robinson
Kathryn Sowerby

COMPANY SECRETARY

Richard Huxtable

FINANCE COMMITTEE

Stephen Robinson – Chair
Paola Bergamaschi
Patrick Litton
Tony Sykes

CHIEF EXECUTIVE

Lindsay Boswell

REGISTERED OFFICE

Unit 7, Deptford Trading Estate
Blackhorse Road
Deptford
London SE8 5HY

BANKERS

Charities Aid Foundation
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4TA

Co-operative Bank plc
9 Prescott Street
London E1 8BE

Triodos Bank NV
Deanery Road
Bristol BS1 5AS

STATUTORY AUDITORS

PKF Littlejohn LLP
1 Westferry Circus
Canary Wharf
London E14 4HD

SOLICITORS

Bates Wells Braithwaite
10 Queen Street Place
London EC4R 1BE

COMPANY REGISTRATION NUMBER

4837373

CHARITY REGISTRATION NUMBER

1100051

Governing document and constitution

FareShare is a charitable company limited by guarantee no. 4837373, incorporated under and governed by its Memorandum and Articles of Association dated 18 July 2003. FareShare is registered with the Charity Commission as a charity in England and Wales (no. 1100051).

The administrative details of the charitable company are detailed on page 20 for the year ended 31 March 2017.

OBJECTS

The objects of FareShare, as set out in the Memorandum of Association, are:

The relief of poverty and the preservation and promotion of good nutrition, good health and social improvement among people who are suffering from social, economic or emotional distress in such ways as the trustees may in their absolute discretion think fit but particularly through:

- the collection and redistribution of surplus food;
- the encouragement of members of the public to undertake voluntary work;
- the advancement of public education in particular but not exclusively by providing training in the voluntary sector; and
- the furtherance, for the benefit of the public, of the conservation, protection and improvement of the physical and natural environment through the redirection of waste (in particular food waste) and its adverse environmental impacts.

PUBLIC BENEFIT

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. FareShare's focus on tackling food poverty, working in partnership with local charities and community-based organisations, has a direct and positive benefit for many of the most marginalised people in the UK (individuals who are homeless, unemployed, poor, isolated). The charity engages individuals as volunteers in its work and this is open to all members of the community, including the most marginalised. FareShare's training and education work provides opportunities for volunteers and others to gain recognition, including accreditation, for the skills they have acquired while working with FareShare.

RECRUITMENT AND APPOINTMENT OF TRUSTEES

The trustees, who are also directors and members of the charitable company, are listed on page 20. Each year, one-third of the trustees retire from office but may stand for re-election according to the procedures set out in the Memorandum and Articles of Association at the next Annual General Meeting.

Trustees are recruited with a range of skills and experience that is needed best to ensure sound governance and strong progress towards the charity's mission and aims. Newly appointed trustees receive an induction that includes making them aware of their legal responsibilities as well as FareShare's policies, decision-making processes, strategic plan and recent financial performance.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

ORGANISATION

The trustees together constitute the Board that is FareShare's governing body. They met five times in 2016/17. The trustees approve the strategic plan and annual budgets of the charity as well as overseeing policy.

The Finance Committee is a sub-committee of the Board of Trustees and provides more detailed oversight on matters of finance and audit, risk and long-term sustainability. This committee met five times in 2016/17.

The Management team, led by the Chief Executive, is responsible for implementing the strategy and for progressing towards agreed key aims and objectives.

STAFF PAY POLICY (INCLUDING THE SENIOR MANAGEMENT TEAM)

Our approach to staff pay is designed to ensure we can attract and retain people with the passion, commitment and skills we need to achieve our mission and deliver our strategic goals. It is applied consistently across the organisation. We aim to pay competitively in the not-for-profit sector within the context of affordability. We therefore use external salary surveys and other tools to enable us to benchmark our salaries against other charities. The lowest rate of pay is at least the living wage set by the Living Wage Foundation.

Annual increases are normally awarded in April each year, taking into account the rate of inflation and organisational affordability. Annual increases are subject to approval by the Board of Trustees.

Governing document and constitution *continued*

FareShare's key management personnel are the Senior Management Team. This staff remuneration approach is also applied to the recruitment and retention of the Senior Management Team.

FARESHARE 1ST LIMITED

FareShare has a wholly owned trading subsidiary, FareShare 1st Limited, that has its own Board of Directors. The principal activity of FareShare 1st Limited is to undertake commercial activities on behalf of the Charity. The results of FareShare 1st Limited, which are set out in note 11 to the accounts, have been consolidated in these financial statements.

RISK MANAGEMENT

FareShare has a risk management strategy that centres on maintaining a risk register and includes policies and procedures that mitigate those risks. The initial identification and assessment of risks is done by the Senior Management Team. The Finance Sub Committee focusses on reviewing the financial risks. The Trustees review the risk register on a regular basis: they consider how the risks interact and where to prioritise mitigating actions.

The main categories of risk identified can be segmented into 5 areas:

- Food safety
- Securing surplus food for charitable purposes
- Income generation
- Operations
- Loss of key staff

FOOD SAFETY

Food redistribution is the essence of what we do. Food safety, its traceability and overall handling is at the core of both our mission and our reputation.

Mitigation: Our policies and procedures enable us to maintain the highest standards as any lapses would ultimately compromise our position of trust and expert authority with the food industry.

SECURING SURPLUS FOOD FOR CHARITABLE PURPOSES

Our supplies of food are potentially vulnerable to commercial competition as well as alternative uses such as anaerobic digestion and animal feed. The Government provides financial incentives to support anaerobic digestion. Turning inedible food into energy is commendable as an environmental solution but edible food should not be used to create energy or to feed animals while people are going hungry.

Mitigation: We are putting in place a campaign to highlight the inconsistent application and adoption of the Food Waste Hierarchy to ensure that food is used to **Feed People First**.

INCOME GENERATION

Donations make up a large proportion of our income. We have some multi-year support but most is shorter term. Donated income can be difficult to predict and volatile. Our costs are relatively fixed and predictable. The Finance Committee and the trustees regularly review forecasts to ensure we are able to adjust our expenditure to deal with changes in projected revenue.

Mitigation: The risk of income volatility is mitigated by having mixed income streams: some earned and some donated. It is also addressed by our reserves policy of covering six months of committed costs and the approach to develop new streams of income from the food industry.

OPERATIONS

The FareShare network comprises a variety of elements which require a consistent management of activities and behaviours. We operate busy warehouses with potentially hazardous equipment such as fork lift trucks and walk-in freezers. We have both office-based and field-based employees across the UK as well as external volunteers coming to work at our sites.

Mitigation: We maintain an up-to-date health and safety manual and ensure their consistent communication through good training and induction programmes.

LOSS OF KEY STAFF

FareShare has a small management team and the loss of any key individual would be significant.

Mitigation: Development of and strengthening a collective management culture reduces reliance on any one individual. Putting a succession plan in place.

GOING CONCERN

FareShare's business activities, together with the factors likely to affect its future development, performance and position, are set out in this Report of the Trustees. The current economic conditions create uncertainty, particularly over the continued level of funding from corporate and trust donors.

FareShare's forecasts and cash flow projections, which form part of the planning process, having consideration to potential costs arising outside of normal trading activities, show that FareShare should be able to continue to operate within the level of its current banking facility and has adequate reserves to manage business risk.

The trustees have a reasonable expectation that FareShare has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

TRUSTEES' RESPONSIBILITIES

The trustees (listed on page 20) are also directors of FareShare under company law.

The trustees are responsible for preparing financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable

law. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including the net income or expenditure 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 of the Charities' SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with company law, each of the trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the trustees also confirms that he/she has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditors.

AUDITORS

Our auditors, PKF Littlejohn LLP were re-appointed during the year and have expressed their willingness to continue in that capacity.

This report was approved by the Trustees on 17 July 2017 and signed on their behalf by:



John Bason
Chair

Independent Auditor's report to the members of FareShare

We have audited the financial statements of FareShare for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities, incorporating an Income and Expenditure Account, the Consolidated and Parent Company Balance Sheets, the Consolidated Cashflow Statement and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Statement of Trustees' Responsibilities as set out on page 23, the Trustees (who are also the directors of the charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the

financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent charitable Company's affairs as at 31 March 2017, and of the Group's charitable incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Group and its environment obtained in the course of our audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or



Alastair Duke

(Senior statutory auditor)

For and on behalf of PKF Littlejohn LLP
Statutory auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

17 July 2017

Consolidated statement of financial activities

For the year ended 31 March 2017 (incorporating an income and expenditure account)

	Note	Restricted Funds			Total Funds 2017 £000	Restricted Funds			Total Funds 2016 £000
		Unrestricted Funds 2017 £000	FareShare FoodCloud 2017 £000	Other 2017 £000		Unrestricted Funds 2016 £000	FareShare FoodCloud 2016 £000	Other 2016 £000	
Income									
Income from generated funds									
Donations	1	1,411	–	1,363	2,774	2,645	70	1,186	3,901
Other trading activities	2	11	–	–	11	5	–	–	5
Commercial trading income	11	44	–	–	44	33	–	–	33
Income from investments	3	3	–	–	3	2	–	–	2
		1,469	–	1,363	2,832	2,685	70	1,186	3,941
Income from charitable activities	5	561	2,053	–	2,614	427	798	–	1,225
Total Income		2,030	2,053	1,363	5,446	3,112	868	1,186	5,166
Expenditure	6, 7								
Expenditure on raising funds		443	–	–	443	537	–	–	537
Expenditure on charitable activities		2,250	2,035	1,041	5,326	1,463	854	950	3,267
Total Expenditure		2,693	2,035	1,041	5,769	2,000	854	950	3,804
Net Income		(663)	18	322	(323)	1,112	14	236	1,362
Transfer between funds	19	199	(18)	(181)	–	105	(14)	(91)	–
Net movement in funds		(464)	–	141	(323)	1,217	–	145	1,362
Balance at beginning of year		2,326	–	245	2,571	1,109	–	100	1,209
Balance at end of year	19	1,862	–	386	2,248	2,326	–	245	2,571

The Group has no gains or losses other than those shown above.

All turnover is from continuing operations.

The Accounting Policies and notes on pages 29 to 40 form part of these financial statements.

Balance sheet

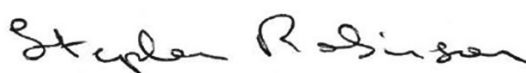
At 31 March 2017

	Note	Group		Company	
		2017 £000	2016 £000	2017 £000	2016 £000
Fixed Assets					
Tangible fixed assets	12	563	381	563	381
Investment	13	–	–	–	–
		563	381	563	381
Current Assets					
Debtors	14	1,638	1,909	1,643	1,921
Cash at bank and in hand		2,546	1,455	2,535	1,443
		4,184	3,364	4,178	3,364
Creditors: Amounts falling due within one year	15	(2,271)	(946)	(2,265)	(946)
Net Current Assets		1,913	2,418	1,913	2,418
Long term provisions		(228)	(228)	(228)	(228)
Net Assets		2,248	2,571	2,248	2,571
Reserves					
Unrestricted Funds	18				
General		1,429	1,607	1,429	1,607
Designated		433	719	433	719
Restricted Funds	19	386	245	386	245
Net Assets		2,248	2,571	2,248	2,571

These financial statements were approved by the Board of Trustees on 17 July 2017, and signed on their behalf by:



John Bason
Director



Stephen Robinson
Director

The Accounting Policies and notes on pages 29 to 40 form part of these financial statements.

Consolidated cashflow statement

For the year ended 31 March 2017

	Total Funds 2017 £000	Total Funds 2016 £000
Cash flows from operating activities		
Net cash provided by operating activities (see reconciliation below)	1,362	810
Cash flows from investing activities		
Purchase of property, plant and equipment	(271)	(351)
Change in cash and cash equivalents in the year	1,091	459
Cash and cash equivalents		
At beginning of year	1,455	996
At end of year	2,546	1,455

Reconciliation of net income to net cash flow from operating activities:

	2017 £000	2016 £000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(323)	1,362
Adjustments for:		
Depreciation charges	89	67
Increase in dilapidations provision	–	159
(Increase)/decrease in debtors	271	(1,435)
Increase/(decrease) in creditors	1,325	657
	1,362	810

Accounting policies

Year ended 31 March 2017

BASIS OF ACCOUNTING AND CONSOLIDATION

FareShare is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 20 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Report of the Trustees on pages 5 to 19.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements are of the Charity and its subsidiary trading company, FareShare 1st Limited. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £000.

The significant accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all years presented unless otherwise stated. The accounting policies adopted are the same for the Company and for the Group.

INCOMING RESOURCES AND RESOURCES EXPENDED

All income and expenditure has been accounted for on an accruals basis.

Gifts in kind have been included in the notes to the accounts at an amount equivalent to that which the Charity would have had to pay to purchase the donated facilities.

Charitable trading income, arising from contracts from services, is recognised when earned. Such income received in advance of entitlement is deferred to the Balance Sheet and released to the Statement of Financial Activities in future periods.

Costs of generating funds comprises the cost associated with attracting voluntary income, charitable expenditure comprising direct expenditure including staff costs, plus a proportion of costs that cannot be directly attributed (support costs). Support costs are allocated to activity cost categories on a basis consistent with the use of resources.

Governance costs comprise the legal, auditing and other professional costs associated with the running and management of the Charity.

TAXATION

As a registered Charity, the Company is generally exempt from Corporation Tax but not from Value Added Tax (VAT). The Company's subsidiary trading company is registered for VAT and is liable to corporation tax on trading profits not transferred under the Gift Aid arrangements.

PENSION COSTS

The Charity operates a defined contribution group personal pension 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.

FUNDS

Unrestricted funds comprise those monies that may be used towards meeting the charitable objects of the Charity at the discretion of the Trustees. Restricted funds arise when donations are received for specific purposes or are subject to specific conditions imposed by the donor. Restricted funds are to be used for particular aspects of the objects of the Charity.

DESIGNATED FUNDS

Designated funds have been established by the Trustees to fund the cost of strategic initiatives which the trustees consider will contribute to the achievement of the Charity's objectives. The funds are not restricted and to the extent the funds are not required will be available to support the charity's day to day activities.

FIXED ASSET INVESTMENT

The investment in the wholly owned subsidiary trading company is shown at cost.

DEPRECIATION

Depreciation is charged on tangible fixed assets at rates calculated to write off the cost of the asset, less any residual value, evenly over its expected useful life:

Computer equipment and software	– 3-7 years
Other assets	– 3 years
Warehouse equipment	– 3-7 years
Leasehold improvements	– Over the life of the lease

Individual assets costing less than £500 are not capitalised and are treated as an expense.

PROVISIONS

The full estimated cost of dilapidations is provided in respect of existing current lease obligations.

LEASE AND HIRE PURCHASE CONTRACTS

Rentals under operating leases are charged to the Statement of Financial Activities as incurred.

Notes to the financial statements

Year ended 31 March 2017

1. DONATIONS

	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2017 £000	Total Funds 2016 £000
Individuals and legacies		91	1	92	120
Trusts and foundations		268	1,142	1,410	1,045
Corporate		1,052	118	1,170	1,860
Corporate – FareShare FoodCloud	10	–	–	–	70
Corporate – Company Shop		–	–	–	732
Statutory		–	102	102	74
		1,411	1,363	2,774	3,901

2. OTHER TRADING ACTIVITIES

Other trading income		11	–	11	5
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3. INCOME FROM INVESTMENTS

Bank interest receivable		3	–	3	2
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4. INTANGIBLE INCOME

The value of the food handled by FareShare has been incorporated into the notes to the accounts only. Further information is given in note 20.

5. INCOME FROM CHARITABLE ACTIVITIES

Community partner admin fee		449	–	449	352
Fees reclaimable from the movement of goods		112	–	112	75
Fees receivable for FareShare FoodCloud	10	–	2,053	2,053	798
		561	2,053	2,614	1,225

6. EXPENDITURE

	Direct costs 2017 £000	Support costs 2017 £000	Total costs 2017 £000	Total costs 2016 £000
Expenditure on raising funds	361	82	443	537
Charitable activities				
Managed depots	1,143	218	1,361	1,192
National support	1,641	196	1,837	1,113
FareShare FoodCloud	1,940	95	2,035	854
Employability	10	3	13	29
National operations	67	13	80	79
	5,162	607	5,769	3,804

7. ANALYSIS OF SUPPORT COSTS

	Staff costs £000	Office costs £000	Support costs £000	Governance costs £000	Total 2017 £000	Total 2016 £000
Expenditure on raising funds	20	37	19	6	82	93
Charitable activities						
Managed depots	53	98	52	15	218	167
National support	48	88	46	14	196	119
FareShare FoodCloud	95	–	–	–	95	67
Employability	1	1	1	–	3	3
National operations	3	6	3	1	13	11
	220	230	121	36	607	460

8. GOVERNANCE COSTS

	2017 £000	2016 £000
Accountancy fees – current year audit	6	9
Accountancy fees – prior year adjustments	–	(5)
Accountancy fees – other services	–	1
Legal and professional fees	27	49
Other governance costs	3	2
	36	56

Notes to the financial statements continued

Year ended 31 March 2017

9. STAFF AND TRUSTEE COSTS

Trustees' reimbursed expenses totalling £3,000 were incurred during the year (2016: £2,000). Trustee liability insurance cover was obtained as part of a professional indemnity policy. The insurer advised that approximately 40% of the policy premium relates to trustee liability cover. The total premium was £3,000 (2016: £3,000).

Staff costs in the year were as follows:

	2017 £000	2016 £000
Salaries and wages	2,680	1,733
Social security costs	251	166
Pension contributions	89	52
Termination costs	18	–
Temporary staff costs	19	10
	3,057	1,961

The increase in staff costs reflects the growth in FareShare FoodCloud. Included in the total staff costs shown above is £1,008,000 (2016: £212,000) relating to FareShare FoodCloud.

Average number of employees during the year:

	2017 No.	2016 No.
Depot Operations – FareShare Managed	21	17
Depot Operations – National Support	19	12
FareShare FoodCloud	42	8
Employability	1	1
Fundraising and publicity	8	10
Administration	6	5
	97	53

Higher paid employees

The number of staff paid over £60,000 during the year was:

£60,000 – £70,000	4	3
£80,000 – £90,000	1	1

Key management personnel are the Senior Management Team, comprising in total 6 (2016 – 5) persons. The total remuneration of the key management personnel was £472,000 (2016 – £392,000).

10. FARESHARE FOODCLOUD

	Note	Total 2017 £000	Total 2016 £000
Donation towards Proof of Concept	1	–	70
Invoiced based on budget		3,210	1,089
Invoiced for chill boxes		43	43
Income deferred	15	(1,200)	(334)
Amount recognised in year	5	2,053	868
Direct costs incurred	6	(1,940)	(787)
Fixed assets purchased	19	(18)	(14)
Contribution to core costs	6	(95)	(67)
Surplus/(deficit)		–	–

The FareShare FoodCloud partnership between Tesco, FoodCloud and FareShare helps to reduce waste food at a store level. By March 2017 FareShare FoodCloud was working with all large-format Tesco stores and had started to roll out the service to the smaller Express stores. A trial with three Waitrose stores was underway.

All direct costs incurred by FareShare and our Irish partners FoodCloud were covered by Tesco, with modest levels of core contribution toward the line management and planning of the scheme.

During the year £3.2m was invoiced to Tesco, including agreed costs for the quarter ended 30 June 2017. By this date direct costs of £1.9m had been incurred, and fixed assets had been purchased at a cost of £18,000. The agreed core contribution for this period was £95,000. There was therefore an amount of £1.2m which is included within deferred income.

Notes to the financial statements *continued*

Year ended 31 March 2017

11. TRADING INCOME AND EXPENDITURE

FareShare has a wholly owned subsidiary, FareShare 1st Limited, which is a company limited by shares incorporated in England and Wales. The principal activity of FareShare 1st Limited is to undertake commercial activities on behalf of the Charity.

At 31 March 2017, the net assets of FareShare 1st Limited were £nil (2016: £nil). Its trading results extracted from its audited financial statements for the year to 31 March 2017 were:

	2017 £000	2016 £000
Turnover	44	33
Cost of sales	–	–
Gross Profit	44	33
Qualifying donation	(44)	(33)
Retained profit	–	–

12. TANGIBLE FIXED ASSETS – GROUP AND COMPANY

	Leasehold improvements £000	Office equipment £000	IT equipment £000	Warehouse equipment £000	Computer software in progress £000	Total £000
Cost						
At beginning of year	264	12	63	189	100	628
Additions	–	6	41	8	216	271
Disposals	–	–	–	–	–	–
At end of year	264	18	104	197	316	899
Depreciation						
At beginning of year	91	6	24	126	–	247
Charge for the year	49	4	22	14	–	89
Released on disposals	–	–	–	–	–	–
At end of year	140	10	46	140	–	336
Net book value						
At beginning of year	173	6	39	63	100	381
At end of year	124	8	58	57	316	563

The new operational management system, GLADYS, went live on 1 April 2017. It will be depreciated over 5 years starting in the next financial year.

13. INVESTMENTS

	2017 £000	2016 £000
Shares in subsidiary company (see note 11)	1	1

14. DEBTORS

	Group		Company	
	2017 £000	2016 £000	2017 £000	2016 £000
Trade debtors	1,248	1,423	1,211	1,423
Amounts due from subsidiary	–	–	42	45
Prepayments and accrued income	271	269	271	236
VAT reclaimable	12	137	12	137
Other debtors	107	80	107	80
	1,638	1,909	1,643	1,921

Trade debtors include £nil from Company Shop (2016: £732,000) and £983,000 from Tesco (2016: £439,000) relating to the FareShare FoodCloud project (see note 10).

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017 £000	2016 £000	2017 £000	2016 £000
Trade creditors	279	247	279	247
Accruals and deferred income	1,550	523	1,550	523
Taxation and social security	77	55	77	55
VAT payable	333	75	327	75
Other creditors	32	46	32	46
	2,271	946	2,265	946

Included within accruals and deferred income is deferred income of £1,200,000 (2016: £334,000), being amounts invoiced to Tesco for the FareShare FoodCloud project which has not been spent by the year end. See note 10 for further details.

Notes to the financial statements *continued*

Year ended 31 March 2017

16. LONG TERM PROVISIONS

	Group		Company	
	2017 £000	2016 £000	2017 £000	2016 £000
Provision for dilapidations	228	228	228	228

17. ANNUAL COMMITMENTS – GROUP AND COMPANY

The charitable company had the following annual commitments under non-cancellable operating leases:

	Expiring within one year £000	Expiring in one to two years £000	Expiring in two to five years £000	Expiring in more than five years £000	Total £000
At 31 March 2017					
Premises	–	–	434	–	434
IT Systems	2	6	–	–	8
Vehicles	–	–	420	–	420
	2	6	854	–	862
At 31 March 2016					
Premises	–	5	600	–	605
IT Systems	–	5	12	–	17
Vehicles	–	–	350	–	350
	–	10	962	–	972

18. UNRESTRICTED FUNDS

	FareShare £000	FareShare 1st £000	2017 £000	2016 £000
Funds brought forward	2,326	–	2,326	1,109
Net movement in funds in the year	(508)	44	(464)	1,217
Qualifying donation made by subsidiary to charitable company	44	(44)	–	–
Retained in subsidiary		–		
Retained in charitable company	1,862			
Consolidated funds carried forward			1,862	2,326
Unrestricted funds consist of				
General Fund			1,429	1,607
Designated funds			433	719
			1,862	2,326

	Beginning of year £000	Transfers of funds £000	Utilised in year £000	End of year £000
Designated funds				
a) Impact assessment	21	(1)	(20)	–
b) IT systems investment	256	(181)	–	75
c) Transport and logistics investment	200	(105)	(21)	74
d) Network support	140	(45)	(95)	–
e) Fixed assets	102	199	(17)	284
	719	(133)	(153)	433

Notes to the financial statements *continued*

Year ended 31 March 2017

18. UNRESTRICTED FUNDS CONTINUED

The Trustees have established the following designated funds to provide for expected strategic expenditure:

a) Impact assessment

The charity has previously designated funds to measure the impact of FareShare's work, to communicate and demonstrate to the government, donors and volunteers the value of its mission to the charities who provide food to the communities they serve and their beneficiaries. Funds brought forward were expended during the year. The charity is no longer designating funds for this purpose.

b) IT systems investment

In order to improve its IT infrastructure, the charity needs to invest in its systems. The replacement of the operational management system was completed during the year and it went live on 1 April 2017. The cost of the new system, GLADYS, was partially funded through a restricted donation (see below). The designated fund represents the remaining cost of the system, such as training, enhancements, hosting and support.

c) Transport and logistics investment

The charity has designated funds to cover an investment in transport and logistics focussing on getting food to where it is needed when it is needed. This includes the re-distribution of food across the network and the temporary storage of larger supplies. As food volumes increase, we don't want to reject a large local supply of food in one region if there is a need in another.

d) Network support

This fund is available to support the development of our national network of Regional Centres.

e) Fixed assets

This fund represents future depreciation costs of assets purchased from restricted funds.

19. RESTRICTED FUNDS

	Note	Beginning of year £000	Transfers of funds £000	Income in year £000	Utilised in year £000	End of year £000
Restricted funds						
a) FareShare depots		28	(14)	484	(424)	74
b) Network support		39	–	829	(606)	262
c) FareShare FoodCloud	10	–	(18)	2,053	(2,035)	–
d) Systems development		167	(167)	–	–	–
e) Business plan		2	–	50	(2)	50
f) Employability		–	–	–	–	–
g) Fixed assets		9	–	–	(9)	–
		245	(199)	3,416	(3,076)	386
Unrestricted funds						
		2,326	199	2,030	(2,693)	1,862
		2,571	–	5,446	(5,769)	2,248

Restricted reserves

a) FareShare depots

This reflects the food redistribution operations of FareShare's national depots in London, Merseyside and West Midlands.

b) Network support

This reflects staffing and other support activities for FareShare's national network of delivery partners, including the transport costs of food redistribution.

c) FareShare FoodCloud

See note 10 to the accounts for further details of FareShare FoodCloud.

d) Systems development

This reflects the cost of replacing the operational management system which records the movement of food through the organisation. The new system went live on 1 April 2017.

e) Business plan

This reflects the cost of creating a detailed business plan for the FareShare network. Funding of £50,000 was received from Big Lottery Fund.

f) Employability

This reflects FareShare's training programmes in food safety, fork lift truck training, warehouse skills, and healthy eating programmes for both volunteers, and the long term unemployed.

g) Fixed assets

This reflects capital grants received to be utilised against future depreciation costs.

Notes to the financial statements continued

Year ended 31 March 2017

19. RESTRICTED FUNDS CONTINUED

Fund transfer

An amount of £199,000 has been transferred from restricted to unrestricted funds, being the cost of fixed assets purchased for FareShare FoodCloud and the London depot from restricted funds, and capitalised costs incurred in relation to the new operational management system which was partially funded by a restricted grant.

Consolidated fund balances at 31 March 2017 are represented by:

	Unrestricted £000	Restricted £000	Total £000
Tangible fixed assets	563	–	563
Debtors	655	983	1,638
Cash at bank and in hand	1,943	603	2,546
Creditors falling due within one year	(1,071)	(1,200)	(2,271)
Provision for dilapidations	(228)	–	(228)
Net assets	1,862	386	2,248

20. Intangible income

During the year FareShare received a number of gifts in kind, including room hire and event catering, furniture, safety boots and consultancy. The value of these gifts is not included as income in these accounts, however is estimated to be in the region of £12,000 (2016: £15,000).

In addition to the above, there is the food supplied by retailers, food manufacturers and consumers to the FareShare network. Based on the results of surveys of the charities receiving food from the FareShare network, it is estimated that the value of that food was approximately £22.4 million (2016: £19.6 million).

21. Related parties

There are 20 Regional Centres. Three are managed directly by FareShare and the others are run by third-party independent charities. EMERGE 3Rs runs the Greater Manchester Regional Centre. Lucy Danger, the Chief Executive of EMERGE 3Rs, is on the Board of Trustees of FareShare. This brings EMERGE 3Rs within the definition of a related party.

FareShare receives some donations from funders that are partly for itself and partly for other Regional Centres. During the year FareShare paid £55,000 (2016: £30,000) to EMERGE 3Rs which resulted from funding provided by Cargill, CAF America and Enterprise Rent-A-Car. Also during the year FareShare made an interest-free loan of £40,000 to EMERGE 3Rs (2016: £7,000). This is included in other debtors at the year-end.

William Garnett, a Trustee of FareShare, is a partner at Bates Wells Braithwaite who are FareShare's solicitors. During the year Bates Wells Braithwaite charged FareShare £3,000 for legal advice provided (2016: £2,000). Mr Garnett is also a non-executive director of Centor Insurance and Risk Management Limited. During the year the charity procured insurance for £44,000 through Centor (2016: £52,000) and professional fees of £nil were paid to Centor (2016: £4,000).

All transactions were conducted on an arms-length, commercial basis. Neither trustee was involved in approving these transactions.



More than meals

33%

of beneficiaries use the money saved by
having meals through our charity members
to attend job interviews or the job centre



FareShare

Unit 7
Deptford Trading Estate
Blackhorse Road
London SE8 5HY

Tel: 020 7394 2468
Email: enquiries@fareshare.org.uk

Registered Charity No. 1100051

Limited by Guarantee

Company Registration No. 04837373

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