

Report and Financial Statements  
For the year ended 31 March 2014

# Fighting hunger, tackling food waste



We redistribute surplus food  
from the UK food industry to **charities**  
and **community**  
**groups** who otherwise would be  
buying this food.

These charities support many  
**vulnerable people**  
and save money by not having  
to purchase as much food.

We believe  
passionately  
that no good food  
should go to waste...



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# Report from Chair and Chief Executive

FareShare has had a very successful year. Our overall growth is up by 41%. At the end of 2013/14 we were supporting 1,296 charities across all four nations of the UK. We provided these charities with more than one million meals a month; the first time we have crossed this significant milestone.



Adam Sampson Chair

These organisations in turn provide food to 62,200 people a day. Our redistribution model saved the voluntary sector more than £16 million; enough to employ 986 care workers on average wages. The difference that can be made with surplus food is considerable!

Core to our business model is being able to divert more food from the UK food industry and get it eaten while it is still in-date and fit for human consumption. The more food we have the more organisations we can support and the more people they can feed. This year we have seen the first returns on our investment in an expanded number of highly professional ex-food industry experts who help unlock these surpluses. They have led a new approach of focusing on working with and through the main retailers to get to where the real surpluses are – the supply chain. We have worked closely with Tesco, Asda and Sainsbury's during the year and have long term partnerships in place that give us confidence about further and future growth.

We have seen a ten-fold increase in the amount of fresh produce (fruit and vegetables) during the last year.

During the year we introduced a new growth strategy that is designed to increase the reach and impact of the warehouses and refrigeration units we have in all 18 of our Regional Centres. Each FareShare depot supports a region and not just its local town or city. A greater use of volunteers, charities coming to collect and operating a satellite model has given us the platform for considerable growth in the future.

At the very end of the year we welcomed FareShare Southern Central operating out of Southampton and covering Hampshire, Wiltshire and Dorset. Plans are at an advanced stage to open FareShare Kent as well as representation in the Thames Valley and Cornwall.

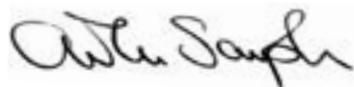


Lindsay Boswell Chief Executive

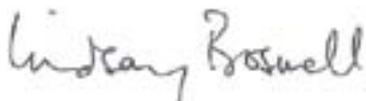
## Report from Chair and Chief Executive

Despite considerable growth, FareShare still has a great deal of potential. The vast majority of surplus food in the UK goes to anaerobic digestion, animal feed, composting or landfill and we are actively working to ensure that food that is fit for people is fed to people. Our calculation (there are no official statistics), based on our ten years of experience, is that we are only accessing just under 2% of the possible surplus food available in the UK. It is the size of this potential that drives us forward and makes us determined to continue to grow over the coming years. The logistical challenges are considerable but we now have the right platform from which to launch the next stage of our work.

In addition to the support of the food industry, FareShare is nothing without our funders and our volunteers. Both make a massive and essential contribution to enabling us to deliver the food to our network of charity members.



**Adam Sampson**  
Chair



**Lindsay Boswell**  
Chief Executive

We have **long term partnerships** in place that give us **confidence about further future growth**



This year we have seen the first returns on our investment in an expanded number of highly professional ex-food industry experts who help unlock these surpluses.



# How does FareShare work?

We work in a unique way  
with **partnership** being at the  
**heart** of all we do



FareShare receives surplus food from the food industry that would otherwise go to waste...



Delivered to FareShare by food companies



...redistributes it through 18 Regional Centres around the UK...



Delivered in FareShare refrigerated vans



...with help of an army of volunteers...



...to 1,296 local charities and community organisations...



...for 62,000 people in need each and every day.



...who transform it into healthy balanced meals...

# 2013/2014 at a glance

FareShare delivered surplus food to more than **1,296 charities and community projects** across the UK



FareShare received **5,500 tonnes of good quality food** (85% of this food is surplus food that would have otherwise gone to waste).



Last year the food redistributed by FareShare contributed towards more than **12 million meals, feeding 62,200 people a day**



We estimate that the food FareShare provided **saved each charity on average £13,000 a year**, a total saving of over £16 million. More than 80% of these charities invest the savings into additional support services.



By ensuring food is used for its purpose, FareShare helped **businesses save 19,500 tonnes of CO2 emissions.**



We ran two national food drives, the **Neighbourhood Food Collection**, with Tesco and **in partnership** with the Trussell Trust.



Research by social-research Institute NatCen demonstrates that "both FareShare Regional Centres and member charities are geographically very well situated in terms of areas of deprivation, offering a high degree of access to the most vulnerable in society."<sup>1</sup>

- 76% of the most deprived areas in Great Britain were within a deliverable distance from a FareShare Regional Centre.
- 63% of the charities we supply are located in the most deprived neighbourhoods in England, Scotland and Wales

<sup>1</sup> NatCen, From Food Waste to Fighting Hunger: Exploring FareShare [www.natcen.ac.uk/media/270727/exploring-fareshare.pdf](http://www.natcen.ac.uk/media/270727/exploring-fareshare.pdf) January 2014

# Mission & Aims

## Fighting food poverty by tackling food waste

### 1 Sourcing

Sourcing food that is surplus to requirements – both from food retailers and manufacturers

### 4 Supporting

Providing training and education that relates directly to our work, including accredited courses in food safety, forklift truck training, and healthy eating.

### 2 Engaging

Engaging volunteers to help FareShare redistribute this surplus food through a nationwide network of delivery partners – our Regional Centres

### 5 Promoting

Promoting to the food industry and wider general public our key message – ‘no good food should be wasted’.

### 3 Providing

Providing good quality, in-date food supplies at a low cost to our Community Food Members (charities and local groups registered with FareShare that feed people in food poverty – individuals who are homeless, unemployed, poor or socially isolated).



# Report of the Trustees

## How we work

FareShare works in a unique way with partnership being at the heart of all we do.

### **We partner with the food industry**

to secure their surplus food offering them a unique Corporate Social Responsibility benefit from a potentially costly problem; one of waste disposal. Our proposition is to get food manufacturers, distributors and retailers to identify their surpluses before they become waste and while they are still in-date and fit to eat. Given the ultimate cost of disposal we ask food businesses to cover the cost of transporting that surplus to us as well as cover our logistical costs. Enlightened food businesses understand that FareShare provides a positive solution to food surpluses and waste; we also offer great staff engagement opportunities; and, save them money.

**We partner with local charities and community groups** around the UK that use food to address social issues. FareShare distributes daily to these frontline organisations, after confirming that this food can and will be consumed. We make a small charge for the service to cover our direct operating costs while staying focussed on saving our Community Food Members substantial expenditure.

All our Regional Centres can only operate with the help of a huge number of volunteers. Food distribution is done by **teams of amazing volunteers** who deliver the food to our Community Food Members. Many of these volunteers are themselves putting their lives back together and we support them with training and skills to help get as many as possible back into employment.



Many of these volunteers are themselves putting their lives back together and we support them with training and skills to help get as many as possible back into employment.

Food distribution  
is done by **teams of amazing volunteers**

# Report of the Trustees

## What happened in 2013/2014

The amount of food redistributed grew 30% to 5,500 tonnes.



Asda publically launched its breakthrough partnership with us.



Tesco expanded the number of Tesco.com home delivery centres we receive food from.



Sainsbury's have encouraged their fresh produce suppliers to work with us – direct from their processing facilities.

This increase is recognition that our strategy of how we approach the food industry continues to pay dividends.

### Securing more food

The majority of the surplus food exists in the supply chain. This includes Distribution Centres, third party logistics companies, suppliers, manufacturers, importers and growers. However key to the behaviour and response of these organisations is the attitude and actions of the major retailers.

We continue to receive major volumes of food from Sainsbury's and have significantly expanded our work with Asda and Tesco – meaning deep and strategic relationships with the three biggest retailers in the UK. Our growth in this area has also been made possible through the support of The Garfield Weston Foundation, The Esmée Fairbairn Foundation, The February Foundation and The Henry Smith Charity.

In April, Asda publically launched its breakthrough partnership with us, through which the retailer is diverting supplier returns and "overs" to FareShare, delivering them directly to all our Regional Centres.

Tesco expanded the number of Tesco.com home delivery centres we receive food from, so that now every Tesco.com in the M25 (a total of six) provides food to FareShare. In October they announced a major programme to divert surplus products – supplier returns, "overs" and fit-for consumption rejections, delivered direct on their vehicles from their Distribution Centres. This initiative links directly to their Tesco and Society sustainability strategy announced in May where they have committed to "leading on reducing food waste globally". We also collected well in excess of 750 tonnes from two Tesco food collections.

## What happened in 2013/2014

As well as providing food from their Distribution Centres, Sainsbury's have encouraged their fresh produce suppliers to work with us – direct from their processing facilities. This has generated more than 300 tonnes of valuable fruit and vegetables.

All three of these key partners have also supported us in encouraging their suppliers to work directly and collaboratively with FareShare via a variety of routes.

We have re-engaged more proactively with M&S and Co-Op and had initial conversations about a more consistent approach to how we capture more food from within their own operations. These retailers as well as Aldi and Lidl have all generated a 70% increase in volumes of food they provided to us this year.

In conjunction with WRAP, we finalised the Food Connection Programme "Back of Store" trials. We plan to introduce a trial for us to pick up the food direct from stores on our vans and deliver back to our Regional Centres – both to generate valuable volumes of surplus food, and also to ensure ongoing strategic relevance to key customers.

Finally, building on success with partners such as Gerber and Nestlé UK, we have begun to embed operational processes within a small number of manufacturers, which will secure surplus food on a more regular and reliable basis. Learning from this and our work in fresh produce, the intention is to expand this with more manufacturer and processor partners in key target categories such as meat, dairy, bakery, produce, cereals, tins, ambient packets and beverages in the next financial year.

### Voluntary Income

The growth of our activity and reach, as well as increasing awareness and understanding of our work, enabled our continued success in securing voluntary income. In 2013/14 this grew to £2,266,041 (2012/13 – £2,099,967). This achievement was only made possible by the ongoing support of a range of key corporate partners. These included Tesco, Sodexo, Elanco, The Global FoodBanking Network (made possible by the Caterpillar Foundation), Citadel and BNY Mellon. This was all part of continued funding and strategic support from organisations that share our goal of addressing food waste and poverty.

Our response to the growth needed to support an increasing number of charities and community organisations also resulted in securing new trust funders whilst effectively managing existing grants. This included: The Asda Foundation, The Dulverton Trust, John Laing Charitable Trust, The Muriel Jones Foundation and Sylvia Adams Charitable Trust.

We also enjoyed growing support for our work across London particularly from the City Livery Companies including The Leathersellers' Company, The Haberdashers' Company and The Worshipful Company of Cooks. During the year we received over £90k in one off or regular gifts from individual donors inspired by our passion to achieve significant change for vulnerable individuals and families.

Growth of  
our activity and  
reach as well as  
increasing  
awareness and  
understanding



In 2013/14 voluntary income grew to £2,266,041 (2012/13 – £2,099,967).

# Report of the Trustees

## Our operations

To reflect our ambitious growth plans, we have introduced a new regional brand that demonstrates the impact and reach of our depots across the UK. There are now 18 Regional Centres, three of which are managed directly by FareShare National.

These three Regional Centres in London, Merseyside and West Midlands, have continued to develop their operations and expand.

FareShare Merseyside realised ambitious growth plans during the year delivering 440 tonnes of food to 104 Community Food Members. With support from Unilever (via Oxfam GB), Cargill and The Morgan Foundation they have begun to look at the spread into the Wirral and Skelmersdale for recruitment of more community groups.

FareShare West Midlands depot has continued to develop, delivering 470 tonnes to 63 Community Food Members this year. Deliveries have moved beyond Birmingham to Wolverhampton, Coventry and Walsall. Development will continue this year to Tamworth, West Bromwich and Dudley.

In London a new Development Manager was recruited in August. With this dedicated post the number of Community Food Members has increased to 122 receiving 609 tonnes of food. In partnership with EAT, over 84 tonnes of food were collected from their outlets and delivered to hostels and night shelters across London. This is an increase of 34 tonnes of food from last year.

### Regional centres

- Central & South East Scotland
- Cymru North Wales
- Cymru South Wales
- East Midlands
- Glasgow & The West of Scotland
- Grampian
- Greater Manchester
- Hull & Humber
- London
- Merseyside
- North East
- Northern Ireland
- Southern Central
- South West
- Sussex
- Tayside & Fife
- West Midlands
- Yorkshire



## Our operations

We have continued to support the network over the year with **Securing new premises** developing satellite locations increasing storage capacity

There has been further development this year with the opening of FareShare Southern Central, based in Southampton.



### FareShare network

We have continued to support the network over the year with securing new premises, developing satellite locations and increasing their storage capacity. There has been further development this year with the opening of FareShare Southern Central, based in Southampton, in March 2014.

To increase the number of charities we work with and develop a regional impact, the Regional Centres piloted a scheme that enables Community Food Members to collect chilled food using cool boxes that maintain chill temperature and comply with Food Safety regulations. This has proved very successful and will be developed further next year.

The implementation of the bespoke Quality Standard for food safety compliance introduced last year culminated in eleven of the FareShare Regional Centres receiving Gold Awards and six FareShare Regional Centres receiving Silver Awards in the external NSF compliance audit. Next year we will continue to improve our compliance by developing and implementing an industry recognized Standard for the network.

# Report of the Trustees

## Financial review

Although the general economic environment has been difficult and challenging there are beginning to appear signs of recovery, with funders more generous than previous years which has allowed FareShare to build on its success of previous years and establish a firm foundation for its continuing mission to reduce both food poverty and eliminate food waste.

Income derives principally from fundraising and self generated sources. The total income for the year increased by £224,930 to £2,610,376. This was driven by an increase of 8% in fundraised income to £2,266,041 (£2,099,967 in 2012/13) and a 21% increase in self generated income to £344,335 (£285,479 in 2012/13). A detailed analysis is shown in note 1 to the financial statements.

Community Food Member fees increased significantly due to full year results from the three national Regional Centres in Merseyside, West Midlands and London to £257,962 (£193,786 in 2012/13) an increase of 33% and a 42% increase in charity members that they serve.

Community Food Member fees in the national network now cover 39% of the depot costs, an increase of 7% on the previous year.

The cost of raising voluntary income rose to £526,282 (£500,013 in 2012/13), an increase of 5% reflecting an investment in staff resource during the year, following a similar rise last year. This has, as expected, generated further income growth.

Expenditure in the year increased by 4% to £2,247,299 (£2,160,836 in 2012/13). The total spending on charitable activities was £1,507,043 (£1,262,729 in 2012/13). The total spent on support costs was £284,341

(£255,479 in 2012/13) which represents 11% of FareShare's total expenditure.

The timing of the receipt of certain voluntary income towards the end of the financial year has meant that the associated expenditure to increase the capacity of the depot network will be 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 16 and 17 to the accounts.

Included in the working capital of the charity are available bank and cash balances of £911,425.

### Reserves

Following a review, the trustees have decided to adopt a risk based reserves policy to protect the operational requirements of FareShare from short term disruption to ensure that our partners can continue to operate. FareShare supports 1,290 Community Food Members annually, providing food to 62,000 individuals a month. Our support saves our partners an estimated £16 million a 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.

Moreover, as an organization, FareShare is significantly supported through donations and grants from a few, large firms, who by their nature are dynamic and whose

priorities are subject to change at short notice. Given that some of these supporters are organisations that directly compete with each other, 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 was 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, therefore, 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.

Therefore, to ensure that FareShare can continue to operate for a period until replacement funding can be located and to ensure the continued work of our partners, the trustees have decided that FareShare should aim to establish a general reserve after designations of £900,000, of up to six months of committed expenditure to reflect the potential risks to its income streams. We have currently achieved 61% of that target. This target was derived by considering the risk to specific projected income streams against the requirement to fund non-cancellable expenditure for up to six months.

# Structure, governance & management

## Directors and Trustees

**Adam Sampson**, Chair

**John Bason**

**Alan Coates**

(retired May 2013)

**Eleanor Cranmer**

(retired May 2013)

**Maureen Edmundson**

**Peter Freedman**

(appointed September 2013)

**William Garnett**

**Simon Laidlaw**

(retired May 2013)

**Athena Lamnisis**

(appointed June 2013)

**Stephen Robinson**

**Kathryn Sowerby**

**Lindsay Boswell**, Company Secretary

## Finance Committee

**John Bason** Chair

**Eleanor Cranmer**

(retired May 2013)

**Ben Malone**

(appointed June 2013, retired November 2013)

**Stephen Robinson**

**Tony Sykes**

(appointed June 2013)

## Senior Management Team

**Lindsay Boswell** Chief Executive

**Frank Dixon** Director of Finance, HR and Resources  
(resigned February 2014)

**Patrick Litton** Interim Finance Director  
(appointed March 2014)

**Caley Eldred** Director of Fundraising and Marketing  
(appointed May 2013)

**Mark Varney** Director of Food

**Kath Elliot** Head of Operations

## Registered Office

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

## Bankers

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

## Statutory Auditors

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

## Solicitors

Bates Wells and Braithwaite,  
2 – 6 Cannon Street  
London EC4M 6YH

## Company Registration Number

4837373

## Charity Registration Number

1100051

# Report of the Trustees

## 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 13 for the year ended 31 March 2014.

### 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 young people who are suffering from social, economic or emotional distress in such ways as the trustees may in their absolute discretion think 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 13. 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 8 to the accounts.

### Organisation

The trustees together constitute the Board that is FareShare's governing body. They met five times in 2013/14. 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 six times in 2013/14.

The Management team, led by the Chief Executive, is responsible for implementing the strategy and for progressing towards agreed key aims and objectives. The management team changed in 2013/14 with the appointment of Mark Varney as Director of Food in December and the appointment in May 2013 of Caley Eldred to the combined role of Director of Fundraising and Marketing. The Finance Director resigned in February 2014. His permanent successor, Richard Huxtable, started in June.

### FareShare 1st Limited

FareShare has a wholly owned trading subsidiary, FareShare 1st Limited, that has its own Board of directors. FareShare 1st provides services to clients within the food industry ensuring that any surplus or waste food is disposed of in the most environmental way, with redistribution by means of the charity's activities as the preferred disposal route. The results of FareShare 1st Ltd have been consolidated in these financial statements.

### Risk Management

The Board of trustees examines the key areas of the charity's operations and it regularly considers the major risks that may arise in each of these areas. These are recorded in the minutes that include identifying actions and systems that may mitigate these risks.

## Governing Document and constitution

### 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 on pages 7 to 15. The financial review of FareShare, along with the reserves policy are set out on page 12. 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 Directors 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 13) 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.

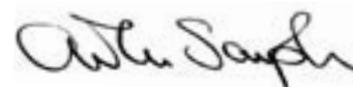
### Disclosure of information to auditors

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 24th July 2014 and signed on their behalf by:



**Adam Sampson**  
Chair

# Independent Auditor's report to the members of FareShare

We have audited the financial statements of Fareshare for the year ended 31 March 2014 which comprise the Consolidated Statement of Financial Activities, incorporating an Income and Expenditure Account, the Consolidated and Parent Company Balance Sheets and the related notes 1 to 18. 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).

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 Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement, set out on page 15, 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 relevant legal and regulatory requirements 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 Directors; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Report of the Directors 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 the 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 2014, 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 the information given in the Report of the Directors for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report 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
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Nicholas Light

(Senior Statutory Auditor)

For and on behalf of  
PKF Littlejohn LLP  
Statutory Auditors  
1 Westferry Circus  
Canary Wharf  
London E14 4HD

2014

# Consolidated Statement of financial activities

For the year ended 31 March 2014 (incorporating an Income and Expenditure Account)

	Note	Unrestricted Funds 2014	Restricted Funds 2014	Total Funds 2014	Total Funds 2013
<b>Incoming Resources</b>					
Incoming resources from generated funds					
Voluntary income	1	1,594,511	671,530	2,266,041	2,099,967
Activities for generating funds	2	18,403	–	18,403	39,772
Commercial trading income	9	67,970	–	67,970	51,921
		1,680,884	671,530	2,352,414	2,191,660
Incoming resources from charitable activities	3	257,962	–	257,962	193,786
<b>Total Incoming Resources</b>		<b>1,938,846</b>	<b>671,530</b>	<b>2,610,376</b>	<b>2,385,446</b>
<b>Resources Expended</b>					
	5, 6				
Cost of generating voluntary income		526,282	–	526,282	500,013
Commercial trading expenditure		168,775	–	168,775	345,034
Charitable activities		771,821	735,222	1,507,043	1,262,769
Governance costs	7	45,199	–	45,199	53,020
<b>Total Resources Expended</b>		<b>1,512,077</b>	<b>735,222</b>	<b>2,247,299</b>	<b>2,160,836</b>
<b>Net Incoming Resources</b>		<b>426,769</b>	<b>(63,692)</b>	<b>363,077</b>	<b>224,610</b>
Balance at beginning of year		427,834	152,285	580,119	355,509
Balance at end of year	17	<b>£854,603</b>	<b>£88,593</b>	<b>£943,196</b>	<b>£580,119</b>

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

All turnover is from continuing operations.

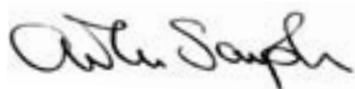
The Accounting Policies and Notes on pages 19 to 26 form part of these Financial Statements

# Balance sheet

At 31 March 2014

	Note	Group		Company	
		2014 £	2013 £	2014 £	2013 £
<b>Fixed Assets</b>					
Tangible fixed assets	10	95,978	118,791	95,978	118,791
Investment	11	–	–	1	1
		<b>95,978</b>	<b>118,791</b>	<b>95,979</b>	<b>118,792</b>
<b>Current Assets</b>					
Debtors	12	490,598	421,041	480,460	388,785
Cash at bank and in hand		911,425	645,717	902,572	628,402
		1,402,023	1,066,758	1,383,032	1,017,187
<b>Creditors:</b> amounts falling due within one year	13	(475,389)	(489,513)	(387,481)	(443,022)
<b>Net Current Assets</b>		<b>926,634</b>	<b>577,245</b>	<b>995,551</b>	<b>574,165</b>
<b>Creditors:</b> amounts falling due after one year	14	(10,416)	(72,917)	–	–
Provision for dilapidations		(69,000)	(43,000)	(69,000)	(43,000)
<b>Net Assets</b>		<b>£943,196</b>	<b>£580,119</b>	<b>£1,022,530</b>	<b>£649,957</b>
<b>Reserves</b>					
Unrestricted Funds	16				
General		547,086	233,834	626,420	303,672
Designated		307,517	194,000	307,517	194,000
Restricted Fund	17	88,593	152,285	88,593	152,285
		<b>£943,196</b>	<b>£580,119</b>	<b>£1,022,530</b>	<b>£649,957</b>

These financial statements were approved by the Board of Trustees on 24th July 2014, and signed on their behalf by:



**Adam Sampson**  
Director



**John Bason**  
Director

The Accounting Policies and Notes on pages 19 to 26 form part of these Financial Statements

# Accounting policies

Year ended 31 March 2014

## Basis of Accounting and Consolidation

These Financial Statements are of the Charity and its subsidiary trading company, FareShare 1st Limited. The Financial Statements are prepared under the historical cost basis of accounting and comply with applicable United Kingdom Accounting Standards and the Statement of Recommended Practice (SORP), Accounting and Reporting by Charities issued in 2005. 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 that 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	– 4 years
Other assets	– 3 years
Warehouse equipment	– 3 years
Leasehold improvements	– 7 years

Individual assets costing less than £500 are not capitalised and are written off.

## Provisions

The full estimated cost of dilapidations are 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 2014

## 1. Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Individuals and legacies	92,809	144	92,953	52,160
Trusts & foundations	385,900	395,427	781,327	589,267
Corporate	1,114,192	264,959	1,379,151	1,311,560
Statutory	–	11,000	11,000	134,964
Other	1,610	–	1,610	12,016
	£1,594,511	£671,530	£2,266,041	£2,099,967

## 2. Activities for Generating Funds

Other trading income	£18,403	£-	£18,403	£39,772
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## 3. Incoming Resources from Charitable Activities

Community partner admin fees	£257,962	£-	£257,962	£193,786
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## 4. Intangible Income

FareShare has always received intangible income from a number of sources. It is the Charity's intention to incorporate this income into the notes to the accounts only. Further information is given in note 18.

## 5. Resources Expended

	Direct costs	Support costs	Total cost 2014 £	Total costs 2013 £
<b>Costs of generating voluntary income</b>	466,572	59,710	526,282	500,013
<b>Commercial trading expenditure</b>	157,405	11,370	168,775	345,034
<b>Charitable activities</b>				
Food redistribution – managed depots	674,479	125,122	799,601	755,054
Food redistribution – national support	334,300	62,555	396,855	410,928
Employability	296,373	2,844	299,217	92,225
National operations	–	11,370	11,370	4,562
<b>Governance costs</b>	33,829	11,370	45,199	53,020
	£1,962,958	£284,341	£2,247,299	£2,160,836

Following a review of the costs allocated to activities the prior year figures have been restated to reflect the new policy adopted.

# Notes to the financial statements

Year ended 31 March 2014

## 6. Analysis of support costs

	Staff costs £	Office costs £	Support Costs £	Total 2014 £	Total 2013 £
<b>Cost of generating voluntary income</b>	16,600	30,016	13,094	59,710	61,741
<b>Commercial trading</b>	3,162	5,717	2,491	11,370	38,626
<b>Charitable activities</b>					
Managed depots	34,781	62,891	27,450	125,122	110,708
National support	17,390	31,445	13,720	62,555	27,677
Employability	790	1,430	624	2,844	7,603
National operations	3,162	5,717	2,491	11,370	4,562
<b>Governance costs</b>	3,162	5,717	2,491	11,370	4,562
	<b>£79,047</b>	<b>£142,933</b>	<b>£62,361</b>	<b>£284,341</b>	<b>£255,479</b>

Support costs have been apportioned on the basis of head count per activity. The comparative figures have been restated to reflect the new basis of allocation.

## 7. Governance Costs

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Audit and accountancy fees	31,586	9,275	31,586	5,750
Legal and professional fees	277	38,451	277	34,306
Other governance costs	1,966	732	1,966	732
Support costs (see note 6)	11,370	4,562	10,507	4,562
	<b>£45,199</b>	<b>£53,020</b>	<b>£44,336</b>	<b>£45,350</b>

Included within governance costs are audit fees of £8,200 (2012/13 – £7,925).

## 8. Trustee expenses and employment costs

Trustee costs totalling £1,966 were incurred during the year (2012/13 – £732) and liability insurance of £10,425 (2012/13 – £7,135) was paid.

Staff costs in the year are as follows:

	2014 £	2013 £
Wages and salaries	1,041,411	947,553
Social security costs	108,404	95,049
Pension contributions	16,464	14,764
	<b>£1,166,279</b>	<b>£1,057,366</b>

# Notes to the financial statements

Year ended 31 March 2014

## 8. Trustee expenses and employment costs continued

Average number of employees during the year (calculated on a monthly basis)

	No.	No.
Depot operations – FareShare Managed	9	7
– National support	3	3
Commercial trading	6	4
Employability	1	1
Fundraising and publicity	7	6
Administration	5	3
	31	24
	<b>2014</b>	<b>2013</b>
Higher paid employees £80,001 – £90,000	1	1

## 9. 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. Administrative expenses rose with new staff recruited to secure further growth in food volumes. At 31 March 2014, its net liabilities were £79,334 (2012/13 – £69,838). Its trading results extracted from its audited Financial Statements for the year to 31 March 2014 were:

	2014 £	2013 £
Turnover	147,909	332,931
Cost of sales	-	-
Gross Profit	147,909	332,931
Administrative expenses	(157,405)	(338,744)
Retained (loss)/profit	£(9,496)	£(5,813)

Administrative expenses include a management charge from FareShare of £Nil (2012/13 – £13,987).

# Notes to the financial statements

Year ended 31 March 2014

## 10. Tangible Fixed Assets – Group and Company

	Leasehold improvements £	Office equipment £	IT equipment £	Warehouse equipment £	Total £
<b>Cost</b>					
At beginning of year	101,046	12,471	17,967	116,862	248,346
Additions	3,793	–	4,655	5,100	13,548
Disposals	–	–	–	–	–
At end of year	104,839	12,471	22,622	121,962	261,894
<b>Depreciation</b>					
At beginning of year	14,435	9,731	11,715	93,674	129,555
Charge for the year	14,545	1,370	5,076	15,370	36,361
Released on disposals	–	–	–	–	–
At end of year	28,980	11,101	16,791	109,044	165,916
<b>Net Book Value</b>					
At end of year	£75,859	£1,370	£5,831	£12,918	£95,978
At beginning of year	£86,611	£2,740	£6,252	£23,188	£118,791

## 11. Investments

	2014	2013
Shares in subsidiary company	£1	£1

## 12. Debtors

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	221,895	299,329	161,861	270,219
Amount due from subsidiary	–	–	12,210	–
Prepayments and accrued income	53,526	45,692	53,526	40,519
VAT reclaimable	20,650	22,527	64,496	24,554
Other debtors	194,527	53,493	188,367	53,493
	£490,598	£421,041	£480,460	£388,785

# Notes to the financial statements

Year ended 31 March 2014

## 13. Creditors: amounts failing due within one year

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Trade creditors	42,298	79,827	33,828	75,928
Amounts due to subsidiary company	–	–	–	28,234
Accruals and deferred income	161,309	236,323	161,309	232,998
Taxation and social security	34,770	24,369	26,157	24,369
Other loans	62,500	62,500	–	–
Other creditors	174,512	86,494	166,187	81,493
	£475,389	£489,513	£387,481	£443,022

## 14. Creditors: amounts failing due after one year

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Other loans	£10,416	£72,917	£-	£-

Other loans comprise an interest-free loan from FutureBuilders England Limited which is repayable by monthly instalments over the term of the loan. The loan is repayable in full by 31 May 2015 and is unsecured.

## 15. Annual Commitments

At 31 March 2014 the charitable company had annual commitments under non-cancellable operating leases:

	2014 £	2013 £
<b>Group and company</b>		
Expiring with one year:		
Premises	25,000	–
IT Systems	–	35,000
	£25,000	£35,000
Expiring within one to two years:		
Vehicles	49,576	–
Premises	–	43,403
	£49,576	£43,403
Expiring between two and five years:		
Vehicles	–	68,600
Premises	20,200	–
	£20,200	£68,600
Expiring in over five years		
Premises	£82,875	£84,000

# Notes to the financial statements

Year ended 31 March 2014

## 16. Unrestricted Funds

	FareShare £	FareShare 1st £	2014 £	2013 £
Fund brought forward	497,672	(69,838)	427,834	277,590
Surplus/(Deficit) for the Year before transfer	436,265	(9,496)	426,769	150,244
Retained in subsidiary		(79,334)		
Retained in charitable company	£933,937			
Consolidated fund carried forward			£854,603	£427,834
Unrestricted funds consist of:				
General fund			547,086	233,834
Designated funds			307,517	194,000
			£854,603	£427,834

	Beginning of year	Transfers of funds	Utilised in year	End of Year
<b>Designated funds</b>				
a) Network Investment	150,000	–	(77,483)	72,517
b) Development and reorganisation	44,000	–	–	44,000
c) Food sourcing	–	100,000	–	100,000
d) Impact assessment	–	56,000	–	56,000
e) IT systems investment	–	35,000	–	35,000
	194,000	191,000	(77,483)	307,517

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

### a) Network investment

The fund represents amounts set aside for the anticipated increase in spending on the FareShare network of Regional Centres around the UK in the next twelve months to improve the capability and increase the capacity of the network to manage the increased volumes of surplus food received.

### b) Development and re-organisation

The fund reflects the charity's unpredictable staff resourcing requirements and provides for potential changes in staffing levels.

### c) Food sourcing

This represents a series of pilot studies to explore efficient and effective ways of collecting food from widely dispersed stores of food retailers to obtain food, especially ambient and dairy produce, that is generally difficult to obtain from the usual sources, prior to rolling out across the UK.

### d) Impact assessment

The charity has 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.

### e) IT systems investment

In order to diversify its income and improve its existing IT infrastructure, the charity needs to invest in its IT systems. This will require an initial scoping and project management to determine the optimum configuration as well as training of staff.

# Notes to the financial statements

Year ended 31 March 2014

## 17 Total Funds

	Beginning of year £	Transfers of funds £	Income in year £	Utilised in year £	End of Year £
<b>Restricted</b>					
a) FareShare depots	88,755	–	374,863	(435,118)	28,500
b) Network support	16,884	–	118,957	(103,948)	31,893
c) Employability	9,046	–	177,710	(186,756)	–
d) Fixed assets	37,600	–	–	(9,400)	28,200
	152,285	–	671,530	(735,222)	88,593
<b>Unrestricted funds</b>	427,834	–	1,938,846	(1,512,077)	854,603
	£580,119	£-	£2,610,376	£(2,247,299)	£943,196

### 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) 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.

#### d) Fixed Assets

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

### Consolidated Fund Balances at 31 March 2014 are represented by:

	Unrestricted £	Restricted £	Total 2014 £
Tangible fixed assets	67,778	28,200	95,978
Net current assets	866,241	60,393	926,634
Creditors due after one year	(10,416)	–	(10,416)
Provision for dilapidation	(69,000)	–	(69,000)
<b>Net Assets</b>	<b>£854,603</b>	<b>£88,593</b>	<b>£943,196</b>

## 18. Intangible income

As stated in note 4, intangible income is not included in the accounts. However, the major gifts in kind received during the year are as follows:

	2014 £	2013 £
Consultancy services	21,750	52,000
Reduced food hygiene audit fee	700	8,450
Lease of vans	–	26,325
	£22,450	£86,775

In addition to the above, FareShare received 5,500 tonnes of food supplied by retailers, food manufacturers and consumers. According to a study done a few years ago, the charity estimated that the average value of a tonne of food was approximately £3,000, assuming a typical composition of products. This would be the equivalent of approximately £16.5 million of food supplied and redistributed (2012/3 £12.6 million).



## **FareShare Head Office**

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Limited by Guarantee

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