



Report and Financial Statements  
for the year ended 31 March 2015

No good food  
should be wasted



“No good food should be wasted”. This is what drives everyone involved in FareShare and is at the heart of what has been a remarkable year.

## Contents

02	Report from Chair and Chief Executive	15	Consolidated Statement of Financial Activities
03	Report of the Trustees		
11	Structure, Governance and Management	16	Balance Sheet
		17	Accounting Policies
12	Governing Document and Constitution	18	Notes to the Financial Statements
14	Independent Auditor's Report		

# Report from Chair and Chief Executive

We want to save as much food as possible to ensure it is redistributed for consumption, to do as much social good with it as we can. We end up with a richer, healthier and more environmentally sustainable society as a result.



**John Bason** Chair

Food waste and food poverty have never been higher up the agenda of the food industry, the public, the media and politicians from across the UK.

Food from the food industry has increased by 33% on the previous year. We have increased the number of charities and community projects that we support by 48% over the last 12 months. In 2013/2014 that growth was 41% which shows that not only are we growing at a rapid rate but we are also managing to sustain this effort. At the end of 2014/15 we provided enough food for 15.3 million to 1,923 charities and community projects (up from 1,296 on the previous year), helping to feed 149,000 people a week. We estimate these charities are saving close to £20 million per year. 22.5% said they would have to stop providing food if FareShare no longer could supply them.



**Lindsay Boswell** Chief Executive

During the year we took a long hard look at what we are trying to achieve and reached some major decisions. Although our growth is impressive we are still only dealing with approximately 2% of the surplus food that is fit for human consumption in the UK. We have set ourselves the target to reach 25% by 2020. While we are always developing and refining our business model, we currently believe that we need an annual investment that averages £2.5 million for each of the next five years to achieve this target. With that investment we are confident that we will be supporting some 13-14,000 charities and community projects – saving them a massive £250 million each and every year thereafter.

This encapsulates what FareShare is all about. We want to save as much food as possible to ensure it is redistributed for consumption. But we also want to do as

much social good with it as we can. Getting it to frontline causes that are dealing with all aspects of vulnerability is at our heart. Drugs, alcohol, domestic violence, mental and physical illness, homelessness, isolation – these all contribute to the hunger being experienced by millions of men, women and children. The amazing causes we work with not only provide food but other support to address the causes of this hunger and help people get back on their feet.

We end up with a richer, healthier and more environmentally sustainable society as a result.

In this report we talk about what we have done in the past year (and not everything has gone according to plan) as well as what we want to achieve both today and tomorrow. All of our work starts with the need to secure more food and to eat away at the 98% of surplus food that is currently not used to support good causes. The new financial year has already started well; we recently hosted our first ever Surplus Food Summit, a landmark event for FareShare, bringing over 200 food businesses together to start creating a step change in food industry culture. Despite a very positive response it is too early to report on progress, but we are very clear about the need to call on all parts of the food industry to join with us in making sure that “no good food is wasted”.



**John Bason** Chair



**Lindsay Boswell** Chief Executive

**+48%**

Increase in the number of charities and community projects supported in the last 12 months

Report of the Trustees

# Our overall ambitions

## The Trustees present their report and the audited consolidated financial statements for the year ended 31 March 2015.

FareShare is constantly learning from our international partners and France already far exceeds the level of redistribution to which we aspire. FareShare aims to grow the amount of surplus food being fed to people in need from 2% to 25% through charitable redistribution. This would amount to 100,000 tonnes (currently 7,400) per annum being distributed to between 13,000 and 14,000 (currently 1,923) Community Food Members via no more than 26 Regional FareShare Centres (currently 20). From the work we have done, we know the charities are out there and we have the operational business model to scale up. In order to achieve this growth we need on average a further £2.5 million annual investment for up to 5 years and at which we estimate we will have a self sustaining network that will be generating an estimated £250 million of saving each and every year for charities and community projects that otherwise would be buying this food.

While we make the case for support for this level of ambition, we aim to continue to invest and develop the processes and systems that will allow us to grow at the extraordinary rate we have achieved over the last two years.

### Mission & Aims

## FareShare: fighting food poverty by tackling food waste

### We do this by:



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



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



Providing good quality, in-date food supplied 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)



Providing volunteering opportunities as well as structured training and education that relates directly to our work, including accredited courses in food safety and forklift truck training. FareShare relies on the energy and dedication of our volunteers



Promoting to the food industry and wider general public our key message – 'No good food should be wasted'.

Report of the Trustees

# How we work

## FareShare works in a unique way with partnerships at the heart of everything 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 20 Regional Centres around the UK...



Delivered in FareShare refrigerated vans



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



...to over 1,900 local charities and community organisations...



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



...for 149,000 people each week.

Report of the Trustees

## How we work

# Our redistribution service is made possible by teams of amazing volunteers.

**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; we also offer great corporate staff engagement opportunities and save them money.

**We partner with local charities and community projects** across the UK that use food to address social issues and distribute to them on a daily basis after confirming that this food can and will be consumed. We charge a small fee for the service to cover our direct operating costs while staying focused on saving our Community Food Members substantial expenditure.

Our Regional Centres can only operate with the help of a huge number of volunteers. Our redistribution service is made possible by **teams of amazing volunteers** who deliver the food to our Community Food Members. Many of these volunteers are putting their own lives back together and we are committed to supporting them with training and development opportunities to help get them back into employment.



Committed to supporting volunteers with training and development opportunities



Report of the Trustees

# What happened in 2014/2015



# +33%

growth in the food we sourced

## Securing more food

The 33% growth in the food we sourced is recognition that our strategy of how we approach the food industry continues to pay dividends.

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

We continue to work closely with each of the three biggest grocery retailers in the country – Asda, Sainsbury's and Tesco – who provide us with very valuable volumes of surplus food from their chilled Distribution Centres across the country. All three also supported us in encouraging their suppliers to work directly and collaboratively with FareShare via a variety of routes.

In October, Asda publically launched a major initiative where they offered transport support for suppliers within their "primary" network to deliver any surpluses they have from their production sites, unlocking considerable potential volume

and overcoming practical and financial barriers to food redistribution.

Sainsbury's continue to encourage their suppliers to work with FareShare and these partnerships have generated valuable volumes of fresh produce and meat. This included a five figure number of frozen turkeys that were used by our Regional Centre from Christmas through to Easter.

Tesco has developed a strong communications programme aimed at engaging the thousands of staff that work within their Distribution Centres and highlights the benefits of FareShare within their local communities. In partnership with Tesco and the Trussell Trust we ran two national Neighbourhood Food Collections across all Tesco stores. On top of the food donated through these we received a financial donation equivalent to 30% of the value of the food. This played a major role in helping us deal with the logistics of redistribution.

During the year we developed our relationships and links with other key retail partners including Co-op, M&S, Waitrose, Aldi and Lidl.

Report of the Trustees

## What happened in 2014/2015

# We remain grateful to the loyal donors who choose to support our work through regular or one off gifts.

Our long term partner Kellogg's expanded their support and demonstrated strong leadership by identifying additional sources of valuable surplus cereals and through their major on pack campaign – Give A Child A Breakfast. Nestle and Refresco Gerber continue to provide loyal and consistent support.

We have developed new or expanded partnerships with a broad range of leading manufacturers and brand owners including Coca Cola, Birds Eye, Hains Daniels, Unilever, McCains, Greencore, Jordans Ryvita and many more.

We have also focused on growing the volumes of fresh fruit and vegetables we receive. We have had a fantastic response from a number of key partners including Produce World, Thanet Earth, Mack Multiples, Greenvale, Albert Bartlett, Kettle Produce and many more who now provide regular volumes of valuable nutritious food.

### Voluntary Income

In line with our previous report, voluntary income has continued to grow and in 14/15 we saw an increase of 14% to a total of £2,582,987 (2013/14:£2,266,041). We have continued to enjoy a range of successful and long term partnerships with existing funders including Asda, Elanco, Sodexo, Tesco and The Global FoodBanking Network. We are grateful also for the fantastic support that we have received from The Freemasons' Grand Charity and some of the London Livery Companies including the Leathersellers', Merchant Taylors', Goldsmiths' and the Haberdashers'.

Our vital national work on securing food and managing a network of 20 Regional Centres has been supported through transformational funding programmes from Comic Relief, Esmée Fairbairn Foundation, Henry Smith Charity, John Ellerman Foundation, John Laing Charitable Trust and the Stavros Niarchos Foundation.

We have continued to enjoy support from corporate partners including Aspen Insurance UK, BNY Mellon and Cargill. We were also delighted to be chosen as the Credit Suisse UK Charity of the Year 2015 a partnership which started in January and will continue in to 2015/16. Securing this partnership through a vote of Credit Suisse's 7,000 plus staff and beating major household name charities was a real defining moment in our development.

We remain grateful to the loyal donors who choose to support our work through regular or one off gifts. We have been inspired by the individuals who undertake challenges or arrange events in order to raise money to help FareShare support to charities and community projects dedicated to helping to change the lives of vulnerable men, women and children.



# £2,582,987

voluntary income has continued to grow and in 14/15 we saw an increase of 14%.



Report of the Trustees

# Our Operations

FareShare directly runs the three Regional Centres in Merseyside, West Midlands and London which have all continued to develop their operations and expand.

## Regional Centres

FareShare Central & South East Scotland	FareShare North East
FareShare East Midlands	FareShare Northern Ireland
FareShare Glasgow & The West of Scotland	FareShare Southern Central
FareShare Grampian	FareShare South Wales
FareShare Greater Manchester	FareShare South West
FareShare Hull & Humber	FareShare Sussex
FareShare Kent	FareShare Tayside & Fife
FareShare London	FareShare Thames Valley
FareShare Merseyside (delivering the FareShare North Wales service)	FareShare West Midlands
	FareShare Yorkshire



## Regional Centres

FareShare directly runs the three Regional Centres in Merseyside, West Midlands and London which have all continued to develop their operations and expand. During the year the FareShare service in North Wales was absorbed into the operation from Merseyside with charities being supported from there.

FareShare Merseyside realised ambitious growth plans during the year delivering 634 tonnes of food to 213 Community Food members. With support from Liverpool Council a programme was also piloted to provide meals during the school holidays to 50 play schemes. Funding from Unilever (via Oxfam GB) has continued to support the development of a service in the Wirral to provide support to charities and community projects in the area.

A new Development Manager in the West Midlands was recruited in September. With this dedicated post the number of Community Food Members has increased to 92 receiving 561 tonnes of food. The Regional Centre is now working closely to develop a network which will provide food to school breakfast clubs in Coventry, as well as developing recruitment in Birmingham, Wolverhampton and Stoke.

In London, a new Development Manager was recruited in March to cover maternity leave for one year. 210 Community Food members received 744 tonnes of food. This work has continued to benefit from funding from The City Bridge Trust. New partnerships have been developed with the Gleaning Society and the London Boroughs Food Alliance. There has also been a focus on developing the support provided to our volunteers in London which has been made possible by funding from The Lloyds Bank Foundation.

Report of the Trustees

## Our Operations

We have continued to support the Network over the year with securing new premises, developing satellite locations, increasing their storage capacity and training.

### FareShare Network

We have continued to support the network over the year with securing new premises, developing satellite locations, increasing their storage capacity and training. There has been further development this year with the opening of three new Regional Centres, FareShare Southern Central, FareShare Thames Valley and FareShare Kent. Our work in this area has been supported by funding from the Muriel Jones Foundation and the Sylvia Adams Trust.

Quality Standards have been maintained throughout the year with the NSF food safety compliance audits resulting in thirteen FareShare Regional Centres receiving Gold Awards and six FareShare Regional Centres receiving Silver Awards.

Our four Scottish Regional Centres benefitted from a two year core funding grant from the Scottish Government to support their growth and to allow us to secure more food from local suppliers and reduce waste. Across Scotland we delivered 729 tonnes of food and supported 253 Community Food Members.

### FareShare FoodCloud

In May 2015 we launched a major new initiative in response to surplus food at retail (store) level. We recognise that we need close partnerships with the major retailers in order to efficiently reach the substantial surpluses that are in their supply chains. Store level food waste is a major issue of concern to them. With core funding from Tesco, we have launched a partnership with the social enterprise FoodCloud to facilitate the redistribution of store food surpluses at the end of the day with collection by a local charity or community project through FareShare's processes and standards. The development of this programme forms a major part of our work in 2015/16.



**729 tonnes**  
of food was delivered across  
Scotland and supported 253  
Community Food Members.



Report of the Trustees

# Financial review

## FareShare continues to build on the success of previous years, establishing a firm foundation for its mission to fight food poverty and tackle food waste.

Income derives principally from fundraising and self generated sources. The total income for the year increased by £382,977 to £2,993,353. This was driven by an increase of 14% in fundraised income to £2,582,987 (£2,266,041 in 2013/14) and a 19% increase in self generated income to £410,366 (£344,335 in 2013/14). A detailed analysis is shown in notes 1 to 3 to the financial statements.

The cost of raising voluntary income rose to £449,034 (£400,200 in 2013/14), an increase of 12% reflecting an investment in staff resource during the year.

Expenditure in the year increased by 21% to £2,728,729 (£2,247,299 in 2013/14). The total spending on charitable activities was £2,105,242 (£1,629,377 in 2013/14). The total spent on support costs was £369,969 (£300,593 in 2013/14) which represents 12% of FareShare's total expenditure.

The timing of the receipt of voluntary income followed a similar profile to the previous financial year: a significant proportion was received close to the end of the year meaning that the associated expenditure 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 £995,559.

The amount of income we receive from individuals is proportionally much smaller than that received from businesses, trusts and foundations. As such we do not currently work with professional fundraising agencies, but we do endeavour to follow best practice and are members of the Fundraising Standards Board. We are therefore confident that our fundraising activity is appropriate and that we do not seek to target vulnerable people for their support. The Board has decided to publish this statement in advance of future regulation or requirements in the new Charities Act.

### 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 Regional Centres can continue to operate. The FareShare network supports 1,923 Community Food Members annually, providing food to 149,000 individuals a week. Our support saves these charities and community projects an estimated £19.3 million a year. If FareShare were suddenly unable to operate, the repercussions on them would be severe and would cause significant problems for the vulnerable and disadvantaged people whom they support.

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 Asda, Sainsbury and Tesco, the Trustees have allowed for this added risk in calculating the 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, 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, 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.

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 up to six months of committed expenditure (£1,100,000). We have currently achieved 65% 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 and Management

## Directors and Trustees

**John Bason**, Chair

**Paola Bergamaschi**,  
(appointed September 2014)

**Vince Craig**,  
(appointed September 2014)

**Lucy Danger**,  
(appointed September 2014)

**Maureen Edmundson**

**Peter Freedman**

**William Garnett**

**Athena Lamnisos**

**Stephen Robinson**

**Adam Sampson**,  
(retired April 2015)

**Kathryn Sowerby**

## Company Secretary

**Lindsay Boswell**,  
(retired September 2014)

**Richard Huxtable**,  
(appointed September 2014)

## Finance Committee

**Stephen Robinson**, Chair

**John Bason**,  
(retired September 2014)

**Patrick Litton**,  
(appointed September 2014)

**Tony Sykes**

## Senior Management Team

**Lindsay Boswell**, Chief Executive

**Patrick Litton**, Interim Finance Director  
(resigned July 2014)

**Richard Huxtable**, Director of Finance, HR and Resources  
(appointed June 2014)

**Caley Eldred**, Director of Fundraising and Marketing

**Mark Varney**, Director of Food

**Kath Elliot**, Director of Operations

## 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 and Braithwaite  
2 – 6 Cannon Street  
London EC4M 6YH

## 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 11 for the year ended 31 March 2015.

## 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 projects, has a direct and positive benefit for many of the most marginalised people in the UK. The charity engages individuals as volunteers in its work and this is open to all members of the community. FareShare's training and development 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 11. 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 six times in 2014/15. 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 2014/15.

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

## 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. During the year the main activity, the sourcing of food, was transferred to FareShare and the inter-company balance was cancelled by a deed of waiver. The results of FareShare 1st Ltd, which are set out in note 9 to the accounts, 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 3 to 13. The financial review of FareShare, along with the reserves policy, are set out on page 10. 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 11) 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 22nd July 2015 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 2015 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 19. 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 Trustees and Auditors

As explained more fully in the Trustees' Responsibilities Statement, set out on page 13, 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 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 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 2015, 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 Trustees 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 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.



**Alastair Duke**  
Senior statutory auditor

For and on behalf of  
PKF Littlejohn LLP  
Statutory auditor

1 Westferry Circus  
Canary Wharf  
London E14 4HD

22 July 2015

# Consolidated statement of financial activities

For the year ended 31 March 2015 (incorporating an income and expenditure account)

	Note	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
<b>Incoming Resources</b>					
Incoming resources from generated funds					
Voluntary income	1	1,491,837	1,091,150	2,582,987	2,266,041
Activities for generating funds	2	17,005	–	17,005	18,403
Commercial trading income	9	44,658	–	44,658	67,970
		1,553,500	1,091,150	2,644,650	2,352,414
Incoming resources from charitable activities	3	348,703	–	348,703	257,962
<b>Total Incoming Resources</b>		<b>1,902,203</b>	<b>1,091,150</b>	<b>2,993,353</b>	<b>2,610,376</b>
<b>Resources Expended</b>					
	5, 6				
Cost of generating voluntary income		449,034	–	449,034	400,200
Commercial trading expenditure		123,816	–	123,816	168,775
Charitable activities		1,024,938	1,080,304	2,105,242	1,629,377
Governance costs	7	50,637	–	50,637	48,947
<b>Total Resources Expended</b>		<b>1,648,425</b>	<b>1,080,304</b>	<b>2,728,729</b>	<b>2,247,299</b>
<b>Net Incoming Resources</b>		<b>253,778</b>	<b>10,846</b>	<b>264,624</b>	<b>363,077</b>
Balance at beginning of year		854,603	88,593	943,196	580,119
Balance at end of year	17	<b>1,108,381</b>	<b>99,439</b>	<b>1,207,820</b>	<b>943,196</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 17 to 25 form part of these Financial Statements



# Balance sheet

At 31 March 2015

	Note	Group		Company	
		2015 £	2014 £	2015 £	2014 £
<b>Fixed Assets</b>					
Tangible fixed assets	10	96,556	95,978	96,556	95,978
Investment	11	–	–	1	1
		<b>96,556</b>	<b>95,978</b>	<b>96,557</b>	<b>95,979</b>
<b>Current Assets</b>					
Debtors	12	473,448	490,598	476,130	480,460
Cash at bank and in hand		995,559	911,425	982,460	902,572
		1,469,007	1,402,023	1,458,590	1,383,032
<b>Creditors:</b> Amounts falling due within one year	13	(288,743)	(475,389)	(278,327)	(387,481)
<b>Net Current Assets</b>		<b>1,180,264</b>	<b>926,634</b>	<b>1,180,263</b>	<b>995,551</b>
<b>Creditors:</b> Amounts falling due after one year	14	–	(10,416)	–	–
Provision for dilapidations		(69,000)	(69,000)	(69,000)	(69,000)
<b>Net Assets</b>		<b>1,207,820</b>	<b>943,196</b>	<b>1,207,820</b>	<b>1,022,530</b>
<b>Reserves</b>					
Unrestricted Funds	16				
General		713,677	547,086	713,677	626,420
Designated		394,704	307,517	394,704	307,517
Restricted Funds	17	99,439	88,593	99,439	88,593
<b>Net Assets</b>		<b>1,207,820</b>	<b>943,196</b>	<b>1,207,820</b>	<b>1,022,530</b>

These financial statements were approved by the Board of Trustees on 22nd July 2015, and signed on their behalf by:



**John Bason**  
Director



**Stephen Robinson**  
Director

The Accounting Policies and Notes on pages 17 to 25 form part of these financial statements.

# Accounting policies

Year ended 31 March 2015

## 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 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	– 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 2015

## 1. Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Individuals and legacies	83,248	–	83,248	92,953
Trusts and foundations	250,332	543,785	794,117	781,327
Corporate	1,158,257	403,936	1,562,193	1,379,151
Statutory	–	88,344	88,344	11,000
Other funding agreements	–	55,085	55,085	1,610
	1,491,837	1,091,150	2,582,987	2,266,041

## 2. Activities for Generating Funds

Other trading income	17,005	–	17,005	18,403
----------------------	--------	---	--------	--------

## 3. Incoming Resources from Charitable Activities

Community partner admin fees	319,013	–	319,013	257,962
Fees reclaimable from the movement of goods	29,690	–	29,690	–
	348,703	–	348,703	257,962

## 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 2015 £	Support costs 2015 £	Total costs 2015 £	Total costs 2014 £
<b>Costs of generating voluntary income</b>	361,718	87,316	449,034	400,200
<b>Commercial trading expenditure</b>	117,815	6,001	123,816	168,775
<b>Charitable activities</b>				
Food redistribution – managed depots	810,501	157,528	968,029	801,378
Food redistribution – national support	868,034	96,497	964,531	679,927
Employability	114,160	16,503	130,663	116,403
National operations	36,796	5,223	42,019	31,669
<b>Governance costs</b>	49,736	901	50,637	48,947
	2,358,760	369,969	2,728,729	2,247,299

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 2015

## 6. Analysis of support costs

	Staff costs £	Office costs £	Support costs £	Total 2015 £	Total 2014 £
<b>Cost of generating voluntary income</b>	36,735	34,229	16,352	87,316	84,870
<b>Commercial trading</b>	2,525	2,352	1,124	6,001	11,370
<b>Charitable activities</b>					
Managed depots	66,276	61,753	29,499	157,528	102,455
National support	40,598	37,828	18,071	96,497	75,837
Employability	6,943	6,469	3,091	16,503	17,666
National operations	2,197	2,047	979	5,223	6,716
<b>Governance costs</b>	379	353	169	901	1,679
	155,653	145,031	69,285	369,969	300,593

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

## 7. Governance Costs

	2015 £	2014 £
Audit and accountancy fees	23,973	31,586
Legal and professional fees	22,857	13,716
Other governance costs	2,906	1,966
Support costs (see note 6)	901	1,679
	50,637	48,947

Included within governance costs are audit fees of £9,275 (2014: £8,200).

## 8. Staff costs and trustee expenses

Trustee costs totalling £2,129 were incurred during the year (2014: £1,966). 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 £2,650 (2014: £2,232).

Staff costs in the year were as follows:

	2015 £	2014 £
Salaries and wages	1,288,186	1,041,411
Social security costs	133,195	108,404
Pension contributions	37,612	16,464
Temporary staff costs	29,790	–
	1,488,783	1,166,279

# Notes to the financial statements

Year ended 31 March 2015

## 8. Staff costs and trustee expenses continued

Average number of employees during the year

	2015 No.	2014 No.
Depot Operations – FareShare Managed	14	9
Depot Operations – National Support	12	3
Commercial trading	–	6
Employability	2	1
Fundraising and publicity	9	7
Administration	6	5
	43	31

### Higher paid employees

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

£60,001 – £70,000	2	–
£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. During the year the main activity, the sourcing of food, was transferred to FareShare and the inter-company balance (£82,677) was cancelled by a deed of waiver.

At 31 March 2015, the net liabilities of FareShare 1st Limited were £nil (2014: £79,334). Its trading results extracted from its audited Financial Statements for the year to 31 March 2015 were:

	2015 £	2014 £
Turnover	114,472	147,909
Cost of sales	–	–
Gross Profit	114,472	147,909
Administrative expenses	(117,815)	(157,405)
Loss before exceptional items	(3,343)	(9,496)
Waiver of Liability to Parent Company	82,677	–
Retained profit/(loss)	79,334	(9,496)

The turnover for the trading subsidiary includes a food procurement fee of £69,814 (2014: £79,939) charged to the parent charity.

# Notes to the financial statements

Year ended 31 March 2015

## 10. Tangible Fixed Assets – Group and Company

	Leasehold improvements £	Office equipment £	IT equipment £	Warehouse equipment £	Total £
<b>Cost</b>					
At beginning of year	104,839	12,471	22,622	121,962	261,894
Additions	–	3,574	12,830	13,061	29,465
Disposals	–	–	–	–	–
At end of year	104,839	16,045	35,452	135,023	291,359
<b>Depreciation</b>					
At beginning of year	28,980	11,101	16,791	109,044	165,916
Charge for the year	15,095	1,866	4,994	6,932	28,887
Released on disposals	–	–	–	–	–
At end of year	44,075	12,967	21,785	115,976	194,803
<b>Net book value</b>					
At beginning of year	75,859	1,370	5,831	12,918	95,978
At end of year	60,764	3,078	13,667	19,047	96,556

## 11. Investments

	2015 £	2014 £
Shares in subsidiary company	1	1

## 12. Debtors

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Trade debtors	305,894	178,049	304,653	161,861
Amounts due from subsidiary	–	–	3,923	12,210
Prepayments and accrued income	23,983	53,526	23,983	53,526
VAT reclaimable	90,516	64,496	90,516	64,496
Other debtors	53,055	194,527	53,055	188,367
	473,448	490,598	476,130	480,460

## Notes to the financial statements

Year ended 31 March 2015

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

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Trade creditors	106,400	42,298	106,400	33,828
Accruals and deferred income	42,048	161,309	42,048	161,309
Taxation and social security	36,137	34,770	36,137	26,157
Other loans	10,416	62,500	–	–
Other creditors	93,742	174,512	93,742	166,187
	288,743	475,389	278,327	387,481

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

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Other loans	–	10,416	–	–

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 – Group and Company

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

	Expiring within one year £	Expiring in one to two years £	Expiring in two to five years £	Expiring in more than five years £	Total £
<b>At 31 March 2015</b>					
Premises	30,000	–	27,391	83,305	140,696
IT Systems	1,312	–	1,554	–	2,866
Vehicles	8,220	–	64,627	–	72,847
	39,532	–	93,572	83,305	216,409
<b>At 31 March 2014</b>					
Premises	25,000	49,576	–	–	74,576
IT Systems	–	–	–	–	–
Vehicles	–	–	20,200	82,875	103,075
	25,000	49,576	20,200	82,875	177,651

# Notes to the financial statements

Year ended 31 March 2015

## 16. Unrestricted Funds

	FareShare £	FareShare 1st £	2015 £	2014 £
Funds brought forward	933,937	(79,334)	854,603	427,834
Surplus in the year before transfer	174,444	79,334	253,778	426,769
Retained in subsidiary		–		
Retained in charitable company	1,108,381			
Consolidated funds carried forward			1,108,381	854,603
Unrestricted funds consist of				
General Fund			713,677	547,086
Designated funds			394,704	307,517
			1,108,381	854,603

	Beginning of year £	Transfers of funds £	Utilised in year £	End of year £
<b>Designated funds</b>				
a) Network Investment	72,517	(2,043)	(70,474)	–
b) Development and reorganisation	44,000	(44,000)	–	–
c) Food sourcing	100,000	–	(80,000)	20,000
d) Impact assessment	56,000	14,000	(25,296)	44,704
e) IT systems investment	35,000	200,000	–	235,000
f) Transport and logistics investment	–	95,000	–	95,000
	307,517	262,957	(175,770)	394,704

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

### a) Network investment

During the year the charity gave additional support to the network of FareShare Regional Centres: helping them to increase their capacity to manage larger volumes of surplus food.

### b) Development and reorganisation

The fund reflected the charity's unpredictable staff resourcing requirements and provided for potential changes in staffing levels. The charity is no longer designating funds for this purpose.

### c) Food sourcing

This represents a series of pilot studies to explore efficient and effective ways of collecting food from widely dispersed locations. The funds were allocated to Regional Centres during the year. The amount carried forward represents allocations to FareShare managed Regional Centres.

### 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 improve its IT infrastructure, the charity needs to invest in its systems. The planning stage of this project is underway. The extent of investment required is greater than previously thought and so the funds designated for this purpose have been increased.

### f) 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.



# Notes to the financial statements

Year ended 31 March 2015

## 17. Total Funds

	Beginning of year £	Transfers of funds £	Income in year £	Utilised in year £	End of year £
<b>Restricted funds</b>					
a) FareShare depots	28,500	–	746,864	(740,934)	34,430
b) Network support	31,893	–	315,036	(305,236)	41,693
c) Employability	–	–	29,250	(24,734)	4,516
d) Fixed assets	28,200	–	–	(9,400)	18,800
	88,593	–	1,091,150	(1,080,304)	99,439
<b>Unrestricted funds</b>	854,603	–	1,902,203	(1,648,425)	1,108,381
	943,196	–	2,993,353	(2,728,729)	1,207,820

### 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 2015 are represented by:

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	77,756	18,800	96,556
Net current assets	1,099,625	80,639	1,180,264
Creditors due after one year	–	–	–
Provision for dilapidations	(69,000)	–	(69,000)
<b>Net assets</b>	<b>1,108,381</b>	<b>99,439</b>	<b>1,207,820</b>

# Notes to the financial statements

Year ended 31 March 2015

## 18. Intangible income

As stated in note 4, intangible income is not included in the accounts. However, food donations and other gifts in kind are shown below:

	2015 £	2014 £
Consultancy services	10,000	21,750
Reduced food hygiene audit fee	–	700
	10,000	22,450

In addition to the above, there is the food supplied by retailers, food manufacturers and consumers to the FareShare network. 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 £19.3 million (6,428 tonnes) of food supplied and redistributed (2014: £16.5 million, 5,500 tonnes).

## 19. 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. During the year Lucy Danger, the chief executive of Emerge 3Rs, joined 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 £32,750 to Emerge 3Rs which formed part of the funding from Cargill.



## FareShare

Unit 7  
Deptford Trading Estate  
Blackhorse Road  
London SE8 5HY

Tel: 020 7394 2468  
Email: [enquiries@fareshare.org.uk](mailto:enquiries@fareshare.org.uk)

[www.fareshare.org.uk](http://www.fareshare.org.uk)

Limited by Guarantee

Charity Registration Number 1100051

Photography:  
Gemma Thorpe, Maria K. Olesen

Pro bono Design and Production by **CONRAN DESIGN GROUP**