

THE FOOD CHAIN (UK) LIMITED

**DIRECTORS' AND
TRUSTEES' REPORT AND ACCOUNTS**

FOR THE YEAR ENDED 31ST MARCH 2021

**Company No: 02580505
Charity No: 1003014**

THE FOOD CHAIN (UK) LIMITED

REPORT AND ACCOUNTS

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THE FOOD CHAIN (UK) LIMITED
DIRECTOR'S AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2021

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31st March 2021, which are also prepared to meet the requirements for a directors' report and Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statements of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OUR PURPOSE AND ACTIVITIES

The charity was founded to provide a nutritional meal service to people living with HIV, their dependents and carers. The company's objects as amended in Articles on 16 October 2013 are:

"the relief of sickness by providing nutritional support service to those living with infection, illness and related conditions caused by the Human Immunodeficiency Virus (HIV) or other causative agents, and to the housebound with specific dietary needs arising from a medical condition; and

To provide a nutritional support service for their dependents and for partners, carers or family members who are directly engaged in caring for the person living with infection, illness and related conditions caused by the Human Immunodeficiency Virus (HIV) or other causative agents or housebound by other medical condition and who are in conditions of need or hardship."

The subsidiary undertaking, Food Chain Kitchen Limited has entered into a Deed of Covenant with the company under which its taxable income each year is covenanted to the Charity. As a result the trading subsidiary will be making a Gift Aid payment of £nil (2020 – £nil).

The nutritional support services provided are designed to help people living with HIV in London to get well, stay well and live independently. Services are free, are not subject to financial means testing and are provided to eligible people who are identified as being in nutritional need.

Our package of support, uniquely tailored for each individual, can include one or more of the following services; home-delivered meals, a grocery delivery service for a defined period of time; Eating Positively, nutrition and cookery classes to meet the needs of people living with HIV; and Eating Together, a communal eating service for isolated individuals. Every service user also has access to a fully qualified dietitian for nutritional advice.

Information and recipes collected by The Food Chain over the years have been developed into fact sheets, and are made available to a wider audience through The Food Chain website, www.foodchain.org.uk, which offers nutritional advice designed for people living with HIV.

Our volunteers

In the immensely difficult environment of lockdown and Covid related restrictions, our fantastic community of volunteers continued to make their invaluable contribution to our work. They undertook roles in all aspects of service delivery, including for our shop and deliver service, as kitchen assistants, lead cooks, recipe volunteers, dietetic support volunteers and the new role of telephone befriender.

In this year an estimated 134 volunteers provided around 3000 hours of support – the equivalent of £3,255 if presented as the London Living Wage.

Everyone involved showed incredible commitment and flexibility as they took on adapted or new roles and additional activities to help with the delivery of essential groceries to people in need.

THE FOOD CHAIN (UK) LIMITED

DIRECTOR'S AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST MARCH 2021

Achievement and activities summary

Service User needs

Overview

In this financial year we provided support for 649 people living with HIV plus their 481 dependents including 331 children aged under 16.

The average household income of people referred to us was £62 per week

52% female

47% male

0.4% transgender

0.6% preferred not to say

Black 53%

- African 39%
- Black British 6%
- Black Caribbean 8%

White 33%

- White British 19%
- White European 8%
- White other 6%

Asian 2.5%

Other 11.5%

We organised a total of 2596 food deliveries, equivalent to 157,248 meals.

This compares with 934 deliveries/29,454 meal equivalents in the previous year, clearly indicating the huge impact of the Covid19 crisis on our service users

This impact began in March 2020 and will continue to be a feature in 2021 though we hope not at the same level as during the peak of the pandemic. It will gradually taper but is likely to remain at a higher level than in pre-Covid years due to the sustained economic impact on individuals.

Reflections on changes in service user needs during Covid19 crisis

- More complex dietetic needs, e.g. renal failure, type 2 diabetes.
- More require onward referrals to other services, such as counselling due to higher anxiety levels
- Increase in exceptional levels of hardship, such as lack of heating and cooking facilities as well as reliance on foodbanks for food
- Limited exercise opportunities due to the lockdown.
- Health vulnerabilities already present exacerbated by the pandemic, need to shield, limited/closed services and difficulties in getting through, patchy support from local authorities and government
- Sharp increase in people referred who have lost work and been made redundant, people struggling with the change in income and/or experiencing a gap in income due to applying for benefits.
- Significant increase in families and single mothers referred due to children being at home, particularly when government policy over school meal vouchers was unclear
- Most extreme food poverty has been seen amongst our complex health group – poor mobility, shielding without support network, not working due to poor health so have limited income. This is particularly stark when people are not quite complex enough to need CNS/care/social services support but their health and mobility problems mean that they are having just as acute an experience of food poverty.
- Large increase in Service Users with substance use. In early days of pandemic these were largely relapses due to boredom of lockdown and absence of established support networks. Substance and alcohol use often has a direct relationship with their experienced hardship
- Increase in Service Users referred experiencing homelessness, both street homeless and sofa surfing. Particularly challenging when that person has no recourse to public funds - requires a lot of multi-agency intervention

THE FOOD CHAIN (UK) LIMITED

DIRECTOR'S AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST MARCH 2021

- Lack of provision of emergency housing for homeless people in the second lockdown over winter
- Indicator of rising level of complex health and mobility in referrals is the increased spend with Wiltshire Farm Foods, for people who cannot prepare their own meals.
This number rose from 7 service users in the previous financial year to 36 in this.

Changes to our service model

Changes to our service package

During the first lockdown, we made the commitment to retain people referred to us during the crisis on service for as long as help with groceries was needed. We accepted self-referrals from people who were already known to us, due to the difficulty people experienced contacting clinics/other support organisations

In the summer, we wound down the above changes and began a COVID review process where staff spoke to every person on service and made recommendations to the Dietetic Team on how many more deliveries they would need. The Dietetic Team then reviewed and began to move people off service gradually where appropriate.

A result of these reviews is that we now have a category of service needs we are calling "Complex", which denotes people who have no other way of accessing food or are in severe poor physical/mental health, and for whom we believe an end of service would cause a serious decline in their wellbeing. We have kept those people on service. As of 31/03/21 there are 40 people in this category.

Changes to our service delivery

- Due to acute need seen in new referrals, we now "screen" referrals during busy times when they first come in, asking key health questions, establishing how quickly they need food and arranging deliveries before point of assessment if necessary.
- We now have volunteers to do shopping and deliver to Service users when the need is urgent or a supermarket delivery slot cannot be secured in a timely way.
- In certain circumstances, we send supermarket vouchers in place of grocery deliveries. Examples are SUs who are street homeless/sofa surfing.
- We still make weekly telephone social calls to 88 isolated SUs
- From Summer 2020 we recruited and trained a new team of Dietetic Support Volunteers, working remotely from home, to deliver the bulk of the grocery service. We now have a complement of 11 DSVs
- When placing orders, DSVs can now offer tailored recipes to SUs to suit their tastes and the contents of their deliveries, designed by volunteers

New services developed during the year

- Adding essential toiletries to grocery deliveries
- Sending baby & toddler packs to families with young children
- Expansion of the hardship fund
- Establishment of an emergency response fund to send SUs books, puzzles, games, craft items, toys for their kids, and other small items to help combat isolation and boredom during lockdown
- Continued provision of formula milk, and proposed extension of provision, partnership in development with NAT and Feed UK (in progress)
- Emergency summer holiday grocery provision was put in place for families on service (temporary)
- During the summer staff and volunteers delivered household items which had been donated by THT when they vacated Acorn House e.g. fridges, beds, furniture etc.

New partnerships

- George House Trust (GHT), Manchester: from January 2021 referring clients for food insecurity and for a one-off healthy eating hamper and Dietetic advice (paid partnership)
- Children's HIV Association (CHIVA), National: from April 2020 referring families in food insecurity (paid partnership)
- Terrence Higgins Trust (THT), National: pilot in December 2020, regular from Spring 2021 TFC Dietitians as guest experts on their online forum for "Ask a Dietitian" Q&A sessions (paid partnership)
- Seeds Project, London: January – April 2021 TFC Dietitians guest presenting monthly sessions on nutrition (paid partnership)
- Various London HIV Charities: Dietitians and Service managers delivering/participating in talks on nutrition, welfare and other community issues
- Feed UK and National AIDS Trust (NAT), National: Working on a project to provide formula milk for HIV+ families, research stage.

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DIRECTOR'S AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2021

Our development of remote services

- Eating Positively: Online delivery, combination of live Zoom Dietitian presentation and pre-recorded recipe demonstrations (in progress, pilot session currently being arranged)
- Nutrition Assistant talks: Online delivery, potential for weekly event, rotation of topics as was previously delivered in person at Eating Together. Delivered by our cohort of Nutrition Assistants who are mostly not actively volunteering at present (in planning stage)
- Telephone befrienders: New volunteer role, matching volunteers with isolated/lonely SUs for social phone calls (in planning stage)

Public benefit statement

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PD2)'. The achievements and activities above demonstrate the public benefit arising through the Charity's activities.

Financial Review – results for the year

Our expenditure on the essential groceries service continued to be higher than in pre-Covid times throughout the year due to the greatly increased need created by the pandemic. We were fortunate in being able to secure Covid 19 Emergency funding from a number of charitable trusts to help meet these costs. The increased demand also resulted in increased staffing costs as we created a new post to help manage the significantly higher workload of our small team.

We are also deeply grateful to the very many individual donors who responded to our emergency groceries appeal during this year. Their generosity made a very meaningful difference for the hundreds of people we supported who had been thrown into crisis by the pandemic.

The organising of community fundraising events and dinners was extremely difficult during this year due to lockdown and Covid restrictions. Despite that we were able to raise £11,323 through the few events we were able to put on.

Both the increased expenditure and the loss of income from community fundraising activity will continue to be challenging in the next financial year.

The Consolidated Statement of Financial Activities shows a surplus of total incoming resources compared with expended resources of £50,492 (2020 – surplus £80,886).

Expenses increased from £394,485 to £523,248 with the main increase being in direct service delivery costs and the filling of a staff vacancy.

The impact of Covid19

We saw the start of the impact of Covid19 in March 2020 and this will continue into the next financial year. We will see increased expenditure on essential grocery deliveries and increased staff and volunteer costs to manage the increased workload and enable the delivery of groceries to people's homes.

At the same time we will experience a loss of income due to cancelled community events and fundraising activities and the impact on our corporate supporters, many of whom are part of the hospitality industry.

Initial success in securing funds for emergency groceries is assisting us in maintaining a level of funds on hand and we will continue to seek support from all available sources to achieve financial stability throughout the time of crisis.

Principal funding sources

The main funding sources for the charity are charitable trust income and individual donors.

Investment powers and policy

Under the Memorandum and Articles of Association, the Charity has the power to invest in any way the Trustees wish.

The policy of the Trustees is to invest any surplus funds on bank deposit

THE FOOD CHAIN (UK) LIMITED
DIRECTOR'S AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2021

Reserves policy

The charity has a reserves policy that has a short term aim to maintain sufficient funds to operate at our current level over a 3 month period. The medium term aim is to maintain sufficient funds to enable the expansion of current service and the long-term aim is to maintain sufficient funds to extend and provide new services.

The charity reserves at the end of the year stood at £190,484 (2020 - £139,631). This represents approximately 4 months running costs at our increased level of service delivery.

The Board of Trustees is seeking to build up reserves through the development of a community café and providing hospitality services in our new kitchen premises in the coming years.

FUTURE ACTIVITIES

Our strategic aims are:

Maintain our core nutrition support services

- HIV specialist dietetic assessment and advice
- Essential grocery deliveries
- Eating Together communal lunches
- Eating Positively cookery and nutrition classes

Develop ways of alleviating the hardship experienced by our service users by:

- Signposting to other providers
- Creating partnerships that bring other providers in to The Food Chain
- Accessing hardship related grants, funds and items

Raise awareness of the complex and multiple needs of people who are not living well with HIV by:

- Sharing our experience and demonstrating the impact of our support services at every opportunity.

Relocate to a new premises for the delivery of services and the development of a community café

Build the long-term financial sustainability of The Food Chain by diversifying our income and providing cost effective services.

REFERENCE AND ADMINISTRATIVE DETAILS

Directors/Trustees:

Rachel Coyle (Chair)
Teresa Rider (Vice-chair)
Thomas Wright
Caroline Missen
Christopher Buckley
Allan Anderson

Company No: 02580505

Charity No: 1003014

Secretary: Mark Reynolds

Senior Management: Siobhan Lanigan – Chief Executive
P Blowers – Kitchen Services Manager
Anna Brewster – Volunteer and Services Manager

Registered Office: 314-320 Gray's Inn Road, London WC1X 8DP

THE FOOD CHAIN (UK) LIMITED
DIRECTOR'S AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2021

Independent Examiner: Samir Shah ACA,
Ramon Lee Ltd, 93 Tabernacle Street, London EC2A 4BA

Bankers: The Co-operative Bank, P.O. Box 250, Delf House, Skelmersdale WN8 6WT
Charities Aid Foundation, Kings Hill, West Malling, Kent ME19 4TA

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Food Chain (UK) Limited is registered as a company limited by guarantee and not having a capital divided by shares.

The company was incorporated on 6th February 1991 and is a registered charity constituted as a limited company under the Memorandum and Articles of Association. The charity registration number is 1003014 and the company registration number is 2580505.

Appointment of trustees

As set out in the Articles of Association the Chair of the Trustees is nominated by The Food Chain (UK) Limited. The Executive Committee of Trustees have power to appoint additional Trustees as it considers fit to do so.

The Board of Trustees is elected at the Annual General Meeting in accordance with the Articles when at least one third of the Trustees retire from office. Trustees are eligible for re-election but cannot serve for more than six consecutive years. Between Annual General Meetings, additional Trustees may be co-opted by the Board for a term of up to one year.

Trustee induction and training

The Trustees maintain a good working knowledge of charity and company law and best practise through their professional and business interests. New Trustees are given copies of the Memorandum and Articles of Association.

External training is promoted and funded in the areas of governance, finance and other specialist areas as required.

Organisation

The company is organised so that the Directors and Trustees meet regularly to manage its affairs. The Executive Committee comprises members from a variety of backgrounds, local knowledge and professional qualification.

The daily operations are the responsibility of the Chief Executive who reports to the Board of Trustees.

Risk management

The Management Committee has conducted a review of the major risk to which the charity is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

Related parties

The charity is independent of any other charities or organisation but works closely with other organisations, HIV support charities, local authorities and health & social care professionals.

The charity's wholly owned subsidiary, Food Chain Kitchen Limited, was incorporated on 16th January 1997 with the intention that it might one day manage the purchase and development of a building to further the objectives of the charity. The subsidiary changed its name in November 2012 to Food Chain Kitchen Limited.

The Trustees have no beneficial interest in the company other than as members. There are no Trustees who are also a director of Food Chain Kitchen Limited.

Members of the Management Committee

Members of the Management Committee, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 4.

THE FOOD CHAIN (UK) LIMITED
DIRECTOR'S AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Food Chain (UK) Limited for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors 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 Directors 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 company and of its income and expenditure for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and the financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

APPROVAL

This report was approved by the Board of Trustees and signed on its behalf by:



TERESA RIDER
(Vice-Chair)

20th OCTOBER 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF

THE FOOD CHAIN (UK) LIMITED

I report on the accounts of the company for the year ended 31st March 2021.

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my Independent Examination, for this report, or for the opinions I have formed.

Respective responsibilities and basis of report

As the charity's trustees of the Company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination, I have followed the Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act).

Independent examiner's statement

The company's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the ICAEW.

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



**SAMIR SHAH ACA
RAMON LEE LTD
93 TABERNACLE STREET
LONDON EC2A 4BA**

20th OCTOBER 2021

THE FOOD CHAIN (UK) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2021
SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income					
Grants, donations and legacies	2	196,588	-	196,588	200,579
Charitable activities	3	135,950	229,860	365,810	211,461
Other trading activities	4	11,323	-	11,323	63,328
Investment income		19	-	19	3
Total income		<u>343,880</u>	<u>229,860</u>	<u>573,740</u>	<u>475,371</u>
Expenditure					
Raising funds	6	55,148	-	55,148	69,200
Charitable activities	7	240,563	227,537	468,100	325,285
Total expenditure		<u>295,711</u>	<u>227,537</u>	<u>523,248</u>	<u>394,485</u>
Net income/(expenditure) and net movement in funds for the year		48,169	2,323	50,492	80,886
Reconciliation of funds					
Total funds, brought forward		122,892	15,402	138,294	57,408
Total funds, carried forward		<u>171,061</u>	<u>17,725</u>	<u>188,786</u>	<u>138,294</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 13 to 23 form part of these accounts.

THE FOOD CHAIN (UK) LIMITED
CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2021

	Notes	GROUP 2021 £	GROUP 2020 £	CHARITY 2021 £	CHARITY 2020 £
Fixed assets					
Tangible assets	12	-	2,199	-	2,199
Investments	13	-	-	1	1
Total Fixed Assets		<u>-</u>	<u>2,199</u>	<u>1</u>	<u>2,200</u>
Current assets					
Debtors	14	11,468	8,977	13,211	10,359
Cash at bank and in hand		193,818	154,198	193,412	153,792
Total Current Assets		<u>205,286</u>	<u>163,175</u>	<u>206,623</u>	<u>164,151</u>
Liabilities					
Creditors falling due within one year	15	(16,500)	(27,080)	(16,140)	(26,720)
Net Current Assets		<u>188,786</u>	<u>136,095</u>	<u>190,483</u>	<u>137,431</u>
Net assets		<u>188,786</u>	<u>138,294</u>	<u>190,484</u>	<u>139,631</u>
The funds of the charity:					
Unrestricted funds	16	171,061	122,892	172,759	124,229
Restricted funds	16	17,725	15,402	17,725	15,402
Total charity funds		<u>188,786</u>	<u>138,294</u>	<u>190,484</u>	<u>139,631</u>


In preparing these financial statements:

For the financial period ended 31st March 2021 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

These accounts were approved by the Board of Directors and Trustees on 20th October 2021 and signed on its behalf by:

.....  **Teresa Rider**

Company No: 02580505

The notes on pages 13 to 23 form part of these accounts.

THE FOOD CHAIN (UK) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2021

	Notes	2021 £	2020 £
Cash used in operating activities	18	<u>39,601</u>	<u>80,637</u>
Cash flows from investing activities			
Interest income		19	3
Purchase of tangible fixed assets		-	-
Purchase of investment		-	-
Cash provided by / (used in) investing activities		<u>19</u>	<u>3</u>
Cash flows from financing activities			
Repayment of borrowing		-	-
Cash inflows from new borrowings		-	-
Interest on borrowing		-	-
Cash used in financing activities		<u>-</u>	<u>-</u>
Increase / (decrease) in cash & cash equivalents in the year		<u>39,620</u>	<u>80,640</u>
Cash & cash equivalents at the beginning of the year		154,198	73,558
Total cash & cash equivalents at the end of the year		<u>193,818</u>	<u>154,198</u>

THE FOOD CHAIN (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2021

1. ACCOUNTING POLICIES

1.1 Basis of preparation of accounts

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

The Food Chain (UK) Limited meets the definition of a public benefit entity under FRS 102.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

1.2 Preparation of accounts on a going concern basis

The Trustees are taking steps to reduce costs and secure additional funding so that the charity is able to operate on a satisfactory basis and are confident that the charity can continue to operate on a going concern.

1.3 Group financial statements

The group financial statements consolidate the accounts of The Food Chain (UK) Limited (the 'company') and its wholly owned subsidiary, The Food Chain Kitchen Limited. The Directors have taken advantage of the provisions of Section 408 of the Companies Act 2006 and do not present an individual profit and loss account for the company.

1.4 Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and amount can be measured reliably.

- Income received by way of grants, donations and legacies are included in full in the Statement of Financial Activities when received, unless they relate to a specified future period, in which case they are deferred.
- Income from charitable activities received by way of revenue grants and donations are credited to restricted incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.
- Grants, donations and legacies of general nature which are not conditional on delivering certain levels of service are included as part of Grants, donations and legacies as shown under note 2 and 3.
- Capital grants for the purchase of fixed assets are credited to restricted incoming resources on the earlier date of when they are received or receivable. Depreciation on the related fixed assets is charged against the restricted fund.
- Facility hire income is recognised as earned (that is, as the related services are provided).
- Fundraising income are credited to incoming in the year in which they are received, as in practice this represents a receivable basis.
- Income from activities includes income recognised as earned (as the related goods and services are provided) under contract.
- Investment income is included when receivable.

1.5 Volunteers and donated services, facilities and goods

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Charity is not recognised in the main body of the financial accounts but detail is contained in the Trustees report.

On receipt, donated professional services, donated facilities and goods are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

THE FOOD CHAIN (UK) LIMITED
NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31ST MARCH 2021

1.6 Expenditure recognition and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- (a) Costs of generating funds are those cost incurred in attracting voluntary income and those incurred in other trading activities that raise funds.
- (b) Expenditure on charitable activities includes the costs directly associated food delivery services and education and outreach services, to further the purposes of the Charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.7 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance and administration personnel, payroll and governance costs which support the Trust's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

1.8 Funds structure

The general fund comprises those monies, which may be used toward meeting the charitable objectives of the company at the discretion of the Management Board.

The restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor imposed conditions.

1.9 Pension costs

The charity operates a defined contribution pension scheme on behalf of its employees. Contributions are charged to the Statement of Financial Activities in the period in which they are payable. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The pension cost charge represents contributions payable by the charity to the fund and amounted to £8,892 (2020 - £8,459). Contributions totalling £Nil (2020 - £1,365) were payable to the fund at the year end and are included in creditors.

1.10 Operating leases

The charity classifies the lease of property and copier rental as an operating lease. The rentals are charged to the Statement of Financial Activities on a straight-line basis over the lease duration. No assets are held under hire purchase agreements.

1.11 Debtors

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

1.12 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Individual fixed assets costing £500 or more are capitalised at cost.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Asset Category	Annual Rate
Office equipment	- 15% on the reducing balance basis
Kitchen equipment	- 33% on the reducing balance basis
Leasehold improvements	- 15% on the reducing balance basis

THE FOOD CHAIN (UK) LIMITED

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2021

1.13 Cash at bank and in hand

Cash at bank and in hand includes cash deposits and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.15 Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.16 Judgement and key sources of estimation uncertainty

In the application of the charity's accounting policies, the charity is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2. GRANTS, DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Donations	135,958	-	135,958	152,028
Legacies	10,053	-	10,053	47,533
Collection Tins	-	-	-	1,018
The Mill Charitable Trust	20,000	-	20,000	-
Small Business Support Grant	25,000	-	25,000	-
Job Retention Scheme Grant	5,577	-	5,577	-
	<u>196,588</u>	<u>-</u>	<u>196,588</u>	<u>200,579</u>

The grants, donations and legacies income in 2020 totalling £200,579 was attributed all to unrestricted funds.

THE FOOD CHAIN (UK) LIMITED

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2021

3. CHARITABLE ACTIVITIES

Grants and donations:

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Food delivery services:				
The Barbara Ward Children's Foundation	-	-	-	6,000
CAF	7,000	-	7,000	-
CIB Charity committee	-	8,250	8,250	-
City Bridge Trust	14,175	53,800	67,975	28,350
The DWF Foundation	-	1,500	1,500	-
Elton John Aids Foundation	-	8,000	8,000	-
George House Trust	25,270	-	25,270	-
Gilead Science Ltd	-	13,270	13,270	13,270
Gilead Science Ltd- Covid 19 support grant	60,000	-	60,000	-
Hyde Park Place Estate Charity	-	-	-	3,641
London Catalyst	-	1,250	1,250	1,000
The London Community Foundation	-	53,790	53,790	-
Lottery Community Fund	-	90,000	90,000	-
M.A.C Aids Fund	-	-	-	37,500
Make A Difference	-	-	-	20,000
Merchant Taylors Company	-	-	-	12,000
Pret Foundation	-	-	-	5,500
Terrence Higgins Trust	4,105	-	4,105	-
ViiV Healthcare UK Ltd	5,000	-	5,000	6,000
Wandsworth Oasis	7,500	-	7,500	5,000
Other funders	400	-	400	700
	<u>123,450</u>	<u>229,860</u>	<u>353,310</u>	<u>138,961</u>
Education and outreach:				
M.A.C Aids Fund	-	-	-	37,500
Milton Damerel Trust	-	-	-	20,000
ViiV Healthcare UK Ltd	5,000	-	5,000	6,000
Wandsworth Oasis	7,500	-	7,500	5,000
Westminster Amalgamated Charity	-	-	-	4,000
	<u>12,500</u>	<u>-</u>	<u>12,500</u>	<u>72,500</u>
	<u>135,950</u>	<u>229,860</u>	<u>365,810</u>	<u>211,461</u>

The income from charitable activities in 2020 totalling £211,461 was attributed to £61,761 restricted funds and £149,700 unrestricted funds.

THE FOOD CHAIN (UK) LIMITED
NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31ST MARCH 2021

4. OTHER TRADING ACTIVITIES

	GROUP AND CHARITY Unrestricted £	Total 2021 £	Total 2020 £
Other events	11,323	11,323	51,356
Positive East Cafe	-	-	6,000
Cookbook revenue	-	-	190
Kitchen rent	-	-	1,720
Kitchen services	-	-	4,062
	<u>11,323</u>	<u>11,323</u>	<u>63,328</u>

The fundraising income in 2020 totalling £63,328 was all attributed to unrestricted funds.

5. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

The wholly-owned trading subsidiary, Food Chain Kitchen Limited, which is registered in England and Wales, pays all but a small proportion of its profits to the charity by gift aid. The principal activity of the subsidiary company is that of catering services.

The charity owns the entire issued share capital of 1 Ordinary Shares of £1 each. Accounts are filed with the Registrar of Companies. A summary of the trading results for the year ended 31st March 2021 is shown below:

SUMMARY PROFIT AND LOSS ACCOUNT:	2021 £	2020 £
Turnover	-	-
Cost of sales	-	-
Administration costs	(360)	(360)
Bank interest received	-	-
Net profit	<u>(360)</u>	<u>(360)</u>
Amount gift aided to the charity	-	-
Retained in subsidiary	(360)	(360)
The assets and liabilities of the subsidiary were:		
Current assets	406	406
Current liabilities	(2,103)	(1,743)
Total net assets	<u>(1,697)</u>	<u>(1,337)</u>
Aggregate share capital and reserves	<u>(1,697)</u>	<u>(1,337)</u>

THE FOOD CHAIN (UK) LIMITED

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2021

6. RAISING FUNDS

	Raising Funds £	Total 2021 £	Total 2020 £
Staff costs	33,226	33,226	38,110
Fundraising activities	2,925	2,925	10,242
Support costs (Note 8)	14,507	14,507	16,482
Governance costs (Note 8)	4,490	4,490	4,367
	<u>55,148</u>	<u>55,148</u>	<u>69,200</u>

Of the £55,148 expenditure in 2021 (2020 - £69,200), £55,148 was charged to unrestricted funds (2020 - £69,200) and £nil to restricted funds (2020 - £nil).

7. CHARITABLE ACTIVITIES

	Food delivery services £	Education & Outreach £	Kitchen services £	Total 2021 £	Total 2020 £
Staff costs	99,640	67,852	16,589	184,081	144,610
Direct project costs	189,872	3,031	-	192,903	64,894
Kitchen running costs	-	-	11,150	11,150	30,158
Volunteer costs	-	189	-	189	2,592
Depreciation	-	2,199	-	2,199	4,652
Support costs (Note 8)	37,472	20,280	2,634	60,386	63,050
Governance costs (Note 8)	10,668	5,774	750	17,192	15,328
	<u>337,652</u>	<u>99,325</u>	<u>31,123</u>	<u>468,100</u>	<u>325,285</u>

Of the £468,100 expenditure in 2021 (2020 - £325,285), £240,563 was charged to unrestricted funds (2020 - £272,926) and £227,537 to restricted funds (2020 - £52,359).

8. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs and other support costs are apportioned separately between charity's three key activities undertaken (see note 6 & 7) in the year. All the general support and governance costs have been apportioned to the various charitable activities on the basis of staff time allocated to each activity.

	Support costs £	Governance costs £	Total 2021 £	Total 2020 £
Staff costs	55,943	-	55,943	49,303
Staff training and welfare	879	-	879	4,313
Premises	1,370	-	1,370	10,520
Volunteer costs	945	-	945	2,357
Communication costs	5,316	-	5,316	6,156
Computer and website costs	9,088	-	9,088	4,071
Other office costs	352	-	352	512
Professional fees and evaluation	1,000	18,622	19,622	18,935
Independent examination	-	2,700	2,700	2,700
	<u>74,893</u>	<u>21,322</u>	<u>96,215</u>	<u>98,867</u>

THE FOOD CHAIN (UK) LIMITED
NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31ST MARCH 2021

9. NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging:	2021	2020
	£	£
Depreciation of tangible fixed assets	2,199	4,652
Operating lease payments- rent	13,785	15,322
Independent examination fees	2,700	2,700
Other non-audit fees – payroll and accounts preparation	360	360
	<u>360</u>	<u>360</u>

10. ANALYSIS OF STAFF COSTS, TRUSTEES REMUNERATION AND EXPENSES, AND COST OF KEY MANAGEMENT PERSONNEL

STAFF COSTS	2021	2020
	£	£
Wages and salary	238,238	205,111
National Insurance	18,077	16,165
Pension	8,892	8,459
	<u>265,207</u>	<u>229,735</u>

No employee received remuneration in excess of £60,000 during the year.

No Trustee received any remuneration during the year (2020 - £nil). No Trustees received reimbursed expenses during the year (2020 - £nil).

The key management personnel of the charity comprise the Chief Executive, Kitchen services manager and Services manager. The total employee benefits of the key management personnel of the charity were £66,107 (2020 - £66,642).

11. STAFF NUMBERS

The average monthly number of staff employed, calculated as full time equivalent, during the year was as follows:

	2021	2020
Food delivery services	3.5	2.1
Education and outreach	1.9	1.6
Kitchen	0.2	0.3
Fundraising	1.4	1.0
Management and administrative work	0.8	0.8
Total	<u>7.8</u>	<u>5.8</u>

THE FOOD CHAIN (UK) LIMITED
NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31ST MARCH 2021

12. TANGIBLE FIXED ASSETS

		GROUP & CHARITY		
		2021	2020	
		£	£	
NET BOOK VALUES				
Leasehold improvements		-	2,199	
Kitchen equipment		-	-	
Office equipment		-	-	
		<u>-</u>	<u>2,199</u>	
MOVEMENTS IN YEAR				
<u>Cost or valuation</u>	Opening Balances	Additions	Disposals	Closing Balances
	£	£	£	£
Leasehold improvements	70,745	-	-	70,745
Kitchen equipment	36,916	-	-	36,916
Office equipment	1,008	-	-	1,008
	<u>108,669</u>	<u>-</u>	<u>-</u>	<u>108,669</u>
<u>Depreciation</u>	Opening Balances	Charge For Year	Disposals	Closing Balances
	£	£	£	£
Leasehold improvements	68,546	2,199	-	70,745
Kitchen equipment	36,916	-	-	36,916
Office equipment	1,008	-	-	1,008
	<u>106,470</u>	<u>2,199</u>	<u>-</u>	<u>108,669</u>

13. FIXED ASSET INVESTMENTS

	GROUP		CHARITY	
	2021	2020	2021	2020
	£	£	£	£
Investment at cost	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

The investment shown above represents the cost of the entire issued share capital of the subsidiary undertaking, Food Chain Kitchen Limited, which is incorporated in England & Wales. Results of the subsidiary are set out in note 5.

14. DEBTORS

	GROUP		CHARITY	
	2021	2020	2021	2020
	£	£	£	£
Amounts due by subsidiary undertaking	-	-	1,743	1,382
Other debtors	1,550	1,285	1,550	1,285
Prepayments and accrued income	9,918	7,692	9,918	7,692
	<u>11,468</u>	<u>8,977</u>	<u>13,211</u>	<u>10,359</u>

THE FOOD CHAIN (UK) LIMITED

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2021

15. CREDITORS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2021 £	2020 £	2021 £	2020 £
Taxation and social security	6,136	5,720	6,136	5,720
Other creditors	-	1,365	-	1,365
Accruals	10,364	19,995	10,004	19,635
	<u>16,500</u>	<u>27,080</u>	<u>16,140</u>	<u>26,720</u>

16. ANALYSIS OF CHARITABLE FUNDS

	Balance as at 01.04.20 £	Income £	Expenditure £	Balance as at 31.03.21 £
Restricted funds:				
CIB Charity committee	-	8,250	8,250	-
City Bridge Trust	15,175	53,800	56,250	12,725
The DWF Foundation	-	1,500	1,500	-
Elton John Aids Foundation	-	8,000	8,000	-
Gilead Science Ltd	-	13,270	13,270	-
London Catalyst	227	1,250	1,477	-
The London Community Foundation	-	53,790	48,790	5,000
Lottery Community Fund	-	90,000	90,000	-
	<u>15,402</u>	<u>229,860</u>	<u>227,537</u>	<u>17,725</u>
Unrestricted funds:				
General funds	122,892	343,880	295,711	171,061
	<u>138,294</u>	<u>573,740</u>	<u>523,248</u>	<u>188,786</u>

Analysis of charitable funds – previous year

	Balance as at 01.04.19 £	Income £	Expenditure £	Balance as at 31.03.20 £
Restricted funds:				
The Barbara Ward Children's Foundation	6,000	6,000	12,000	-
City Bridge Trust	-	28,350	13,175	15,175
Gilead Science Ltd	-	13,270	13,270	-
Hyde Park Place Estate Charity	-	3,641	3,641	-
London Catalyst	-	1,000	773	227
Pret Foundation	-	5,500	5,500	-
Westminster Amalgamated Charity	-	4,000	4,000	-
	<u>6,000</u>	<u>61,761</u>	<u>52,359</u>	<u>15,402</u>
Unrestricted funds:				
General funds	51,408	413,610	342,126	122,892
	<u>57,408</u>	<u>475,371</u>	<u>394,485</u>	<u>138,294</u>

Description, nature and purpose of funds:

General funds:

General fund represents funds available to spend at the discretion of the Trustees.

THE FOOD CHAIN (UK) LIMITED
NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31ST MARCH 2021

16. ANALYSIS OF CHARITABLE FUNDS (continued)

Restricted Funds:

The Barbara Ward Children's Foundation – Funding received towards children's nutrition services.

City Bridge Trust – Five year funding towards the project to support disadvantaged PLWHIV with specialist dietetic, nutrition support as well as volunteering and work experience opportunities to support transition to independence. Fund ends 30/10/2024.

Gilead Science Ltd – Funding towards the development and innovation of Food Chain services for the benefit of PLWHIV throughout London.

Hyde Park Place Estate Charity – Funding received towards food costs for residents in City of Westminster.

London Catalyst – Samaritan grant of £1,000 received..

Pret Foundation – Funding towards grocery costs for Saturday lunch service.

Westminster Amalgamated Charity – Funding received towards the package of care costs for residents in Westminster.

CIB Charity committee – Funding towards emergency grocery.

The DWF Foundation – Funding towards online nutrition and cookery classes.

The London community Foundation – Funding towards the delivery costs arising from the threefold increase in referrals to the essential grocery services, the additional staff cost incurred as result of the increased referral level and/or the development of online nutrition cookery classes and recipe demonstrations.

Lottery Community Foundation – Coronavirus community support fund.

17. ANALYSIS OF GROUP ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	-	-	-
Net current assets	171,061	17,725	188,786
	<u>171,061</u>	<u>17,725</u>	<u>188,786</u>

Analysis of group assets between funds – previous year

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	2,199	-	2,199
Net current assets	120,693	15,402	136,095
	<u>122,892</u>	<u>15,402</u>	<u>138,294</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net movement in funds	50,492	80,886
Add back depreciation	2,199	4,652
Deduct interest income shown in investment activities	(19)	(3)
Decrease / (increase) in debtors	(2,491)	(6,913)
Increase / (decrease) in creditors	(10,580)	2,015
Net cash used in operating activities	<u>39,601</u>	<u>80,637</u>

THE FOOD CHAIN (UK) LIMITED
NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31ST MARCH 2021

18. SHARE CAPITAL

The company is limited by guarantee and does not have a share capital divided by shares.

19. RELATED PARTY

During the year, there was no related party transactions.