

The Food Chain (UK) Limited

Registered Charity 1003014
Company registration 2580505

Registered Office and operational address:

New North House
202–208 New North Road
London N1 7BJ

Trustees' Report and Consolidated Financial Statements

for the Year Ended 31 March 2011

The Food Chain (UK) Limited

Report of the Trustees for the year ending 31 March 2011

Reference and Administrative Information

Trustees and Officers

The directors of the charitable company (the Charity) are its Trustees for the purpose of Charity law and throughout this report are collectively referred to as the Trustees. The Trustees serving during the year and since the year-end are as follows:

Trustees	Resigned	Appointed	
Michael Drury		20 October 2010	
Margaret Elliott	20 October 2010		
Sanjay Gandhi		28 February 2011	(co-opted)
Joanna Hancock		20 October 2010	
Caroline Hodge			
Colm Howard-Lloyd		20 October 2010	
Harriet Jones		20 October 2010	
Alan Mathers	20 October 2010		
Nonny Nkomo	26 July 2010		
Adrian Platt			
Susan Richards	20 October 2010		
Peter Roscrow			
Peter Rothwell	29 November 2010		
Susanne Rogers			

Other Members of the Management Committee

Sue Louise	Treasurer
Roger Birtles	Company Secretary until 27 June 2011
Robert Dunk	Company Secretary from 27 June 2011
Andrew Davies	General Manager
Margaret Elliott	Seconded member of MC from 29 November 2010

Bankers

The Cooperative Bank	Charities Aid Foundation
PO Box 250	Kings Hill
Delf House	West Malling
Skelmersdale	Kent
WN8 6WT	ME19 4TA

As at 31 March 2011, deposit accounts were also held with:

Santander
Investec Bank
Scottish Widows
United Trust Bank

Registered Auditors

Begbies Chettle Agar, Epworth House, 25 City Road, London EC1Y 1AR

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Structure, Governance, and Management

Governing Document

The company was formed by the Memorandum and Articles of Association dated the 6 February 1991. The Food Chain (UK) Limited is a company limited by guarantee and does not have a share capital. The liability of each member in the event of a winding up is limited to one pound sterling, for the payment of creditors of the Charity contracted before he/she ceases to be a member, or within one year thereafter. At the 31 March 2011 there were 140 guarantors in the register of members (2010 – 135 guarantors).

Appointment of Trustees

A Management Committee consisting of a Board of Trustees supported by the Treasurer, Company Secretary and General Manager governs the Charity. The Board of Trustees is elected at an annual general meeting in accordance with the Articles of Association, 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

Most Trustees are already familiar with the practical work of the Charity having already been directly involved as volunteers. Additionally, new Trustees are required to attend an induction evening to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the governance structure and decision-making processes, the business plan and the recent financial performance of the Charity.

Organisation

At 31 March 2011 there was one Subcommittee of the Management Committee working in the area of Finance. Governance, Communications, Nutrition, Events and IT Working Groups were established to work on specific projects. All Working Groups report to the Management Committee through the General Manager, with the exception of Governance, which reports directly to the Chair of Management Committee. The Charity currently employs eight full-time members and one part-time member of staff who handle the day-to-day business of the Charity, liaising with Trustees, Service Users, Referrers, Funders, and both current and potential Volunteers. The Finance and Facilities Administrator, liaising with the Finance Subcommittee, maintains the company's financial records.

Staff roles were restructured during the year to support the delivery of an ambitious new organisational strategy. The General Manager maintains overall responsibility for the operations of the Charity. A new Programme Development Manager role focuses on developing and enhancing service delivery and the internal processes of the organisation. This role oversees staff responsible for the food delivery and outreach and education services. A Community Dietitian, who designs tailored packages of support and services for each service user, has been employed to help individuals achieve specific outcomes. A Training & Volunteer Coordinator works to ensure sufficient skilled and trained volunteers are available to deliver services. A Finance and Facilities Administrator with responsibility for book keeping, procurement and facilities management offers further support. These roles report to the Programme Development Manager.

A Fundraising and Events Coordinator works closely with the General Manager to ensure sufficient resources are in place to deliver and expand services.

In addition, a part-time Chef is employed to provide weekend meals at The Mildmay hospital, a specialist HIV hospital in east London, as part of a new supportive partnership to help improve nutrition for patients. A number of sessional facilitators are employed to help deliver the Eating Positively cookery and nutrition classes. They include qualified Nutritionists and Dietitians.

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Related Parties

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

The Charity's wholly owned subsidiary, Food Chain Developments Limited, was incorporated on 16 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. While the subsidiary continues to exist, it has not traded or carried out any business or other activities since its incorporation.

Risk Management

The Trustees undertake a regular review of the major risks to which the company is exposed and establish policies and procedures to mitigate those risks. Finance, health and safety, protection of vulnerable adults and children, volunteers and a formal food safety system are all important areas where the policies and procedures are fully documented, and their operation is regularly monitored. Additional risks are identified and reviewed in respect of new services, events or changes to procedures and recorded in a risk register.

Objectives and Activities

The Charity was founded to provide a free meal service to housebound people living with HIV, their dependants and carers. The company's objectives state:

For the relief of sickness by providing a nutritional support service for those living with acquired immune deficiency syndrome (AIDS) 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 for providing a nutritional support service for their dependants and for partners, carers or family members who are directly engaged in caring for the person living with HIV or housebound by other medical condition and who are in conditions of need or hardship.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives, and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

As a result, services have since been expanded to provide a range of nutritional support including home-delivered Sunday meals, tailored to the requirements of each Service User; an emergency grocery service for those in extreme need; a weekly grocery delivery for those housebound Service Users with no support network to help with shopping; and *Eating Positively*, a series of nutrition and cookery classes tailored to the needs of people living with HIV.

Information and recipes collected by The Food Chain over the years are being developed into fact sheets, that can be made available to a wider audience through The Food Chain website, www.foodchain.org.uk, and www.iancraddock.com, which offers nutritionally balanced recipes designed for people living with HIV and support for our lead cooks.

Thanks to medical advancements, people are living longer and more successfully with HIV. In 2009, The Trustees commissioned an independent and comprehensive review of its services, to ensure it is meeting the changing needs of its Service Users in the most appropriate manner. The information gathered from a variety of stakeholders was being used to inform the Charity's future strategy. *Responding to Need* sets out the organisation's strategy for 2010-2014 and includes a number of initiatives to transform the service model, a new service which aims to help combat social isolation, and ensure that those most in need are supported appropriately with a combination of services to improve their health and quality of life.

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Report of the Trustees for the year ending 31 March 2011

Achievements, Performance and Challenges

The Food Chain has continued to see a strong demand for all of its food services. In the year ending 31 March 2011, The Food Chain:

- Prepared 30,087 meals bringing the total to over 485,000 meals since Christmas day 1988
- Delivered meals to 284 individuals including 76 dependents
- Sent 2113 grocery hampers to 86 people just out of hospital, in financial crisis or isolated and housebound at risk of malnutrition
- Educated 449 people living with HIV at 33 *Eating Positively* classes
- Provided over 750 volunteers with the opportunity to serve their community

The development of a clear strategic plan was a key achievement during the year. Following this, funding was sought successfully to allow the recruitment of new and additional staff positions to help the Charity roll out its ambitious plans. The new staff team was successfully recruited by March 2011 and work plans have been developed to deliver the strategy.

Performance:

The Food Chain periodically surveys its Service Users and Volunteers, and uses the results of these surveys to monitor the quality of current services and identify demand for new services.

Feedback forms on menus have been rolled out, allowing Service Users to comment on meals regularly. Assessments before and after *Eating Positively* workshops allow The Food Chain to monitor how effective the classes are and what Service Users have learned. Two service user forums were held during the year to discuss suggestions to develop services and implement the new strategy.

The Kitchens:

Six kitchens were used by The Food Chain for the Sunday meal service during the year. The service would not be possible without the support of:

Camden Council
Fareshare
Islington Council
Leonard Cheshire Disability
Positive East
River House Trust

As part of a drive to deliver services more efficiently, two kitchens were closed during the year. Delivery to service users was unaffected with additional meals sent out from the remaining four kitchens.

Challenges:

The economic downturn in the UK has put pressure on many of those that The Food Chain serves. In particular, the rise of food and fuel costs has impacted Food Chain Service Users negatively. The Charity has experienced a further dramatic rise in requests for the emergency hamper service specifically from those living with HIV in financial need. The cost of providing food for all services has risen. The Charity has struggled to engage sufficient volunteer drivers.

In order to address these challenges, the Charity has taken a variety of decisions over the past year. The budget for the Sunday Service meals has been increased and The Food Chain will continue to review this figure on a periodic basis. Purchasing guidelines were reviewed and measures taken to ensure that this service represents value for money.

The Management Committee continues to employ a full-time fundraiser to ensure that the organisation is well-placed to meet increased demand for services in the economic downturn.

Regular reviews of all Service Users receiving Sunday meals and other services take place. Service end dates are clearly communicated to all Service Users to ensure meals target those most in need.

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Report of the Trustees for the year ending 31 March 2011

The Food Chain will continue to monitor its income closely, and to manage costs carefully in order to maintain financial stability and thereby maximise its ability to deliver services and meet the demands of Service Users over the long term.

The *Eating Positively* service was successfully restructured during the year to offer a more flexible service and compliments our range of food delivery services to support people living with HIV in London. Feedback has been excellent and demand for the service continues to increase across London.

Financial Review

Results for the Year

The Consolidated Statement of Financial Activities shows a slight surplus of total incoming resources compared with expended resources of £4,694. Overall income was at similar levels to the previous year at £545,042, while expenses increased slightly to £540,348, to allow the Charity to meet increased demand for food delivery services and cover the cost of additional members of staff following a restructure.

The Charity is pleased to report that it has received generous support from a number of new funders over the past year and hopes to continue to open up new lines of funding in order to support expansion and ensure a sustainable funding base in the future.

The expenditure of the Charity has again primarily related to food and service delivery costs including salaries of staff who are engaged in ensuring that the key objectives of the Charity are met. The reserves at the end of the year increased slightly to £274,416 (£138,233 unrestricted and £136,183 restricted).

Format of the Accounts

The accounts comply with current statutory requirements, the Memorandum and Articles of Association, in accordance with the special provisions of part 15 of the Companies Act 2006 and Financial Reporting Standards for smaller entities and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005).

Fixed Assets

The movement of fixed assets is shown in note 6 in the financial statements.

Investment Powers

The Trustees are empowered by the Articles of Association to invest the funds of the Charity as they deem appropriate. The Trustees undertook a review of investments and it was agreed, for reasons of prudence, that a number of additional deposit accounts would be opened to take greater advantage of the UK Deposit Protection Scheme.

Trustee Assurance

The Trustees confirm that the Charity's assets are sufficient to fulfil its obligations, and that all cash and investments held by the Charity have been acquired in accordance with the powers available to them under the Articles of Association.

Reserves Policy

The Charity has a reserves policy that has a short-term minimum aim to maintain sufficient funds for the company to operate at its current level over a three-month period. The medium-term aim of the reserves policy is to maintain sufficient funds to enable the expansion of current services and the long-term aim is to maintain sufficient funds to extend the Charity's services. The current level of reserves allows the expansion of current services and is thought to be at an appropriate level by the Trustees.

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Report of the Trustees for the year ending 31 March 2011

Plans for the Future

Following the commissioning of research to help the organisation better understand the nutritional needs of those living with HIV in London, the Management Committee undertook a fundamental review of the services provided by the organisation. The document *Responding to Need* sets out the Charity's strategic intentions and proposes a number of changes to ensure that the Charity effectively responds to the changing financial, social and medical needs of the community it serves. These ambitious plans aim to make the Charity more responsive and will help us to reach more people living with HIV in need of tailored nutrition support services. They include an enhanced meal delivery service, implementation of an outcomes focused service model and the piloting of Eating Together, a new communal eating service, which aims to help combat social isolation in people living with HIV. The proposed plans have been prioritised and funding will be sought for the new initiatives.

Statement of Trustees' Responsibilities

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company, and of the surplus or deficit of the company for the period. In preparing those financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Trustees' Confirmation

Trustees of the charitable company are directors for the purpose of company law. Each of the persons who are directors at the time this report is approved has confirmed that:

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) each director has taken all the steps that ought to have been taken as a director, including making appropriate enquiries of fellow directors and of the company's auditors for that purpose, in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

Begbies Chettle Agar were reappointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the Trustees on 31/07/11

and signed on their behalf by:

Peter Roscrow, Chair

The Food Chain (UK) Limited

Report of the Trustees for the year ending 31 March 2011

Financial Statements

Year ending 31st March 2011

Consolidated Statement of Financial Activities

	Note	Unrestricted £	Restricted £	2011 Total £	2010 Total £
<i>Incoming resources from generated funds</i>					
Grants		40,400	270,912	311,312	319,832
Donations		87,097	52,833	139,930	135,475
Fundraising		91,595	-	91,595	101,768
Interest and Other income		2,205	-	2,205	981
Total Incoming Resources		<u>221,297</u>	<u>323,745</u>	<u>545,042</u>	<u>558,056</u>
Resources Expended					
<i>Costs of Generating Funds</i>					
Fundraising costs	4	74,121		74,121	98,488
<i>Charitable Activities</i>					
Food delivery service	4	156,122	180,099	336,221	284,589
Education & Outreach	4	7,717	81,470	89,187	86,271
Volunteer Training and Recruitment	4	6,276	22,628	28,904	56,982
<i>Governance Costs</i>	4	11,914	-	11,914	4,414
Total Resources Expended		<u>256,151</u>	<u>284,197</u>	<u>540,348</u>	<u>530,744</u>
Net Movement of Funds		(34,854)	39,548	4,694	27,312
Fund Balances at 1st April 2010	9	<u>173,087</u>	<u>96,635</u>	<u>269,722</u>	<u>242,410</u>
Fund Balances at 31st March 2011		<u>138,233</u>	<u>136,183</u>	<u>274,416</u>	<u>269,722</u>

All activities relate to continuing operations. There are no other recognised gains or losses apart from those shown above.

The Food Chain (UK) Limited

Report of the Trustees for the year ending 31 March 2011

Financial Statements

Year ending 31st March 2011

Consolidated Balance Sheet

	Note	2011		2010	
		Group £	Company £	Group £	Company £
Fixed Assets					
Tangible Fixed Assets	5	8,575	8,575	-	-
Investments	6	-	1	-	1
		8,575	8,576	-	1
Current Assets					
Debtors	7	22,075	22,075	13,064	13,064
Cash at Bank and in Hand		<u>271,362</u>	<u>271,359</u>	<u>290,788</u>	<u>290,785</u>
		293,437	293,434	303,852	303,849
Creditors: Amounts falling due within one year	8	27,596	27,604	34,130	34,138
		<u>265,841</u>	<u>265,830</u>	<u>269,722</u>	<u>269,711</u>
Net Current Assets		<u>265,841</u>	<u>265,830</u>	<u>269,722</u>	<u>269,711</u>
Net Assets		<u>274,416</u>	<u>274,406</u>	<u>269,722</u>	<u>269,712</u>
Represented by:					
Unrestricted Funds	9	138,233	138,223	173,087	173,077
Restricted Funds	9	<u>136,183</u>	<u>136,183</u>	<u>96,635</u>	<u>96,635</u>
		<u>274,416</u>	<u>274,406</u>	<u>269,722</u>	<u>269,712</u>

These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act 2006 and Financial Reporting Standards for smaller entities (effective April 2008) relating to small companies.

Approved by the Trustees on

.....31/07/11.....

and signed on their behalf by

..........

The Food Chain (UK) Limited

Report of the Trustees for the year ending 31 March 2011

Notes to Financial Statements

Year ending 31st March 2011

1. Principal Accounting Policies

(a) Basis of Accounting and Consolidation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and follow the recommendations of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005).

The financial statements have consolidated the results of the Company and its wholly owned subsidiary Food Chain Developments Limited. A separate Statement of Financial Activities, or Income and Expenditure Account, for the company itself is not presented because the company has taken advantage of the exemptions afforded by Section 407 of the Companies Act 2006 and paragraph 383 of SORP 2005.

(b) Income

i) Grants, donations, and legacies are credited to the Statement of Financial Activities on a receivable basis. Gifts in kind are included in income at a valuation which is an estimate of costs to the donor.

ii) Fundraising income is funds generated by activities held by, and on behalf of, the Charity. These funds are recognised as they are received.

iii) Interest receivable is taken into the Statement of Financial Activities as it accrues to the Charity.

(c) Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis.

- Costs of generating funds comprise the costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis consistent with the use of resources e.g. staff costs by time spent and other costs by their usage.

(d) Fixed Assets and Depreciation

Individual fixed assets costing more than £1,000 are capitalised and included at cost.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

Computer Equipment	- 33%
Office Equipment	- 15%
Kitchen Equipment	- 15%

(e) Pension Costs

The Charity maintains a stakeholder pension scheme with Friends Provident. Company contributions are made to the scheme on behalf of its employees. The liability of the Charity is restricted to the amounts paid in the year.

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Report of the Trustees for the year ending 31 March 2011

(f) Reapportionment of Costs

Staff members directly involved in the provision of food have had their salaries allocated to direct charitable costs. Other staff members have had their salaries apportioned between administration and direct charitable costs in proportion to the time they spend on the respective activities.

(g) Operating leases

Rentals paid under operating leases are charged to income on a straight line basis.

	2011	2010
	£	£
2. Net Incoming Resources for the Year		
This is stated after charging:		
Auditors remuneration	3,045	2,908
	-	
	<u> </u>	<u> </u>

3. Employees

The trustees received no remuneration for their services during the year. Trustee liability insurance has been purchased by the Charity on their behalf. During the year Trustees reimbursed expenses were nil (2010:nil).

The average monthly number of employees during the year comprised:

	employees	employees
Operational	7	6
Administrative	1	1
	<u> </u>	<u> </u>
	8	7

Direct internal staff costs during the year amounted to:

	£	£
Wages and Salaries	215,365	175,092
Social Security Costs	19,565	17,132
Staff Pension	7,993	8,051
	<u> </u>	<u> </u>
	242,923	200,275

No employee is in receipt of salary in excess of £60,000 p.a.

The Food Chain (UK) Limited

Report of the Trustees for the year ending 31 March 2011

4. Total Resources Expended

	basis of allocation	Fundraising	Meal costs	Education & Outreach	Volunteer training & co-ordination	Governance	2011 total	2010 total
<u>Costs directly related to activities</u>								
Food and direct costs	direct	-	173,464	6,542	-	-	180,006	162,629
Premises and related costs	direct	-	5,821	2,268	-	-	8,088	6,612
Staff and related costs	direct	48,245	111,135	70,404	5,684	7,456	242,923	200,275
professional fees and evaluation	direct	-	3,031	-	-	-	3,031	11,517
Advertising and recruitment	direct	-	-	-	666	-	666	1,874
Volunteer training and welfare	direct	-	-	-	12,712	-	12,712	13,634
Fundraising activities	direct	16,034	-	-	-	-	16,034	29,971
Audit fees	direct	-	-	-	-	3,045	3,045	2,908
Annual report/AGM costs	direct	-	-	-	-	695	695	133
<u>Support costs allocated to activities</u>								
Premises	floor area	2,338	11,691	2,338	2,338	-	18,706	25,629
General office, finance, and support costs	staff time	3,409	12,047	3,409	3,409	455	22,730	29,818
Communications	usage	2,126	12,056	2,256	2,126	-	18,563	30,394
Stationery, printing, and other administration costs	staff time	1,977	6,985	1,977	1,977	264	13,180	14,690
Bank charges and interest	usage	(8)	(8)	(8)	(8)	-	(32)	662
Depreciation	usage	-	-	-	-	-	-	-
		<u>74,121</u>	<u>336,221</u>	<u>89,187</u>	<u>28,904</u>	<u>11,914</u>	<u>540,348</u>	<u>530,744</u>

5. Tangible Fixed Assets

	Computer Equipmt.	Kitchen Equipmt.	Office Equipmt.	Hot Boxes	Total
Cost					
At 1st April 2010	5,176	9,191	6,240	8,000	28,607
Additions	8,820				8,820
At 31st March 2011	<u>13,996</u>	<u>9,191</u>	<u>6,240</u>	<u>8,000</u>	<u>37,427</u>
Depreciation					
At 1st April 2010	5,176	9,191	6,240	8,000	28,607
Charge in the year	245				245
At 31st March 2011	<u>5,421</u>	<u>9,191</u>	<u>6,240</u>	<u>8,000</u>	<u>28,852</u>
Net Book Value					
At 31st March 2011	<u>8,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,575</u>
At 1st April 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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6. Investments	2011		2010	
	Group £	Company £	Group £	Company £
Investment in Subsidiary	-	1	-	1

Investments represent all of the issued share capital of Food Chain Developments Limited. Disclosure of investments at market value (per the Charities SORP) is not considered appropriate as the subsidiary has not yet commenced any activities. The accounts of Food Chain Developments Ltd are consolidated in these Group accounts.

7. Debtors due within one year	2011		2010	
	Group £	Company £	Group £	Company £
Prepayments, Deposits, and Sundry Debtors	22,075	22,075	13,064	13,064

8. Creditors: Amounts falling due within one year	2011		2010	
	Group	Company	Group	Company
Trade Creditors	14,649	14,649	16,733	16,733
Tax and Social Security	7,520	7,520	5,233	5,233
Amounts owed to Subsidiary	-	8	-	8
Other Creditors	2,053	2,053	5,410	5,410
Accruals and Deferred Income	3,375	3,375	6,755	6,755
	<u>27,596</u>	<u>27,604</u>	<u>34,130</u>	<u>34,138</u>

9. Movement in Funds	At			At
	1st April 2010	Income	Expended	31st March 2011
(a) Restricted Funds, Group and company				
Food delivery services				
Sunday service, grocery boxes and hampers	8,104	261,029	168,099	101,034
Resources and IT	11,458	640	8,098	4,000
Other Administration costs	-	3,902	3,902	0
	<u>19,562</u>	<u>265,571</u>	<u>180,099</u>	<u>105,034</u>
Education and outreach				
Eating Positively Project	-	55,424	48,089	7,335
Cookery Education	46,313	-	33,381	12,932
	<u>46,313</u>	<u>55,424</u>	<u>81,470</u>	<u>20,267</u>
Volunteer Training and Recruitment				
Volunteer Recruitment and Training	12,670	-	3,163	9,507
Staffing & Intern Costs (specific grants)	18,090	2,750	19,465	1,375
	<u>30,760</u>	<u>2,750</u>	<u>22,628</u>	<u>10,882</u>
	<u>96,635</u>	<u>323,745</u>	<u>284,197</u>	<u>136,183</u>

Section 37 statement: the above figures also include Restricted Grant Aid from London Councils towards the development of Education and Outreach projects. The auditors confirm that it has been used for this purpose. This has been allocated as follows:

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Education and Outreach	
Prior year unspent funds	2,985
Received during the year from London Councils	<u>32,439</u>
Total grant for the year	35,424
Expended	<u>(35,424)</u>
	<u><u>0</u></u>

Restricted funds are to be used for specific purposes as proposed by the company or as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of management and administration costs.

(b)	At			At
	1st April 2010	Income	Expended	31st March 2011
Unrestricted Funds	173,079	221,297	256,136	138,240
General Funds (company)	<u>8</u>	<u>-</u>	<u>15</u>	<u>(7)</u>
Profit and Loss Reserve (subsidiary)	<u>173,087</u>	<u>221,297</u>	<u>256,151</u>	<u>138,233</u>

These funds can be used in accordance with the charitable objects at the discretion of the trustees.

10. Analysis of Group Net Assets between funds

	Tangible Fixed assets	Net Current assets	Total
	£	£	£
Restricted Funds	-	136,183	136,183
Unrestricted Funds	8,575	129,658	138,233
	<u>-</u>	<u>265,841</u>	<u>274,416</u>

Independent Auditors' Report to the members of The Food Chain (UK) Limited

We have audited the financial statements of Food Chain Developments Limited for the year ended 31 March 2011 which comprise of Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for preparing the financial statements and the Directors' Remuneration Report and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements and the auditable part of the Directors' Remuneration Report in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board (APB'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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard – Provisions Available for Small Entities, in the circumstances set out below:

In common with many other companies of this size we assist in the preparation of the financial statement, prepare and submit returns to the tax authorities and occasionally provide advice on other matters.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent Auditors' Report to the members of The Food Chain (UK) Limited

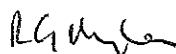
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report 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 to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from
branches not visited by us: or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the
small companies regime.



Mr Robert Maples ACA (Senior Statutory Auditor)
Epworth House
25 City Road
London EC1Y 1AR

For and on behalf of:
Begbies Chettle Agar
Chartered Accountants and
Statutory Auditors.
Date:
2010