

**THE FOOD CHAIN (UK) LIMITED**

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

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

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

**THE FOOD CHAIN (UK) LIMITED**

**REPORT AND ACCOUNTS**

**C O N T E N T S**

**STATUTORY INFORMATION**

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# THE FOOD CHAIN (UK) LIMITED

## DIRECTOR'S AND TRUSTEES' REPORT

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31st March 2016, 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 2015).

#### 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 £18,757 (2015 – £22,236).

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](http://www.foodchain.org.uk), which offers nutritional advice designed for people living with HIV.

Thanks to medical advancements, people are living longer and more successfully with HIV. *Working Together* sets out the organisation's strategy for 2014-2019. For a copy of this document, please contact The Food Chain office. This can also be downloaded from the website [www.foodchain.org.uk](http://www.foodchain.org.uk)

#### Our volunteers

The work of The Food Chain is only made possible by the contribution of our large community of volunteers who undertake roles in all aspects of service delivery, including as kitchen assistants, lead cooks, nutrition assistants and dietetic support volunteers. Volunteers also help out with a wide range of office based tasks, including finance administration.

In this year we benefitted from the contribution of 246 active volunteers who gave us 5708 hours of their time. It this number of hours was converted into equivalent salaried positions that would equal 3 full time posts.

We are immensely grateful to our volunteers for this fantastic contribution of time and talents. Thank you to each and every one.

#### Achievement and activities summary

Throughout the year we offered our Eating Together service on Wednesdays and Saturdays, and continued to work with our charity partners FoodCycle to enable the Sunday meal service they provide for our service users in the Acorn house kitchen.

# THE FOOD CHAIN (UK) LIMITED

## DIRECTOR'S AND TRUSTEES' REPORT

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

The feedback we had from the small number of people who needed home delivered meals from Wiltshire Farm Foods has been very positive, and we are confident that this service continues to meet acute needs.

The benefits of our Eating Positively nutrition and cookery course are now being shared with people living with HIV in Manchester as well as London, thanks to the strong partnership we have with George House Trust.

In the final quarter of the financial year it was necessary to review and re-design the Grocery Service in the light of reduced income. Our dietitians designed new shopping lists and we moved over to providing up to 6 weeks of grocery deliveries for those with the most severe and complex health needs. We also introduced a 'one-off' emergency grocery delivery for people in financial crisis but who experience better health.

#### Statistics

- ✓ 246 volunteers and 10 staff continued to target the largest possible number of people living with HIV and in need of our services in the past year.
- ✓ A total of 911 people living with HIV and their dependents benefitted from nutrition support services during the year.
- ✓ 518 people living with HIV accessed one or more services, depending on their needs.
- ✓ 212 children benefitted from home-delivered meals or groceries, including 21 babies under 6 months, and a further 20 babies under the age of two
- ✓ 128 carers received respite support from shopping and financial worries.
- ✓ 2,275 grocery deliveries provided 518 households with food when they were struggling, financially or physically, to shop. This is equivalent to 82,341 meals.
- ✓ 181 people had the chance to share their experiences with others and re-awaken their interest in food over a hot lunch in our Acorn house kitchen
- ✓ 63 people learned how to better manage their HIV at Eating Positively cookery and nutrition classes.

#### 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

We saw a significant decrease in our income during this year and took appropriate action to re-structure and re-budget accordingly, both in-year and for our future financial planning.

The Consolidated Statement of Financial Activities shows a deficit of total incoming resources compared with expended resources of £273,619 (2015 – £44,294). A large part of this (£120,000) is due to the timing of the decision by one major grant-funder whose timetable of meetings changed during the year, meaning that the outcome of our application was not known until after the year end. We were also carrying forward a large amount of restricted funding from the previous year (£170,428) that needed to be spent in this financial year.

Expenses decreased from £656,838 to £636,646 as the start of cost saving measures that will carry forward in to the next financial year.

From January 2016 we began the implementation of cost-saving measures that included surrendering the lease on our office space at Gray's Inn Road and moving into office space with another HIV charity (Positively UK) on City Road, and reducing our staff team from 10 posts to 7. This means we have been able to reduce our expenditure budget to £460,000 in the next financial year, a reduction of 27% in line with anticipated reduced income of £453,000.

The Board of Trustees is confident that these cost saving measures will enable the future sustainability of the charity.

#### Principal funding sources

The main funding sources for the charity are charitable trust income, community & events fundraising and individual donors, and income from The Food Chain Kitchen.

# THE FOOD CHAIN (UK) LIMITED

## DIRECTOR'S AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

### 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

### 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 company reserves at the end of the year stood at £87,505

The Board of Trustees is seeking to build the charity's reserves through the implementation of a rigorous cost-savings plan and a continued emphasis on sustaining and developing income from a wide range of income streams, including trading income from The Food Chain Kitchen.

## FUTURE ACTIVITIES

The charity is working towards the objectives set out in document 'Working Together,' the strategic aims of which are:

- 1. Continuing the integration and expansion of our services offer to operate 7 days a week**
  - a. We will support those most in need for health reasons, economic reasons and at times of nutritional crisis.
  - b. We will reduce the isolation experienced by many of our service users.
  - c. We will ensure that our grocery service, Eating Together communal lunches, Eating Positively nutrition and cookery classes, and dietetic advice services are well integrated and tailored to meet each individual service users needs
- 2. Increasing the geographical reach of our services**
  - a. We will develop our relationships with providers of HIV support services in other parts of London and the UK
  - b. We will expand the programme of Eating Together communal lunches to take place in additional locations and at weekends
  - c. We will actively seek to work in collaboration and partnership with other providers of support services for people living with HIV in London and the UK
- 3. Continuing to develop the long term financial sustainability of The Food Chain by diversifying our income and providing cost effective services.**
  - a. We will work to sustain/increase our level of income from charitable trusts and other forms of individual giving and community fundraising
  - b. We will explore partnership working with fellow HIV charities to support the sustainability of a wide range of HIV support services across the sector.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Directors/Trustees:

Colm Howard-Lloyd

Simon Cornwell ( Vice-Chair)

Harriet Jones (Chair)

Kath Lloyd Jones – resigned 27/04/2015

Victoria Morley – resigned 14/10/2015

Mark Reynolds (Vice-Chair)

Matthew Wills

Reetu Sood

Matilda Rubens

Isaac Samuel – appointed 14/10/2015

Marina Krouski – appointed 25/10/2015 & resigned 25/04/2016

Thomas Wright – appointed 14/10/2015

**THE FOOD CHAIN (UK) LIMITED**  
**DIRECTOR'S AND TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

**Company No:** 02580505

**Charity No:** 1003014

**Secretary:** John Amberton

**Treasurer:** Colin O'Connor

**Senior Management Team:** Siobhan Lanigan – Chief Executive

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

**Independent Examiner:** David Terry FCA,  
Ramon Lee & Partners, Kemp House, 152/160 City Road, London EC1V 2DW

**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 6<sup>th</sup> 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 FOOD CHAIN (UK) LIMITED

## DIRECTOR'S AND TRUSTEES' REPORT

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

The charity's wholly owned subsidiary, Food Chain Developments Limited, was incorporated on 16<sup>th</sup> 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. One Trustee is 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 5.

#### 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:



**Harriet Jones**  
Chair

**25<sup>TH</sup> JULY 2016**

**REPORT OF THE 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 31 March 2016, which are set out on pages 9 to 21.

**Respective responsibilities of trustees and examiner**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

**Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

**Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



**D TERRY – CHARTERED ACCOUNTANT  
RAMON LEE & PARTNERS  
KEMP HOUSE  
152/160 CITY ROAD  
LONDON EC1V 2DW**

**25<sup>TH</sup> JULY 2016**



THE FOOD CHAIN (UK) LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
<b>Income</b>					
Grants, donations and legacies	2	76,665	75,000	151,665	207,434
<i>Income from charitable activities:</i>					
Grants and donations	3	2,900	117,297	120,197	310,834
<i>Income from other trading activities:</i>					
Fundraising income	4	62,815	-	62,815	59,947
Commercial trading operations	5	27,329	-	27,329	32,907
<i>Investment income:</i>					
Interest receivable		1,021		1,021	1,422
<b>Total income</b>		<u>170,730</u>	<u>192,297</u>	<u>363,027</u>	<u>612,544</u>
<b>Expenditure</b>					
<i>Cost of raising funds:</i>					
Commercial trading operations	5	8,552	-	8,552	10,671
Fundraising costs	6	122,515	-	122,515	68,465
Expenditure on charitable activities	7	157,314	348,265	505,579	577,702
<b>Total expenditure</b>		<u>288,381</u>	<u>348,265</u>	<u>636,646</u>	<u>656,838</u>
<b>Net income/(expenditure) and net movement in funds for the year</b>		(117,651)	(155,968)	(273,619)	(44,294)
<i>Reconciliation of funds</i>					
Total funds, brought forward		190,696	170,428	361,124	405,418
<b>Total funds, carried forward</b>		<u>73,045</u>	<u>14,460</u>	<u>87,505</u>	<u>361,124</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 12 to 21 form part of these accounts.

**THE FOOD CHAIN (UK) LIMITED**  
**CONSOLIDATED BALANCE SHEET**

**AS AT 31<sup>ST</sup> MARCH 2016**

	Notes	GROUP 2016 £	GROUP 2015 £	CHARITY 2016 £	CHARITY 2015 £
<b>Fixed assets</b>					
Tangible assets	12	43,024	64,876	43,024	64,876
Investments	13	-	-	1	1
<b>Total Fixed Assets</b>		<u>43,024</u>	<u>64,876</u>	<u>43,025</u>	<u>64,877</u>
<b>Current assets</b>					
Debtors	14	15,177	17,412	14,295	52,453
Cash at bank and in hand		76,103	311,988	74,312	274,150
<b>Total Current Assets</b>		<u>91,280</u>	<u>329,400</u>	<u>88,607</u>	<u>326,603</u>
<b>Liabilities</b>					
Creditors falling due within one year	15	(46,799)	(33,152)	(44,127)	(30,337)
<b>Net Current Assets</b>		<u>44,481</u>	<u>296,248</u>	<u>44,480</u>	<u>296,266</u>
<b>Net assets</b>		<u>87,505</u>	<u>361,124</u>	<u>87,505</u>	<u>361,143</u>
<b>The funds of the charity:</b>					
Unrestricted funds	17	73,045	190,696	73,045	190,715
Restricted funds	17	14,460	170,428	14,460	170,428
<b>Total charity funds</b>		<u>87,505</u>	<u>361,124</u>	<u>87,505</u>	<u>361,143</u>

In preparing these financial statements:

For the financial period ended 31<sup>st</sup> March 2016 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 25<sup>th</sup> July 2016 and signed on its behalf by:

  
..... Harriet Jones

**Company No: 02580505**

The notes on pages 12 to 21 form part of these accounts.

# THE FOOD CHAIN (UK) LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

### 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 2015) – (Charity SORP (FRS 102) Revised), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Charity has opted to early adopt Charity SORP (FRS 102) Revised.

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 Reconciliation with previous Generally Accepted Accounting Practices

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

The opening reserves and the previous year's Net Income and Expenditure are unchanged.

#### 1.3 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.

#### 1.4 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.

#### 1.5 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.

# THE FOOD CHAIN (UK) LIMITED

## NOTES TO THE ACCOUNTS (Cont/d)

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

#### 1.6 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.

#### 1.7 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.

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied.

#### 1.8 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 6 and 8.

#### 1.9 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.

#### 1.10 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 £14,672 (2015 - £11,474). Contributions totalling £nil (2015 - £nil) were payable to the fund at the year end and are included in creditors.

#### 1.11 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.

#### 1.12 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.

THE FOOD CHAIN (UK) LIMITED

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

**1.13 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

**1.14 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.

**1.15 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.

**1.16 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.

**1.17 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.

**1.18 Transition to FRS 102**

The opening fund balances at the date of transition have been restated (see note 1.2) due to the change in presentation of investment gains/losses required in making the transition to FRS 102. The transition date was 1st April 2014.

**2. GRANTS, DONATIONS AND LEGACIES**

	Unrestricted	Restricted	2016	2015
	£	£	£	£
M.A.C Aids Fund	-	-	-	30,000
The Monument Trust	-	75,000	75,000	75,000
Donations from trusts	14,200	-	14,200	10,750
Donations from individuals	45,122	-	45,122	52,286
Donations from corporations	13,004	-	13,004	31,605
Donations from other sources	3,185	-	3,185	6,297
Collection Tins	1,154	-	1,154	1,496
	<u>76,665</u>	<u>75,000</u>	<u>151,665</u>	<u>207,434</u>

The grants, donations and legacies income in 2015 totalling £207,434 was attributed to £105,000 restricted funds and £102,434 unrestricted funds.

THE FOOD CHAIN (UK) LIMITED

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

3. INCOME FROM CHARITABLE ACTIVITIES

Grants and donations:

	Unrestricted £	Restricted £	2016 £	2015 £
<b>Food delivery services:</b>				
Albert Hunt Trust	-	-	-	1,000
Evan Cornish Foundation	-	2,000	2,000	-
Help a London Child	-	-	-	576
Hyde Park Place Estate Charity	-	2,000	2,000	3,900
M.A.C Aids Fund	-	-	-	60,000
Make A Difference	-	-	-	2,500
Wandsworth Oasis	-	5,000	5,000	6,000
Westminster Amalgamated Charity	-	1,750	1,750	1,600
West Hackney	-	2,400	2,400	-
	-	13,150	13,150	75,576
<b>Education and outreach:</b>				
Awards For All	-	-	-	9,945
Barbara Ward Foundation	-	-	-	14,000
Big Lottery Fund	-	64,946	64,946	63,071
Brigstowe Project	-	-	-	180
The City Bridge Trust	-	12,025	12,025	36,075
Cotton Trust	-	-	-	500
Daniel J Edelman Foundation	-	681	681	-
Evan Cornish Foundation	-	2,000	2,000	-
Fuserna	-	-	-	12,250
The George House Trust	2,900	-	2,900	1,000
The Goldsmiths Company Charity	-	-	-	3,000
Make A Difference	-	-	-	2,500
M.A.C Aids Fund	-	-	-	60,000
Tula Trust	-	2,000	2,000	2,000
Sir Jules Thorn Charitable Trust	-	-	-	750
London Catalyst	-	-	-	4,000
Wandsworth Oasis	-	5,000	5,000	6,000
Westminster Amalgamated Charity	-	1,750	1,750	1,600
West Hackney Parochial Charity	-	2,400	2,400	-
Donations from corporations	-	100	100	4,117
Donations from individuals	-	650	650	600
Donations from other sources	-	750	750	-
Donations in kind	-	11,845	11,845	13,670
	2,900	104,147	107,047	235,258
	2,900	117,297	120,197	310,834

The income from charitable activities in 2015 totalling £310,834 was attributed to £297,164 restricted funds and £13,670 unrestricted funds.

THE FOOD CHAIN (UK) LIMITED

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

4. FUNDRAISING INCOME

	GROUP AND CHARITY		
	Unrestricted £	2016 £	2015 £
Annual dinner and auction	23,279	23,279	18,111
Other events	12,865	12,865	13,879
World Aids Day collections and events	23,986	23,986	27,356
Cookbook revenue	2,670	2,670	-
Miscellaneous Income	15	15	601
	<u>62,815</u>	<u>62,815</u>	<u>59,947</u>

The fundraising income in 2015 totalling £59,947 was 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. Audited accounts are filed with the Registrar of Companies. A summary of the trading results for the year ended 31<sup>st</sup> March 2016 is shown below:

SUMMARY PROFIT AND LOSS ACCOUNT:	2016 £	2015 £
Turnover	27,306	32,907
Cost of sales	(843)	(1,614)
Administration costs	(7,709)	(9,057)
Bank interest received	23	-
<b>Net profit</b>	<u>18,777</u>	<u>22,236</u>
Amount gift aided to the charity	18,757	22,236
Retained in subsidiary	19	(19)
<b>The assets and liabilities of the subsidiary were:</b>		
Current assets	2,873	40,388
Current liabilities	(2,872)	(40,406)
<b>Total net assets</b>	<u>1</u>	<u>(18)</u>
<b>Aggregate share capital and reserves</b>	<u>1</u>	<u>(18)</u>

THE FOOD CHAIN (UK) LIMITED

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

6. COSTS OF RAISING FUNDS

	Raising Funds £	2016 £	2015 £
Staff costs	70,466	70,466	39,803
Volunteer training and welfare	330	330	311
Fundraising activities	24,640	24,640	17,054
Support costs (Note 8)	22,833	22,833	9,722
Governance costs (Note 8)	4,246	4,246	1,575
	<u>122,515</u>	<u>122,515</u>	<u>68,465</u>

Of the £122,515 expenditure in 2016 (2015 - £68,465), £122,515 was charged to unrestricted funds (2015 - £40,748) and £nil to restricted funds (2015 - £27,717).

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Of the £505,579 expenditure in 2016 (2015 - £577,702), £157,314 was charged to unrestricted funds (2015 - £221,929) and £348,265 to restricted funds (2015 - £355,773).

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 £	2016 £	2015 £
Staff costs	32,547	8,649	41,196	41,320
Staff training and welfare	3,920	-	3,920	5,679
Premises	24,940	-	24,940	24,871
Volunteer costs	2,525	-	2,525	4,594
Communication costs	10,152	-	10,152	15,776
Computer and website costs	8,130	-	8,130	13,568
Depreciation	-	-	-	866
Other office costs	2,352	-	2,352	15,118
Professional fees and evaluation	-	2,000	2,000	454
Independent examination	-	3,240	3,240	-
Audit fees	-	-	-	3,960
Annual report and AGM costs	-	1,365	1,365	2,179
Trustees and board meeting expenses	-	473	473	336
	<u>84,566</u>	<u>15,727</u>	<u>100,293</u>	<u>128,721</u>



THE FOOD CHAIN (UK) LIMITED

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

9. NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging:	2016 £	2015 £
Depreciation of tangible fixed assets	21,852	20,995
Operating lease payments- rent	35,000	35,000
Operating lease payments- copiers	5,280	6,336
Independent examination fees	3,240	-
Auditors' remuneration	-	3,960
Other non-audit fees – payroll and accounts preparation	600	1,560
	<u>600</u>	<u>1,560</u>

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

STAFF COSTS	2016 £	2015 £
Wages and salary	296,822	275,896
National Insurance	28,172	27,274
Pension	14,672	11,474
	<u>339,666</u>	<u>314,644</u>

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

No Trustee received any remuneration during the year (2015 - £nil). No Trustees received reimbursed expenses during the year (2015 - £nil).

The key management personnel of the charity comprise the Chief Executive. The total employee benefits of the key management personnel of the charity were £45,970 (2014 - £48,344).

11. STAFF NUMBERS

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

	2016	2015
Food delivery services	3.0	3.0
Education and outreach	2.5	2.5
Fundraising	2.0	1.0
Management and administrative work	2.0	2.0
Total	<u>9.5</u>	<u>8.5</u>

THE FOOD CHAIN (UK) LIMITED

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

12. TANGIBLE FIXED ASSETS

	GROUP & CHARITY			
		2016		2015
		£		£
<b>NET BOOK VALUES</b>				
Leasehold improvements		38,386		49,470
Kitchen equipment		4,638		15,406
Office equipment		-		-
		<u>43,024</u>		<u>64,876</u>
<b>MOVEMENTS IN YEAR</b>				
<b><u>Cost or valuation</u></b>	<b>Opening Balances</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing Balances</b>
	£	£	£	£
Leasehold improvements	73,745	-	-	73,745
Kitchen equipment	42,455	-	9,190	33,265
Office equipment	12,424	-	11,416	1,008
	<u>128,624</u>	<u>-</u>	<u>20,606</u>	<u>108,018</u>
<b><u>Depreciation</u></b>	<b>Opening Balances</b>	<b>Charge For Year</b>	<b>Disposals</b>	<b>Closing Balances</b>
	£	£	£	£
Leasehold improvements	24,275	11,084	-	35,359
Kitchen equipment	27,049	10,768	9,190	28,627
Office equipment	12,424	-	11,416	1,008
	<u>63,748</u>	<u>21,852</u>	<u>20,606</u>	<u>64,994</u>

13. FIXED ASSET INVESTMENTS

	GROUP		CHARITY	
	2016	2015	2016	2015
	£	£	£	£
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	
	2016	2015	2016	2015
	£	£	£	£
Amounts due by subsidiary undertaking	-	-	-	37,591
Trade debtors	882	2,550	-	-
Other debtors	5,191	5,191	5,191	3,462
Prepayments and accrued income	9,104	9,671	9,104	11,400
	<u>15,177</u>	<u>17,412</u>	<u>14,295</u>	<u>52,453</u>

THE FOOD CHAIN (UK) LIMITED

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

15. CREDITORS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2016 £	2015 £	2016 £	2015 £
Trade creditors	8,059	8,888	8,059	8,888
Taxation and social security	7,625	7,497	7,625	7,497
Amounts due to subsidiary undertaking	-	-	203	-
Other creditors	2,275	2,275	-	-
Deferred income (note 18)	15,000	-	15,000	-
Accruals	13,840	14,492	13,240	13,952
	<u>46,799</u>	<u>33,152</u>	<u>44,127</u>	<u>30,337</u>

16. ANALYSIS OF CHARITABLE FUNDS

	Balance as at 01.04.15 £	Income £	Expenditure £	Balance as at 31.03.16 £
<b>Restricted funds:</b>				
Awards For All	303	-	303	-
Big Lottery Fund	4,260	64,946	69,206	-
The City Bridge Trust	10,491	12,025	22,516	-
Daniel J Edelman Foundation	-	681	681	-
Evan Cornish Foundation	-	4,000	2,400	1,600
Fuserna	9,339	-	9,339	-
The George House Trust	412	-	412	-
The Goldsmiths Company Charity	3,000	-	3,000	-
Make A Difference	5,000	-	5,000	-
MAC Funds	120,000	-	120,000	-
Monument Trust	-	75,000	75,000	-
Tula Trust	-	2,000	2,000	-
Hyde Park Place Estate Charity	2,340	2,000	2,340	2,000
London Catalyst	4,000	-	4,000	-
Wandsworth Oasis	8,000	10,000	11,400	6,600
Westminster Amalgamated Charity	3,200	3,500	3,900	2,800
West Hackney Parochial Charity	-	4,800	3,840	960
Other donations	83	1,500	1,083	500
Donations in kind	-	11,845	11,845	-
	<u>170,428</u>	<u>192,297</u>	<u>348,265</u>	<u>14,460</u>
<b>Unrestricted funds:</b>				
General funds	190,696	170,730	288,381	73,045
	<u>361,124</u>	<u>363,027</u>	<u>636,646</u>	<u>87,505</u>

**THE FOOD CHAIN (UK) LIMITED**  
**NOTES TO THE ACCOUNTS (Cont/d)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

**Description, nature and purpose of funds:**

**General funds:**

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

**Restricted Funds:**

**Awards for All** – Funding towards costs of kitchen and storage room refurbishment.

**Big Lottery Fund** – Funding towards Eating Positively programme costs.

**The City Bridge Trust** – Funding received towards the costs of Eating Together programme for HIV-positive clients.

**Daniel J Edelman Foundation** – Funding received towards the costs of Eating Together programme.

**Evan Cornish Foundation** – Funding received towards Package of Care programme.

**Fuserna** - Funding received towards the costs of Eating Together programme.

**The George House Trust** – Funding received towards the costs of developing an Eating Positively programme in Manchester.

**The Goldsmiths Company Charity** – Funding received towards the costs of Eating Together programme.

**Make a Difference** – Funding received towards the costs of Eating Together programme.

**M.A.C Aids Fund** – Funding towards Accessing Nutrition Together programme.

**The Monument Trust** – Funding received towards core salary costs.

**Tula Trust** – Funding received towards the costs of Eating Together programme.

**Hyde Park Estate Charity** – Funding received towards food costs for residents in Westminster.

**London Catalyst** – Funding received towards remote Eating Together programme with an HIV partner charity.

**Wandsworth Oasis** – Funding received towards the package of care costs for Wandsworth residents.

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

**West Hackney Parochial Charity** – Funding received towards the package of care costs for residents in West Hackney

**Other donations** – Funding received towards Eating Positively and Eating Together programmes.

**Donations in Kind** – Donations of food and store cupboard items, kitchen equipment and recipe books.

**17. ANALYSIS OF GROUP ASSETS BETWEEN FUNDS**

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	43,024	-	43,024
Net current assets	30,021	14,460	44,481
	<u>73,045</u>	<u>14,460</u>	<u>87,505</u>

THE FOOD CHAIN (UK) LIMITED

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2016

18. DEFERRED INCOME – GROUP AND CHARITY

	GROUP		CHARITY	
	2016 £	2015 £	2016 £	2015 £
Balance brought forward	-	-	-	-
Amount released to income in the year	-	-	-	-
Amount deferred in the year	15,000	-	15,000	-
Balance carried forward	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>

Deferred income represents a grant of £15,000 received from Elton John Aids Foundation towards 2016/17 programme costs.

19. FINANCIAL COMMITMENTS

The charity has operating lease commitments relating to its property rental and photo copiers as shown below.

	2016 £
Within one year:	
Kitchen rental	13,000
Copier rental	5,280
	<u>18,280</u>
One to two years:	
Copier rental	2,640
	<u>2,640</u>
Total obligations under operating leases	<u>20,920</u>

20. SHARE CAPITAL

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