

Charity registration number SC024980 (Scotland)

Company registration number SC166876 (Scotland)

**EDINBURGH COMMUNITY FOOD LTD.**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**  
**PAGES FOR FILING WITH REGISTRAR**

# EDINBURGH COMMUNITY FOOD LTD.

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	N Farwell W Wrieden N Callaghan K Muir	(Appointed 14 September 2022)
<b>Secretary</b>	B Black	
<b>Charity number (Scotland)</b>	SC024980	
<b>Company number</b>	SC166876	
<b>Registered office</b>	22 Tennant Street Leith Edinburgh EH6 5ND	
<b>Auditor</b>	Findlays 11 Dudhope Terrace Dundee Scotland DD3 6TS	
<b>Bankers</b>	Unity Trust Bank PO BOX 7193 Willenhall WV1 9DG	

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# EDINBURGH COMMUNITY FOOD LTD.

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# **EDINBURGH COMMUNITY FOOD LTD.**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's articles, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "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).

### **OBJECTIVES AND ACTIVITIES**

The primary objectives and aims of the charity are:

- i. to relieve poverty and promote health equality through supporting the sustainable provision of affordable healthy food to people living in the City of Edinburgh and surrounding areas, primarily those with a low income; and
- ii. to advance education through the provision of training in food, nutrition, food preparation and food hygiene; and
- iii. to advance community development through supporting the establishment and growth of local community food and health initiatives.

The year April 1st 2022 to March 31st 2023 saw continued demand for our services due to the cost-of-living crisis, the war in Ukraine and the continued impact of the Covid-19 pandemic.

Yet again, Edinburgh Community Food rose to meet these challenges: the team adapted existing operations and programmes, applying them to new projects; they sought efficiencies in ongoing projects; and, aside all else, they pulled together to deliver to their communities in these difficult times.

### **SUMMARIES OF KEY PROJECTS**

#### **Discover!**

Since 2017, Edinburgh Community Food has partnered with the City of Edinburgh Council (CEC) and others (such as storytellers, musicians, and the Royal Observatory) to deliver Discover!, the CEC-led programme to reduce food and financial stress, reduce social isolation, and promote and encourage healthy eating. Every school holiday and half-term, we provide food and run online/in-person food activities and cooking sessions with healthy-eating input for referred children and families.

#### **Eatwell for Oral Health**

Eat Well for Oral Health, run in partnership with BME-mentoring organisation LINKnet, is a community-based food skills and nutrition project to drive oral health improvements. The project is targeted at families and households living in vulnerable circumstances and affected by socio-economic and race inequalities across Edinburgh and the Lothians, with an intention to scale and spread across other parts of Scotland.

#### **VOCAL Carers' Support**

VOCAL kindly provided funds to enable us to reach out to the carers we engage with, enabling us to offer them additional support, food and resources. We supported over 300 carers from across all localities, surrounding them with everything they needed around food to be healthy and well. Edinburgh Community Food offered carers a menu of choice for health and wellbeing: one-to-one support, programmes, training, events, fuel payments, cooking equipment and weekly fresh-food deliveries.

#### **Out & About**

Out & About is a collaborative programme of initiatives, run in partnership between Edinburgh Community Food and Edinburgh & Lothian's Greenspace Trust (ELGT), to deliver environmental, physical activity, health, and social benefits within South East Edinburgh, Oxfgangs & Dumbiedykes. It has been running since 2017. Edinburgh Community Food provides cooking groups, nutrition input, health talks and REHIS training courses, along with providing physical activity-themed family fun days. This strong partnership is focusing on a 'refresh' for the year ahead.

## **EDINBURGH COMMUNITY FOOD LTD.**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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#### **Link up Leith**

The Link up Leith project was a partnership project run between Port of Leith Housing Association (now Harbour Homes), Changeworks, Edinburgh Community Food, Stepping Stones, and Manor Estates Housing Association. Link-Up Leith partners worked together to support people living on low incomes to have improved life skills and confidence to tackle fuel and food poverty. Edinburgh Community Food delivered cookery skills courses, nutrition and health workshops, specialist food skills training and community meals across Leith.

#### **Ukraine Response**

In April 2022, Edinburgh Community Food started working with City of Edinburgh Council and the Scottish Government to support Ukrainian refugees arriving in Edinburgh. A strategic group was formed with over 20 city-wide partners to support a co-ordinated response. An integrated food and essential-goods partnership was also formed with Fresh Start and North Edinburgh Arts. Households received tailored, culturally-appropriate food boxes with translated recipe and signposting information, including the IFAN Cash First leaflet and public health messaging. Local growers grew Dill to help Ukrainian people prepare familiar home-cooked meals to share. We have also run Stay-and-Play sessions for families to come to the Ukrainian Club and play, chat and relax in a warm, welcoming space, with access to healthy food, nutrition expertise, Cash First support, and training courses.

#### **Willow**

Edinburgh Community Food has worked with the Willow Project since 2012. The Project supports women within the criminal justice system with various services, including around cooking and nutrition. Edinburgh Community Food provide one-to-one cooking support and nutritional advice, cooking groups, kitchen starter packs and healthy lunches, to enable women to improve their health and the health of their families, feel more a part of society, and to be able to connect with their children. We are proud to have several people who have progressed beyond the Project and now volunteer for us.

#### **Discharge to Recharge Pilot**

Edinburgh Community Food has developed a referral system and supply chain to ensure that the patients who require it go home with a 'home comforts' food bag upon discharge from the Western General and Royal Infirmary hospitals, to allow them to begin to 'recharge' at home with dignity. The bags contain 2 days' worth of food for a single person and have been developed by Edinburgh Community Food's 'Association for Nutrition'-accredited nutritionists to ensure the bags contain nutrients from all food groups.

#### **Training**

Edinburgh Community Food has been providing REHIS training courses for around 15 years. Our six-strong Development Team currently runs courses in: Food Hygiene, Food and Health (Nutrition), Food and Health for Carers of Adults with a Learning Disability, Allergy Awareness, Elementary Nutrition, and Eating Well for Older People. This last course was co-designed with REHIS and we piloted both the Eating Well for Older People and Elementary Nutrition courses on behalf of REHIS. In addition to these, we also now run two new courses (as introduced earlier): Health Issues in the Community (HIIC) and HENRY. HIIC is a course that helps people understand what affects their health and the health of their communities; it helps people develop the skills and knowledge to address health issues using community-development approaches and bring about change in their communities. HENRY aims to reduce childhood overweight and obesity: the core training course works with health, early years and family practitioners, helping them develop the skills to support families to make real and lasting changes that will help the whole family have a brighter future.

**EDINBURGH COMMUNITY FOOD LTD.**

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2023***

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**ACHIEVEMENTS AND PERFORMANCE**

**EDINBURGH COMMUNITY FOOD LTD.**

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2023***

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## **EDINBURGH COMMUNITY FOOD LTD.**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2023**

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Furthermore, new projects introduced in 2022-23 include:

- Edinburgh Community Food working with the 'Criminal Justice Service – Community Justice' on the Crossroads project, to support men going through the system with food and health input and providing access to healthy lunches.
- The 'Healthy Little Foodies' project focuses on families with very young children, supporting them with workshops which provide advice and support around weaning, fussy eating and general baby and toddler nutrition.
- The 'Healthy Little Foodies for Professionals' project supports professionals to learn more about fussy eating and how best to support families struggling with their children's eating and behaviour around food.
- Edinburgh Community Food has developed a collaborative 'Discharge to Recharge' pilot project to alleviate delayed discharge. This is a referral system and supply chain that ensures that the patients who require it go home with a 'home comforts' food bag upon discharge from Edinburgh hospitals.

Our social enterprise continues to sell fresh fruit and vegetables and ambient goods to consumers and businesses across the city. Sales direct to consumer homes were impacted by the cost-of-living crisis as we struggled to compete competitively on price. On a positive note, sales of fresh fruit to businesses increased as more returned to their offices after the pandemic. Also, the team sought new customers by providing healthier packed breakfasts and lunches, combining existing stock with new fresh food, like sandwiches. This has allowed us to expand our nourishing food offers to, for example, Willow, City of Edinburgh Council staff, Volunteer Edinburgh and third-sector community partners.

We provided emergency food boxes to Ukrainian refugees housed in temporary accommodation. In addition, our team met with the Ukrainian community to provide advice about accessing further food support and dental treatment. We are now working with and supporting Ukrainian families with babies and young children within our community through workshops and cooking groups.

#### **Cash First**

Although food provision is core to our work, we continue to promote and utilise a 'Cash First' approach. We have worked to embed Cash First information and resources into our work supporting low-income and vulnerable communities across the City. Development staff received training in benefits support supplied by partner organisation Community Help and Advice Initiative (CHAI), and Income Maximisation and Poverty Group 'Money Counts' tiered learning was cascaded across groups and training courses. We promote a Cash First approach at all groups, workshops, courses and events, supplying the Independent Food Aid Network 'Worrying About Money?' leaflet and supporting people to both understand and make use of it. We also distributed fuel payments and supported communities with skills around low-energy food preparation.

#### **Education and Training**

Our ability to advance education through the provision of training in food, nutrition, malnutrition, food preparation, food hygiene and allergen awareness has increased as we can now offer two new courses in addition to our suite of Royal Environment Health Institute of Scotland (REHIS) courses: Health Issues in the Community (HIIC), and HENRY.

HIIC helps people understand what affects their health and the health of their communities. Through the course, participants gain a broad understanding of the social model of health, health inequalities, power and participation, and community development approaches in health – and how they can use these to make change happen in their own communities. We have partnered with Harbour, Bethany Christian Trust, and YMCA Edinburgh to deliver this 12-week course for 10 community members.

HENRY's vision is that children have a healthy, happy start in life, to flourish throughout childhood and beyond. Helping families put positive lifestyle changes into practice as part of everyday family life depends on the knowledge and skills of the practitioner. Edinburgh Community Food staff have been trained in the HENRY practitioner approach. One staff member has been trained to deliver this core HENRY practitioner training, and has so far delivered the two-day course to 33 early years providers across the Lothians and Fife.

## **EDINBURGH COMMUNITY FOOD LTD.**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

#### ***FOR THE YEAR ENDED 31 MARCH 2023***

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In the year, one new staff member completed the Advanced Food Hygiene Diploma, increasing the number of registered REHIS Food Hygiene trainers we have to five, giving us more capacity. Another staff member won the 'Highfield Award for Excellence' in the Food Hygiene Diploma. This year, 583 people completed REHIS community training across 55 courses. We also have a corporate client, and have delivered REHIS Food Hygiene courses to 500 members of their staff over two years.

In addition to formal training, our Development Team run numerous one-off, health-related training sessions. These are delivered to a mixture of community members, volunteers, third-sector staff and professional staff, with topics including Food and Mood, Physical Activity, Getting a Healthy Balanced Diet and Fibre & Gut Health. The team ran 59 sessions for 1,210 people.

## **EDINBURGH COMMUNITY FOOD LTD.**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2023**

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Edinburgh Community Food worked with VegPower to co-design an additional campaign for 2022, named 'Grow Strong', where 5000 tomato seeds were distributed to 38 schools across the city, followed by events for planting the seeds, transferring the seedlings, and cooking tomatoes into a sauce. This is now a UK-wide initiative, 'Grow to Love', in over 300 schools.

Since the pandemic, during which health promotion delivery necessarily moved online, the team have become adept at developing and streaming digital content. As a result, staff now make use of our Leith hub, 'Operation Strawberry', multi-sensory food experience space in a novel way: as both an 'in-person' cooking demonstration space and a 'live-streaming' studio for cook-alongs.

In addition, staff have appeared on broadcast media to promote our work - including on STV to highlight the Discover! programme - and to discuss the importance of our activities and the 'Cash First' approach for families to support them in dealing with the cost-of-living crisis. Our Chief Executive also appeared on STV to promote 'Grow Strong', highlighting the importance of children being outdoors and engaging in growing activities. These campaigns have also had support from celebrity chefs George McIvor, Jeff Bland, and Tony Singh, for which we are extremely grateful.

#### **Sustainability**

Edinburgh Community Food have been working continually to lower our carbon footprint, reduce plastics use, and improve our sustainability agenda. We have made significant strides towards becoming paperless, have used environmentally-friendly printers to print our food boxes/labels, and continually have conversations with our suppliers and partners around reducing their plastic use. All our food boxes are almost entirely plastic free. We have also removed all unnecessary plastic packaging from our Take & Make DIY meal kits.

In our development work, we emphasise reducing food waste by buying and consuming seasonal food, managing portion sizes, improving recipe know-how, and making the most of leftovers. We support plant-based, locally-sourced produce, for sustainability and nutrition affordability reasons. We continue to make best use of our electric delivery vehicle, and have also installed an energy efficient boiler and radiators in the premises. We also strive to reduce our own food waste by improving efficiency in our logistics chains. Whilst we have always sought to buy products as 'local' as possible, we have forged new partnerships with new community growers, community gardens, and local suppliers to increase the range of local foods we offer, including with Jock Tamson's Gairden and other community growing groups.

To tackle fuel poverty - and considering recent energy price increases - all our cooking groups and training programmes raise awareness of energy-reduction methods and provide practical tips to minimise the use of energy in food preparation and cooking.

#### **FINANCIAL REVIEW**

As at 31st March 2023, the charity held total reserves of £434,573 (2022 - £341,243) of which £79,179 (2022 - £37,360) were restricted and could only be used to fund the projects for which they were received. Unrestricted reserves have increased to £355,394 (2022 - £303,883).

#### **Going Concern**

The Trustees have no concerns about Edinburgh Community Food continuing as a going concern.

#### **Reserves Policy**

Edinburgh Community Food Ltd.'s reserves policy for unrestricted reserves is to ensure that the balance is a minimum of 3 months running costs, estimated at £45k per month; or, the cost of winding up, whichever is greater. With unrestricted reserves this year of £355,394 we are pleased to be meeting this policy.

# EDINBURGH COMMUNITY FOOD LTD.

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### Risk Management

The Trustees have a duty to identify and review the risks to which the Charity is exposed, and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

In the year to 31st March 2023, a finance assistant was recruited to spread workload and invest in improving our financial processes and reduce associated risks.

Risk assessment is undertaken and reviewed on a regular basis.

Board meetings include standing items, focusing on core areas of risk: Finance, Risk, Safeguarding, and Conflicts of Interest.

### PLANS FOR FUTURE PERIODS

The Trustees, with input from the senior management team, continue to work on a new strategic plan for the next 5 years: this will be published in late-Summer 2023.

We recognise an organisation is only as strong as its team members, so our people strategy is a key area of focus for the year ahead. We want to create an organisation where individuals thrive, enjoy working, and remain committed to our values.

Looking ahead, we will continue to examine how we can adapt existing offerings to generate income. We will also look at different funding streams, as public funding is increasingly under pressure: this is recognised as a risk.

As always, we will prioritise meeting the needs of our community and the Trustees are comfortable that we can do so without risking the financial health of the Organisation.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### G o v e r n i n g

#### D o c u m e n t

The Company is a Company limited by guarantee without share capital. The Company's objects and powers are prescribed by its Memorandum of Association and it is governed in accordance with its Articles of Association.

#### Trustees

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

A Gibson	(Resigned 15 November 2022)
N Farwell	
A Miller	(Resigned 1 February 2023)
W Wrieden	
N Callaghan	
K Muir	(Appointed 14 September 2022)

#### Recruitment, appointment and training of new trustees

Trustees of the Management Board are elected by the members of Edinburgh Community Food Ltd.

In the year, we began an in-depth recruitment process to enhance the skills of the management board: we have implemented a 'buddy scheme' and 'on-boarding' process to support new trustees in their role and ensure consistency and good governance.

#### Management

The day to day running of the charity is delegated to the CEO and senior members of staff.

## **EDINBURGH COMMUNITY FOOD LTD.**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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#### **Statement of trustees' responsibilities**

The trustees, who are also the directors of Edinburgh Community Food Ltd. for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Findlays be reappointed as auditor of the company will be put at a General Meeting.

#### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

N Farwell  
**Trustee**

3 October 2023

# EDINBURGH COMMUNITY FOOD LTD.

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF EDINBURGH COMMUNITY FOOD LTD.

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#### Opinion

We have audited the financial statements of Edinburgh Community Food Ltd. (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# EDINBURGH COMMUNITY FOOD LTD.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF EDINBURGH COMMUNITY FOOD LTD.

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

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- Making enquiries of management about any known or suspected instances of non compliance with laws and regulations, including GDPR, employment law, food hygiene laws, health and safety laws and fraud
- Review of correspondence with regulators including OSCR, Companies House and legal advisors
- Review of legal fees expenditure and board minutes
- Challenging assumptions and judgements made by management in their significant accounting estimates including the application of judgement-based accounting policies and the allocation of restricted expenses
- Auditing the risk of management override controls, including through testing of journal entries and other adjustments for appropriateness

Because of the field in which the charity operates in, we identified the following areas as those most likely to have a material impact on the financial statements:

Direct impact on financial statements:

- Companies Act 2006
- FRS 102
- SORP 2019

Indirect impact on financial statements:

- Employments laws
- Health & safety laws
- Food hygiene regulations
- GDPR

## **EDINBURGH COMMUNITY FOOD LTD.**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE TRUSTEES OF EDINBURGH COMMUNITY FOOD LTD.**

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Because of the inherent limitations of an audit, there is risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Lesley Campbell, BA, C.A. (Senior Statutory Auditor)**  
**for and on behalf of Findlays**  
**Chartered Accountants**

11 Dudhope Terrace  
Dundee  
Scotland  
DD3 6TS  
3 October 2023

Findlays is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

## EDINBURGH COMMUNITY FOOD LTD.

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes				
<b>Income and endowments from:</b>					
Donations and legacies	3	56,490	522,314	578,804	534,401
Charitable activities	4	386,525	-	386,525	215,457
Other income	5	1,474	-	1,474	1,840
<b>Total income</b>		<b>444,489</b>	<b>522,314</b>	<b>966,803</b>	<b>751,698</b>
<b>Expenditure on:</b>					
Charitable activities	6	393,110	480,495	873,605	657,946
Other expenses	10	-	-	-	769
<b>Total expenditure</b>		<b>393,110</b>	<b>480,495</b>	<b>873,605</b>	<b>658,715</b>
<b>Net income for the year/ Net incoming resources</b>					
		51,379	41,819	93,198	92,983
<b>Other recognised gains and losses</b>					
Actuarial gain on defined benefit pension schemes		132	-	132	18,843
<b>Net movement in funds</b>		<b>51,511</b>	<b>41,819</b>	<b>93,330</b>	<b>111,826</b>
Fund balances at 1 April 2022		303,883	37,360	341,243	229,417
<b>Fund balances at 31 March 2023</b>		<b>355,394</b>	<b>79,179</b>	<b>434,573</b>	<b>341,243</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 18 to 36 form part of these financial statements.

## EDINBURGH COMMUNITY FOOD LTD.

### STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<b><u>Income and endowments from:</u></b>				
Donations and legacies	3	94,203	440,198	534,401
Charitable activities	4	215,457	-	215,457
Other income	5	1,840	-	1,840
<b>Total income</b>		<u>311,500</u>	<u>440,198</u>	<u>751,698</u>
<b><u>Expenditure on:</u></b>				
Charitable activities	6	232,243	425,703	657,946
Other expenses	10	-	769	769
<b>Total expenditure</b>		<u>232,243</u>	<u>426,472</u>	<u>658,715</u>
<b>Net income for the year/ Net incoming resources</b>		79,257	13,726	92,983
<b>Other recognised gains and losses</b>				
Actuarial gain on defined benefit pension schemes		18,843	-	18,843
<b>Net movement in funds</b>		98,100	13,726	111,826
Fund balances at 1 April 2021		205,783	23,634	229,417
<b>Fund balances at 31 March 2022</b>		<u>303,883</u>	<u>37,360</u>	<u>341,243</u>

# EDINBURGH COMMUNITY FOOD LTD.

## BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		29,032		33,057
<b>Current assets</b>					
Stocks	13	11,875		7,755	
Debtors	14	126,838		105,292	
Cash at bank and in hand		317,630		242,041	
		<u>456,343</u>		<u>355,088</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(30,095)</u>		<u>(20,892)</u>	
Net current assets			<u>426,248</u>		<u>334,196</u>
<b>Total assets less current liabilities</b>			<u>455,280</u>		<u>367,253</u>
<b>Provisions for liabilities</b>			<u>(20,707)</u>		<u>(26,010)</u>
<b>Net assets</b>			<u><u>434,573</u></u>		<u><u>341,243</u></u>
<b>Income funds</b>					
Restricted funds	18		79,179		37,360
Unrestricted funds			<u>355,394</u>		<u>303,883</u>
			<u><u>434,573</u></u>		<u><u>341,243</u></u>

The notes on pages 18 to 36 form part of these financial statements.

## **EDINBURGH COMMUNITY FOOD LTD.**

### **BALANCE SHEET (CONTINUED)**

**AS AT 31 MARCH 2023**

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 3 October 2023

N Farwell  
**Trustee**

**Company registration number SC166876**

## EDINBURGH COMMUNITY FOOD LTD.

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

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		2023		2022	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23		81,750		61,835
<b>Investing activities</b>					
Purchase of tangible fixed assets		(6,161)		(20,682)	
Proceeds from disposal of tangible fixed assets		-		4,567	
		<u>-</u>		<u>4,567</u>	
<b>Net cash used in investing activities</b>			(6,161)		(16,115)
<b>Net cash used in financing activities</b>			-		-
			<u>-</u>		<u>-</u>
<b>Net increase in cash and cash equivalents</b>			75,589		45,720
Cash and cash equivalents at beginning of year			242,041		196,321
			<u>242,041</u>		<u>196,321</u>
<b>Cash and cash equivalents at end of year</b>			<u>317,630</u>		<u>242,041</u>

The notes on pages 18 to 36 form part of these financial statements.

# EDINBURGH COMMUNITY FOOD LTD.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

#### Charity information

Edinburgh Community Food Ltd. is a private company limited by guarantee incorporated in Scotland. The registered office is 22 Tennant Street, Leith, Edinburgh, EH6 5ND.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's articles, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grants including government grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet.

# EDINBURGH COMMUNITY FOOD LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies (Continued)

#### 1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% reducing balance
Computers	33% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slowmoving items

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# EDINBURGH COMMUNITY FOOD LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.11 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

#### 1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# EDINBURGH COMMUNITY FOOD LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 1.13 Retirement benefits

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

# EDINBURGH COMMUNITY FOOD LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, 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.

#### Critical judgements

##### Depreciation

Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.

Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

##### Allocation of expenditure

Expenditure is allocated against restricted funds in line with budgeted costs once incurred. Direct costs are applied to each individual fund. Wages are allocated across projects both on a direct and a percentage basis. Where salaries are funded, the allocation of wages is direct. For employees involved in several projects, the CEO allocates salaries on a percentage basis.

##### Provision for non-attributable VAT

During the course of the year, a VAT error was discovered relating to the over-recovery of non-attributable input VAT. A provision has been recognised and measured at the best estimate of the expenditure required to settle the obligation.

##### Stock levels

Stock has been valued at the lower of cost and net realisable value. Where it was difficult to perform a count on certain stock items due to their nature, reasonable estimates have been applied.

## EDINBURGH COMMUNITY FOOD LTD.

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

#### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	5,782	-	5,782	3,585	-	3,585
Grants receivable	50,708	522,314	573,022	90,618	440,198	530,816
	56,490	522,314	578,804	94,203	440,198	534,401
<b>Grants receivable for core activities</b>	39,000	-	39,000	64,192	20,957	85,149
Baillie Gifford Foundation Scotland	-	313,111	313,111	4,000	228,644	232,644
Edinburgh Council	-	25,000	25,000	-	79,018	79,018
Scottish Government	-	33,700	33,700	-	33,000	33,000
Port of Leith HA	-	31,197	31,197	-	31,197	31,197
Edinburgh Lothian Greenspace Trust	-	30,000	30,000	-	20,000	20,000
Vocal	-	27,500	27,500	-	-	-
The National Lottery	-	14,500	14,500	-	-	-
NHS Lothian	-	10,000	10,000	-	-	-
Soil Association	-	8,000	8,000	-	-	-
Foundation Scotland	11,708	29,306	41,014	22,426	27,382	49,808
Other	50,708	522,314	573,022	90,618	440,198	530,816

#### Government grants

Grant income includes government grants of £352,611 (2022 - £311,862) towards various community projects.

## EDINBURGH COMMUNITY FOOD LTD.

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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#### 4 Charitable activities

	2023 £	2022 £
Food provision and education	386,525	215,457

#### 5 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Net gain on disposal of tangible fixed assets	-	1,754
Other income	1,474	86
	<u>1,474</u>	<u>1,840</u>

## EDINBURGH COMMUNITY FOOD LTD.

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

#### 6 Charitable activities

	2023	2022
	£	£
Staff costs	393,615	331,388
Depreciation and impairment	10,186	11,367
Purchases	327,950	171,072
Insurance	808	340
Office costs	20,026	18,781
Sundries	312	355
Premises expenses	45,955	48,733
Motor expenses	5,330	6,589
Project costs	21,990	26,945
Marketing	2,940	5,110
Other staff costs	5,527	3,784
Bad debts	842	1,662
Over-recovery of input VAT	14,660	11,026
	<u>850,141</u>	<u>637,152</u>
Share of governance costs (see note 7)	23,464	20,794
	<u>873,605</u>	<u>657,946</u>
<b>Analysis by fund</b>		
Unrestricted funds	393,110	232,243
Restricted funds	480,495	425,703
	<u>873,605</u>	<u>657,946</u>

## EDINBURGH COMMUNITY FOOD LTD.

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Support costs	Governance costs £	2023 £	2022 £
Audit fees	11,500	11,500	7,500
Legal and professional	6,286	6,286	7,397
Bank interest	1,407	1,407	1,394
Pension deficit interest	258	258	1,775
Accountancy services	4,013	4,013	2,728
	<u>23,464</u>	<u>23,464</u>	<u>20,794</u>
Analysed between			
Charitable activities	<u>23,464</u>	<u>23,464</u>	<u>20,794</u>

Governance costs includes payments to the auditors of £11,500 (2022 - £7,500) for audit of the charity's annual financial statements.

Audit fees incurred in 2023 include an under accrual for 2022 of £3,500.

#### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity, or were reimbursed for any expenses during the year (2022 - £NIL).

#### 9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	16	17
	<u>16</u>	<u>17</u>
<b>Employment costs</b>	<b>2023</b>	<b>2022</b>
	£	£
Wages and salaries	360,605	307,488
Social security costs	25,800	17,755
Other pension costs	7,210	6,145
	<u>393,615</u>	<u>331,388</u>

There were no employees whose annual remuneration was more than £60,000.

## EDINBURGH COMMUNITY FOOD LTD.

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

#### 10 Other expenses

	Total	Restricted funds
	2023	2022
	£	£
Net loss on disposal of tangible fixed assets	-	769
	<u>          </u>	<u>          </u>

#### 11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### 12 Tangible fixed assets

	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2022	78,868	11,384	46,444	136,696
Additions	6,161	-	-	6,161
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2023	85,029	11,384	46,444	142,857
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation and impairment</b>				
At 1 April 2022	76,209	10,988	16,442	103,639
Depreciation charged in the year	2,289	396	7,501	10,186
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2023	78,498	11,384	23,943	113,825
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>				
At 31 March 2023	6,531	-	22,501	29,032
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2022	2,659	396	30,002	33,057
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### 13 Stocks

	2023	2022
	£	£
Finished goods and goods for resale	11,875	7,755
	<u>          </u>	<u>          </u>

# EDINBURGH COMMUNITY FOOD LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

<b>14 Debtors</b>		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>			
Trade debtors		64,299	49,881
Other debtors		57,345	49,753
Prepayments and accrued income		5,194	5,658
		<u>126,838</u>	<u>105,292</u>
		<u><u>126,838</u></u>	<u><u>105,292</u></u>
<b>15 Creditors: amounts falling due within one year</b>		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
Trade creditors		11,698	5,028
Accruals and deferred income		18,397	15,864
		<u>30,095</u>	<u>20,892</u>
		<u><u>30,095</u></u>	<u><u>20,892</u></u>
<b>Provisions for liabilities</b>		<b>2023</b>	<b>2022</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Over-recovery of input VAT		12,551	11,026
Retirement benefit obligations	17	8,156	14,984
		<u>20,707</u>	<u>26,010</u>
		<u><u>20,707</u></u>	<u><u>26,010</u></u>

# EDINBURGH COMMUNITY FOOD LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 17 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

#### Defined benefit schemes

The company participates in the SVS scheme; a multi-employer scheme which provides benefits to some 82 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 21 December 2021 and showed assets of £153.3m, liabilities of £160.0m and a deficit of £6.7m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows.

#### Key assumptions

	2023	2022
	%	%
Discount rate	5.4	2.3
Amounts recognised in the profit and loss account:		
	2023	2022
	£	£
Current service cost	(6,954)	(7,053)
Net interest on defined benefit liability/(asset)	258	319
Total costs/(income)	<u>(6,696)</u>	<u>(6,734)</u>
Amounts taken to other comprehensive income:		
	2023	2022
	£	£
Actuarial changes related to obligations	<u>(132)</u>	<u>(18,843)</u>

# EDINBURGH COMMUNITY FOOD LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 17 Retirement benefit schemes

(Continued)

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2023	2022
	£	£
Present value of defined benefit obligations	8,156	14,984
Deficit in scheme	8,156	14,984

#### Deficit contributions

From 1 April 2022 to 31 May 2024:

£1,473,969 per annum (payable monthly and increasing by 3% each year on 1st April)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Movements in the present value of defined benefit obligations:

	2023
	£
Liabilities at 1 April 2022	14,984
Current service cost	(6,954)
Actuarial gains and losses	(132)
Interest cost	258
At 31 March 2023	8,156

The defined benefit obligations arise from plans funded as follows:

	2023
	£
Wholly unfunded obligations	8,156
Wholly or partly funded obligations	-
	8,156

## EDINBURGH COMMUNITY FOOD LTD.

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

#### 18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds	
	Balance at 1 April 2021	Incoming resources	Resources expended	Balance at 1 April 2022
Capital Funding	23,634	20,682	(11,656)	32,660
EJUB Funding	-	173,059	(173,059)	-
Edinburgh & Lothian Greenspace Trust	-	31,197	(31,197)	-
Edible Edinburgh	-	18,115	(18,115)	-
Scottish Government Funding	-	79,016	(79,016)	-
SCVO	-	6,609	(6,609)	-
Community Projects	-	-	-	24,009
Coorie Inn	-	-	-	3,000
Stay and Play	-	-	-	3,225
Food, Fuel & Cost of Living Awards	-	4,000	(4,000)	20,000
A Welcome Door	-	-	-	27,500
Corra	-	-	-	5,250
Port of Leith Housing	-	33,000	(33,000)	33,700
Leith Chooses	-	4,700	-	4,700
LCR Stands Up	-	1,550	(1,550)	1,982
Meals and More	-	10,000	(10,000)	11,340
Vocal	-	20,000	(20,000)	30,000
Take and Make	-	3,000	(3,000)	-
Willow Project	-	15,000	(15,000)	40,924
Sustainable Cities	-	20,270	(20,270)	-
	<u>23,634</u>	<u>440,198</u>	<u>(426,472)</u>	<u>37,360</u>
				<u>522,314</u>
				<u>(480,495)</u>
				<u>79,179</u>

**EDINBURGH COMMUNITY FOOD LTD.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**18 Restricted funds**

**(Continued)**

**Purpose of restricted funds:**

C a p i t a l f u n d i n g  
 This fund contains various capital grants which enabled the charity to invest in vehicles and develop their warehouse facilities. The balance on this fund is being depreciated over the useful life of the underlying assets.

E l j b f u n d i n g  
 Edinburgh Integrated Joint Board grant provides core funding. This allows Edinburgh Community Food to help tackle health inequalities by engaging with and supporting more people in communities to eat more healthily and by improving our sustainability and impact. Edinburgh Community Health Forum provide robust, consistent support.

Edinburgh & Lothians Greenspace Trust  
 Out & About is a long-running health, greenspace and physical activity programme run in partnership with Edinburgh and Lothians Greenspace Trust, with a remit to deliver environmental, health and social benefits within South East Edinburgh, Oxgangs and Dumbiedykes.

Edible Edinburgh  
 Soil Association funding for Sustainable Food Places (SFP) part-funds the Sustainable Food Places Co-ordinator role for Edible Edinburgh, a role which Edinburgh Community Food hosts. The coordinator supports the combined community, commercial and statutory ambition to deliver a more sustainable food economy in Edinburgh, having achieved the SFP Silver award in 2022.

S c o t t i s h G o v e r n m e n t  
 Scottish Government funding comprises various grants received each year for a number of different projects including Eat Well for Oral Health and Core Funding. All Scottish Government funding is aimed at improving public health by promoting healthier diets.

Scottish Charity Voluntary Organisation (SCVO)  
 Community Jobs Scotland (CJS) is an employability programme delivered by SCVO which works with Edinburgh Community Food to create job opportunities for unemployed people aged 16 to 29 with a focus on the most disadvantaged in the labour market.

Community Projects:  
 Food for Outreach - Edinburgh Community Food supplies pre-prepared healthy ready meals and pre-packed healthy packed lunches to community partners across the city, including to volunteers supporting Ukrainian arrivals, third sector community organisations and people accessing Community Justice services.

## EDINBURGH COMMUNITY FOOD LTD.

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

#### 18 Restricted funds

(Continued)

**Discharge to Recharge** - Through the Edinburgh Wellbeing Pact Capacity to Collaborate Edinburgh Community Food developed our 'Discharge to Recharge' food provision programme for people being discharged from hospital without help at home. The aim of this food provision is to ease delayed discharge across the city.

**Enliven** - Edinburgh Community Food ran a one-off community meal run in partnership with Community Health and Advice Initiative (CHAI) and Home Energy Scotland for 40 people. Slow cookers were also provided to encourage affordable cooking at home.

#### **Coorie Inn**

In light of the continued cost of living and energy crises and in partnership with three Community Cafes, Edinburgh Community Food delivered an expanded project of community meals for 90 community members, with a focus on warm spaces, nourishment, take-home 'comfort packs' and 'coorie-ing in'.

#### **Stay & Play**

Working in partnership with Association of Ukrainians in Great Britain (Edinburgh) Edinburgh Community Food supports Ukrainian families with pre-school children and babies with a safe play space, food support, food activities, training opportunities, one-to-one Nutrition support, hot drinks and healthy snacks for parents and children.

#### **Food, fuel & cost of living award**

Edinburgh Community Food disbursed cost of living support to vulnerable members of our communities with the aim of increasing dignity, agency and control and easing the emotional impacts associated with hardship

#### **Sustain Alliance**

This allowed over 900 families with children to receive two sustainable ('Green Globe' and 'Blue Planet'), plant based food hampers over Christmas and New Year. Further funding helped to establish the Food Families Network, to provide a platform for families to access and shape food services and delivery.

#### **A Welcome Door**

The A Welcome Door project supported community partner organisations, such as YMCA, LINKnet and Pilton Community Health Project, in addition to Criminal Justice Services - Community Justice, Police Scotland and General Practice Link Workers, to identify those in immediate hardship and to make referrals to Edinburgh Community Food for the following: fresh food to prepare, healthy ready meals, long life items, equipment/appliances, fuel support, transport support, clothing and blankets.

#### **Corra**

The Wellbeing Fund delivered by Corra Foundation was set-up to support community recovery and improve health and wellbeing. ECF successfully used to the funding to adapt the Discover! programme to an online citywide partnership that provided themed interactive food activities and essential fresh food supplies during the school holidays.

#### **Port Of Leith Housing**

Port Of Leith Supporting Communities funding was essential to support vulnerable communities early on in the pandemic, allowing Edinburgh Community Food to provide food support to vulnerable communities via our partner organisations The Crannie, Dr Bells Family Centre, NKS, Pilmey Development Project, The Ripple

## EDINBURGH COMMUNITY FOOD LTD.

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

#### 18 Restricted funds

(Continued)

Project. The fund also enabled Edinburgh Community Food to consult with communities and to target and tailor food boxes, leading to the provision of a dignified culturally appropriate fresh food delivery service and utensils to meet community needs. This intervention also led to the creation of Be A Healthier Me programme to continue to tackle health inequalities.

##### Leith Chooses

Leith Chooses is a City of Edinburgh Council (CEC) participatory budgeting fund which allows local community members to vote for local projects. As a 2022 winner, Edinburgh Community Food supported older community members with food hampers to reduce the risk of malnutrition and associated conditions; ten weekly community meals to reduce social isolation and increase mental wellbeing; and malnutrition training for staff, volunteers and participants.

##### Lochend, Craigminty, Restalrig (LCR) Stands Up

Our LCR Stands Up project was designed to provide younger people with knowledge, confidence and skills around food, its nutrition and health implications (including the relationships between food and mental health), basic preparation, hygiene and storage.

##### Meals and More

Meals and More provide financial support to Edinburgh Community Food, enabling them to support vulnerable families and their children across Edinburgh who are struggling to access nourishing food during school holidays. The support - which is provided across all school holidays - includes food, recipes, health promotion information, cooking equipment, opportunities for physical activity, cash first information and partner organisation signposting information.

##### V o c a l

Funding which enabled us to offer additional support, food and resources to carers we engage with.

##### T a k e

Funding towards Take and Make meal kits.

a n d

M a k e

##### The Willow Project

The Project funded through City of Edinburgh Council enables us to work with women (and men - via the associated Crossroads project) in the criminal justice system. A specific focus is given to cooking and nutrition sessions.

##### Sustainable Cities

Edinburgh Community Food have supported and hosted Edible Edinburgh to achieve the Silver Sustainable Food Places award on behalf of the city. Sustainable Food Cities - renamed 2020 - Sustainable Food Places is a salary to host Sustainable Food Places co-ordinator post on behalf of Edible Edinburgh (CEC) with a partnership funding agreement from the SOIL Association, CEC, and Sustainable Food Places.

# EDINBURGH COMMUNITY FOOD LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 19 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	4,537	24,495	29,032	397	32,660	33,057
Current assets/(liabilities)	371,564	54,684	426,248	329,496	4,700	334,196
Provisions and pensions	(20,707)	-	(20,707)	(26,010)	-	(26,010)
	<u>355,394</u>	<u>79,179</u>	<u>434,573</u>	<u>303,883</u>	<u>37,360</u>	<u>341,243</u>

### 20 Audit report information

The auditor's report was unqualified.

**Lesley Campbell, BA, C.A. (Senior Statutory Auditor)**  
Findlays

**Chartered Accountants**  
**Statutory Auditor**

### 21 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	26,977	20,282
Between two and five years	98,900	-
	<u>125,877</u>	<u>20,282</u>

### 22 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>98,691</u>	<u>81,202</u>

## EDINBURGH COMMUNITY FOOD LTD.

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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23	Cash generated from operations	2023 £	2022 £
	Surplus for the year	93,198	92,983
	Adjustments for:		
	Gain on disposal of tangible fixed assets	-	(985)
	Depreciation and impairment of tangible fixed assets	10,186	11,367
	Difference between pension charge and cash contributions	(6,696)	(6,734)
	Movements in working capital:		
	(Increase) in stocks	(4,120)	(4,724)
	(Increase) in debtors	(21,546)	(48,161)
	Increase in creditors	9,203	7,063
	(Decrease) in provisions	1,525	11,026
	<b>Cash generated from operations</b>	<b>81,750</b>	<b>61,835</b>
		<u><u>          </u></u>	<u><u>          </u></u>
24	<b>Analysis of changes in net funds</b>		
	The charity had no debt during the year.		

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.