

Registered number: 05541800
Charity number: 1119341

**CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2018

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**CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

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CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JANUARY 2018

Trustees	M E Bell J A Blakeburn L V Hall R Humphreys C Mead, Chair
Company registered number	05541800
Charity registered number	1119341
Registered office	Cornwall Food Foundation Fifteen Cornwall Watergate Bay Newquay Cornwall TR8 4AA
Company secretary	Coodes Law Secretaries Limited Elizabeth House Castle Street Truro TR1 3AP
Chief executive officer	Matthew Thomson
Independent auditors	Bishop Fleming LLP Chartered Accountants Chy Nyverow Newham Road Truro Cornwall TR1 2DP
Bankers	HSBC Bank Plc Newquay Cornwall TR7 1EG
Solicitors	Coodes Elizabeth House Castle Street Truro Cornwall TR1 3AP

**CORNWALL FOOD FOUNDATION LIMITED
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**CHAIR'S REPORT
FOR THE YEAR ENDED 31 JANUARY 2018**

The chair presents her statement for the period.

Throughout the year, the Board of Trustees has continued to work closely with the Board of Directors of the charity's subsidiary Fifteen Cornwall Ltd to ensure a 'one organisation' culture is felt across the whole social enterprise, whether in the restaurant or out in the community.

While the restaurant disappointed in terms of revenue results this year, the profits generated were vital to securing new grant funding in the charity. Our strategy of investing reserves to position the charity to attract European Social Funding for new projects has started to bear fruit in the form of significant new income lines which will reduce the Foundation's historic dependency on the restaurant trade for income. The protracted delays in realising this funding have depleted the balance sheet to historic lows, and with the Foundation now less dependent on the restaurant trade, our new strategy is to retain a greater proportion of future profits within the Group to strengthen the resilience of the organisation.

We have again allowed for unscheduled taxation costs because Trustees decided for the second year that the Foundation should bear the cost of the HMRC decision to treat funds spent on transporting trainees as taxable benefits, despite the young people we support being among the most disadvantaged in the country. The statement of Group consolidated incoming resources of £3,101,319 (2017: £3,119,893) can obscure the relatively small scale of the charity's actual activities. Trustees would like to take this opportunity to emphasise that the Foundation itself had income of just £476,682 (2017: £462,004), including £130,000 of gift aid from its trading subsidiary (2017: £347,940) and Trustees decided to draw on the charitable reserve to enable the Foundation strategy despite the shortfall in external funding. Trustees ask that potential investors and supporters bear in mind that we are a small charity operating a high profile brand under licence as part of a Group which includes a commercially focused subsidiary.

Our approach demonstrates how a charity may use a trading subsidiary to both deliver on its objects and to generate income. The report and statements that follow show that despite uncertainties in both trading and charity funding environments, the Group remains viable with good prospects for sustainable, inclusive growth in the future.

Name C Mead
Chair

Date 29 October 2018

**CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JANUARY 2018**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the consolidated financial statements and auditors' report of the Charity and its subsidiaries for the year ended 31 January 2018 which are also prepared to meet the requirements for a directors' report and accounts for 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: 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).

Since the Charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

The Charity's core objects, as set out in its Memorandum of Association, are to:

1. Relieve unemployment for the public benefit of Cornwall
2. Advance vocational education for the public benefit in Cornwall
3. Alleviate sickness, poverty and distress
4. Promote such other charitable purposes as may from time to time be determined.

Cornwall is a place celebrated for great, outstanding food and food experiences. Conversely it is a place of poor eaters where entrenched food related problems include higher than average rates of obesity (adult and childhood), diabetes and heart disease as well as inequalities of food access, and where there is a shortage of people with employment ready food skills. We aim to take advantage of Cornwall's food strengths to enable us to benefit people experiencing multiple problems.

Our mission is to inspire people in Cornwall through food and enable them to achieve meaningful change in their lives. Our objectives are to run professional training, integrated with personal development support, in excellent hospitality and food business settings; and to deliver community training in a range of other settings. We believe food skills are life skills and that through work-integrated and community training, together with personal development and employment support, we can help people achieve better life opportunities while adding real value to the local economy.

The strategies employed to achieve the Charity's aims and objectives are to:

- Integrate technical skills training with psychological training, combining guided practical experience, coaching and wellbeing support personalised to the needs of each beneficiary.
- Collaborate with partners to improve progression opportunities for people through work and skills training.
- Operate according to the highest standards of commercial discipline to deliver maximum social impact while reducing dependency on grant income.
- Build a family of compelling social enterprise brands that inspire and empower people to make meaningful change in their lives.

The executive team works in three ways to fulfil these strategies:

- Supporting and inspiring the future workforce, through workplace training and development
- Delivering community programmes, courses and events to help people make healthy, meaningful changes in their lives
- Cultivating a thriving, professional, sustainable and healthy food system in Cornwall (and beyond)

The Charity has not made use of social investment or grant making in the year to deliver its charitable objects. Nor has the Foundation made wide use of volunteers in the year, but has enjoyed the support of volunteer drivers to help transport apprentices (from Volunteer Cornwall) and of a volunteer counsellor to augment the personal development support provided to apprentices. The Trustees take the opportunity of thanking all the Volunteers for the work they do throughout the year.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JANUARY 2018

ACHIEVEMENTS AND PERFORMANCE

We work with individuals, communities and partners to deliver transformative experiences through food. We help individuals by:

- Giving advice and guidance
- Supporting people to overcome barriers to realising their potential
- Opening people up to new possibilities through tasters and work placements
- Supporting people on a journey – from wherever they start to wherever they want to be
- Supporting people in dealing with mental health and life problems
- Signposting to other services

The specific activities undertaken during the year were:

- Delivery of Jamie Oliver's Apprentice Programme: vocational chef training for disadvantaged young people from Cornwall, combining vocational technical training and work experience with personal development support.
- Delivery of FoodWorks Community Cooking Programme: refining and developing our pilot of communitybased cooking and foodskills training for unemployed and economically inactive people in Cornwall.
- Delivery of 'Food for Change', the new ESF financed employability providing people with informal training and practical experience in growing, cooking and trading food in Newquay, St Austell, Truro, Camborne and Redruth.
- Support for the Cornwall Food Partnership, 'Kernow Food Collective' and its engagement with national initiatives including Sustainable Food Cities and Feeding Britain
- Support for partner hospitality businesses in using the hospitalityskills.net toolkit we developed with the UK Commission for Employment and Skills to boost pay, progression and productivity.
- Support for the 'Fifteen 500' chefs who have ever graduated from the Fifteen programmes in London, Cornwall and Amsterdam.
- Working with partners Living Villages Ltd and Duchy College (part of the Cornwall College Group) to develop plans for our potential training farm and restaurant in Higher Newham, Truro.

In the period the Charity provided training and direct personal support through our apprentice support, FoodWorks courses and Food for Change programmes to 75 people who were out of work (including economically inactive).

Of these 10 people gained permanent full time employment and one enrolled in accredited training in the period. At the end of the period we continued to provide personal support and informal training to 47 participants within the Food for Change programme who had not yet completed their Food for Change journey, and to 10 apprentices within the Fifteen Chef Training programme. All of the people we supported directly were unemployed or economically inactive and 26 of them were disabled.

We provided signposting support to a further 8 participants who did not complete either of our programmes. We also provided remote support to a further 50 people to support their in-work progression.

The criteria the Charity uses to assess success are:

- 'Distance travelled' by people with multiple complex needs; measured through baseline and regular ongoing assessments of such characteristics as communication skill, confidence, motivation, focus, health, emotional health and wellbeing, and happiness.
- Progress made by young people overcoming barriers to their development including money, accommodation, relationships and influences, stress, alcohol, and drugs.
- Learning objectives achieved by trainees including technical and practical skills, food and nutritional knowledge.
- Programme completions by trainees measured through attendance.
- Number of people with additional needs supported and/or trained.
- Partner engagement in our charitable activities, as suppliers, supporters, delivery partners and referral agencies.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JANUARY 2018**

Our assessment of our performance against these criteria is:

- Distance travelled: 92% of participants reported achieving a meaningful / significant change in their lives as a result of their engagement with Cornwall Food Foundation, in terms of improved health and wellbeing and/or employment or employability.
- Barrier busting: 27 young people reported overcoming barriers to their development as a result of the personal support provided alongside the apprentice programme.(100% of target).
- Learning achieved: 75 people achieved their learning objectives (100% of target).
- Programme Completion: 100% of target (10) completed the Fifteen Chef Training programme in the period; 50% of target (2) completed the Food for Change programme with employment or training in the period.
- Additional Needs: 36 people with additional needs were supported (100% of target).
- Partner Engagement: 12 organisations were engaged as Delivery Partners within Food for Change; a further 8 organisations were engaged as partners within our activities. Trustees set no targets for this criteria.

The Charity has this year invested in the creation of new services, products and systems to open up new income streams, and these are not all yet delivering. Trustees expect to see these new income streams repaying on the investment through increased external funding in the forthcoming financial year. The European Structural Investment Funds secured will boost the charity's capacity both to deliver services directly and to collaborate effectively with partners and service-commissioners.

The ESF supported Food for Change is a social innovation programme and 10% of the income secured has been allocated to fund the University of Exeter to conduct longitudinal evaluation of the community activities and their impacts. As well as conducting primary research, the University's involvement in the community partnership is expected, in the medium term, to boost community capacity to record impact and manage performance and resources.

In executing all of the above, Trustees have been mindful of their duties with respect to equalities and diversity by focussing on people whose additional needs have prevented them from playing an active role in society and the economy. Through the vocational development and support activities of the trading subsidiary as well as through the wider community support provided by the charity's core team, Trustees are confident that the Cornwall Food Foundation continues to make a meaningful contribution in practice and through advocacy to Cornwall's Inclusive Growth goals.

Trustees have also been mindful of the need to ensure that the activities of the charity contribute to environmental growth (Net Gain in biodiversity and other forms of natural capital) in Cornwall. This has been achieved through:

- careful operations management reducing waste
- sourcing 70% of food locally from suppliers committed to improving their sustainability
- playing an active role in the Cornwall and Isles of Scilly Local Nature Partnership
- sponsorship of the Cornwall Sustainability Awards 'Sustainable Food' category

The Foundation's governance in the year has maintained a relentless focus on finance, in order to ensure sustained delivery of the above activities in the long term. We approach the twelfth anniversary of the Fifteen Cornwall 'project' amongst unprecedented levels of economic uncertainty and rising social inequality. The Cornwall Food Foundation is just starting to deliver, for the first time, at scale in the community; applying the Fifteen formula in new ways to tackle this inequality. In both capacities, the Trustees and the charity's executive team are working hard to provide visible leadership as well as effective delivery and exemplary stewardship.

FINANCIAL REVIEW

The results for the year and Group financial position are shown in the financial statements and Trustees feel the charity is in a stable and sound financial position. Focus remains on generating cash and building reserves. Trustees are mindful of the economic backdrop and every effort is being made to sustain the Group's performance. The Group's consolidated net resources for the year is a deficit of £104,668 (2017: £70,451).

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JANUARY 2018**

The charity's £570,407 expenditure (2017: £491,702) was focused on supporting disadvantaged young people within the Fifteen Cornwall Apprentice Programme and long term unemployed and economically inactive people within the FoodWorks and Food for Change community programmes.

27% of the charity's income was obtained from the surpluses achieved by the charity's wholly owned trading subsidiary, augmented by donations from restaurant guests and independent supporters and trusts. The Foundation has also secured European Social Funds for new projects, and is participating in several ESF programmes co-financed by the Big Lottery Fund. The Foundation generated £297,667 this year (2017: £58,962) through such contracts. A significant proportion of the Foundation's income of £476,682 (2017: £462,004) was generated by its subsidiary Fifteen Cornwall, which made a gift aid contribution of £130,000 (2017: £347,940). When taken together with the voluntary donations of £34,184 (2017: £41,016) collected in the restaurant this highlights how reliant the charity is on its subsidiary. The trustees are mindful of this and continue to look at other sources of funding to support the charity.

• PRINCIPAL RISKS AND UNCERTAINTIES

The stability of the Brand Licence and a number of new project opportunities mean the Foundation has a positive outlook despite the funding challenges faced across the charitable sector. The commercial challenges faced by the charity's subsidiary are significant, with contracting demand and rising input costs both exacerbated by Brexit uncertainties. The actions in train to renew the restaurant's proposition to reverse falling sales, along with careful supply chain management to contain input-price changes and consolidation of the reductions already made in the restaurant's cost base will mitigate these challenges.

Through effective meetings of the Boards and Committees within the Group, medium and long range planning and close, supportive oversight of the executive team, Trustees identify and address key operational, financial, compliance and strategic risks and review the organisational risk register once a year.

• RESERVES POLICY

The trustees consider that its policy should be to maintain sufficient free reserves to:

- Ensure the elimination and continued avoidance of net current liabilities
- Provide sufficient liquid resources to meet both revenue and capital needs of the Charity.

Free reserves are the net current assets of the Charity less any restricted reserves. Sufficient resources are defined as the amount required to ensure that the current cohort completes its course. The Trustees consider that the ideal level of reserves as at 31 January 2018 should be about £250,000 equating to 6 months' of charitable activities costs. The charity's free reserves as at 31 January 2018 was £258,208. The trustees believe this to be an acceptable level within their stated policy, while earmarking reserves to fund much needed future capital expenditure.

STRUCTURE, GOVERNANCE AND MANAGEMENT

• CONSTITUTION

The Charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 19 August 2005, as amended on 21 October 2013.

Cornwall Food Foundation was established as a registered charity and a Company Limited by Guarantee. The Foundation is the sole owner of a company limited by share, Fifteen Cornwall Ltd, which it operates as a trading subsidiary.

MEMBERS' LIABILITY

Each member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JANUARY 2018

amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a member.

• **METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

As set out in the Articles of Association, the board of trustees elects one of their number as Chair, one as Vice-Chair and one as Treasurer, based on nominations made by trustees. New Trustees are appointed by existing Trustees and the members of the charitable company and serve for a period of 3 years. The Memorandum and Articles provides a minimum of 3 Trustees with no more than one third Trustees due for re-appointment in any one year.

All members are circulated with invitations to nominate Trustees prior to the AGM advising them of any retiring Trustees and requesting nominations for the AGM. When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Charity's development. New trustees may be sought by open advertisement or through existing members.

• **POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

All new Trustees observe at least one Board meeting before joining the Board and are briefed on the structure, governance, policies, history and operations of the organisation upon joining the Board. Periodically Trustees are trained on their fiduciary and governance responsibilities by qualified experts.

• **ORGANISATIONAL STRUCTURE AND DECISION MAKING**

The Board of Trustees normally meets at least once per quarter. The Board establishes an overall framework for the governance of the Charity and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its executive officers and Committees for information, approval, or action. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale that fall outside of the Committees' remit.

• **RISK MANAGEMENT**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

• **KEY MANAGEMENT PERSONNEL**

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Charity to an executive team. The key management personnel currently comprise the Chief Executive, supported by the General Manager and Head of Finance. The key management personnel implement the policies laid down by the Trustees and report back to them on performance.

• **PAY POLICY FOR SENIOR STAFF**

The Trustees consider the Charity's Trustees and the senior management team, comprising the key management personnel of the Charity in charge of directing and controlling, running and operating the charity on a day to day basis. All Trustees give their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in notes 10 and 27 to the accounts.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JANUARY 2018**

• **RELATED PARTY RELATIONSHIPS**

None of our Trustees receive remuneration or other benefit from their work with the Charity. Any related party transactions are disclosed in the notes to the accounts

The Charity has a wholly owned subsidiary, Fifteen Cornwall Limited. The purpose of the subsidiary is to provide the platform for the delivery of the Foundation's training objectives and to generate income for the charity. The Cornwall Food Foundation and Fifteen Cornwall Ltd have distinct boards of directors and currently have two directors in common, and the Chief Executive reports to both boards. Trustees appoint the Directors of the trading subsidiary Fifteen Cornwall, and fix their remuneration, since it is wholly owned by the Cornwall Food Foundation. Trustees have appointed the Chief Executive to the Fifteen Cornwall Ltd Board as the Shareholder representative. A further subsidiary of the Foundation incorporated to manage the Brand Licence Agreement between Cornwall Food Foundation and Jamie Oliver Food Foundation had no financial activity and was wound up during the year. Minutes of each meeting of each Board are shared promptly with the other Board.

The Charity has a close relationship with Watergate Bay Hotel Ltd of which it is a tenant and with which its subsidiary Fifteen Cornwall shares the common interest of promoting Watergate Bay. Watergate Bay Hotel Ltd has one director in common with Cornwall Food Foundation and two directors in common with Fifteen Cornwall Ltd. The Charity also enjoys a close relationship with The Cornwall College Group, whose Chief Executive serves as the honorary Treasurer for Cornwall Food Foundation.

PLANS FOR FUTURE PERIODS

After two years of waiting for the European Social Fund programmes, and investing in being ready for them, the Foundation is now well geared to grow and to deliver within these programmes; albeit starting with a depleted balance sheet. Trustees are all too aware that, due to Brexit, these European funds will only be available for a finite time, and will not be replaced. Equally, Trustees remain committed to the social enterprise ethos with which the Foundation was established, and do not therefore plan for a permanent grant-dependency within their long-term financial model in any case.

The increasing short to medium-term exposure of the charity to the European Social Fund is tolerable because of the arrangements into which Trustees have entered with Cornwall Council to defray the associated cashflow risks, and because Trustees aim to harness the Fund to build lasting capacity with which the Foundation can continue to deliver its objectives within commissioned 'mainstream' services once the Fund finishes. The early interest in FoodWorks shown by stakeholders across the social, educational and health services signals that the Foundation's new core has a viable future within public contracts.

Working with the Board of Directors of the Foundation's subsidiary, Trustees have initiated a rescaling of the subsidiary's cost-base to ensure its future profitability.

INFORMATION ON FUNDRAISING PRACTICES

Fundraising is carried out in the context of generating funds for specific projects on a project by project basis and mainly from grants or crowdfunding campaigns. Other than the donations solicited from guests of the restaurant, general fundraising from the public, or other bodies is not generally undertaken nor the services of a professional fund-raiser or a commercial participator used.

No complaints have been received regarding fundraising activities.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JANUARY 2018**

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of Cornwall Food Foundation for the purposes 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report was approved by the trustees, on 29/10/18 and signed on their behalf by:



C Mead
Chair of Trustees

**CORNWALL FOOD FOUNDATION LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNWALL FOOD FOUNDATION LIMITED

OPINION

We have audited the financial statements of Cornwall Food Foundation Limited (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 January 2018 set out on pages 13 to 35. 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 group's and of the parent charitable company's affairs as at 31 January 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNWALL FOOD FOUNDATION LIMITED

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Group strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 group's and the parent charitable company'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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNWALL FOOD FOUNDATION LIMITED

charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Joseph Scaife FCA DChA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Chy Nyverow

Newham Road

Truro

Cornwall

TR1 2DP

30 October 2018

Bishop Fleming LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

CORNWALL FOOD FOUNDATION LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:					
Donations and legacies	2	49,015	-	49,015	55,102
Charitable activities	4	56,199	241,468	297,667	58,962
Trading activities	3	2,754,637	-	2,754,637	3,005,829
TOTAL INCOME		2,859,851	241,468	3,101,319	3,119,893
EXPENDITURE ON:					
Trading activities	3	2,625,078	-	2,625,078	2,690,831
Charitable activities		325,761	244,496	570,257	491,702
Other expenditure		10,652	-	10,652	7,811
TOTAL EXPENDITURE	8	2,961,491	244,496	3,205,987	3,190,344
NET BEFORE OTHER RECOGNISED GAINS AND LOSSES		(101,640)	(3,028)	(104,668)	(70,451)
NET MOVEMENT IN FUNDS		(101,640)	(3,028)	(104,668)	(70,451)
RECONCILIATION OF FUNDS:					
Total funds brought forward		385,494	14,217	399,711	470,162
TOTAL FUNDS CARRIED FORWARD		283,854	11,189	295,043	399,711

The notes on pages 17 to 35 form part of these financial statements.

CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 05541800

CONSOLIDATED BALANCE SHEET
AS AT 31 JANUARY 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		569,903		613,529
CURRENT ASSETS					
Stocks	16	49,390		56,725	
Debtors	17	302,072		143,900	
Cash at bank and in hand		169,061		345,622	
		520,523		546,247	
CREDITORS: amounts falling due within one year	18	(438,016)		(378,045)	
NET CURRENT ASSETS			82,507		168,202
TOTAL ASSETS LESS CURRENT LIABILITIES			652,410		781,731
CREDITORS: amounts falling due after more than one year	19		(357,367)		(382,020)
NET ASSETS			295,043		399,711
CHARITY FUNDS					
Restricted funds	21		11,189		14,217
Unrestricted funds	21		283,854		385,494
TOTAL FUNDS			295,043		399,711

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 29/10/18 and signed on their behalf, by:

C Mead

C Mead
Chair of Trustees

The notes on pages 17 to 35 form part of these financial statements.

CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 05541800

CHARITY BALANCE SHEET
AS AT 31 JANUARY 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		1,312		2,198
Investments	15		1		151
			<u>1,313</u>		<u>2,349</u>
CURRENT ASSETS					
Debtors	17	257,190		302,094	
Cash at bank and in hand		75,373		105,405	
		<u>332,563</u>		<u>407,499</u>	
CREDITORS: amounts falling due within one year	18	(64,479)		(46,726)	
NET CURRENT ASSETS			<u>268,084</u>		<u>360,773</u>
NET ASSETS			<u>269,397</u>		<u>363,122</u>
CHARITY FUNDS					
Restricted funds			11,189		14,217
Unrestricted funds			258,208		348,905
TOTAL FUNDS			<u>269,397</u>		<u>363,122</u>

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 29/10/18 and signed on their behalf, by:

C Mead

C Mead
Chair of Trustees

The notes on pages 17 to 35 form part of these financial statements.

CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	23	(175,547)	(18,626)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(81,014)	(9,656)
Net cash used in investing activities		(81,014)	(9,656)
Cash flows from financing activities:			
Repayments of borrowings		(5,000)	(60,000)
Cash inflows from new borrowing		85,000	-
Net cash provided by/(used in) financing activities		80,000	(60,000)
Change in cash and cash equivalents in the year		(176,561)	(88,282)
Cash and cash equivalents brought forward		345,622	433,904
Cash and cash equivalents carried forward	24	169,061	345,622

The notes on pages 17 to 35 form part of these financial statements.

CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Cornwall Food Foundation Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

1.2 COMPANY STATUS

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised 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 of 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 Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities 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.

General donations are recognised in the period of receipt. The value of services provided by volunteers have not been included in the financial statements.

Where entitlement to a grant is not conditional on delivery of specific performance by the charity, grants are recognised when the charity becomes unconditionally entitled to the grant. Where specific deliverables exist grants are account for as the charity earns the right to that income by its performance.

1.5 RESTAURANT INCOME

Turnover comprises revenue recognised by the charity' trading subsidiary in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.6 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 allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

1. ACCOUNTING POLICIES (continued)

1.7 INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	over life of lease
Plant and machinery	-	5 years straight line
Motor vehicles	-	2 years straight line
Fixtures and fittings	-	3 - 5 years straight line
Office equipment	-	3 years straight line

1.9 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 OPERATING LEASES

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.11 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity's trading subsidiary; this is normally upon notification of the interest paid or payable by the Bank.

1.12 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

1. ACCOUNTING POLICIES (continued)

1.13 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

1.14 TAXATION

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

The Cornwall Food Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.15 DEBTORS

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

1.16 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash 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.

1.17 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

1. ACCOUNTING POLICIES (continued)

1.18 FINANCIAL INSTRUMENTS

The charity's trading subsidiary 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.

1.19 PENSIONS

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	49,015	-	49,015	55,102
Total 2017	55,102	-	55,102	

3. TRADING ACTIVITIES

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
ACTIVITIES FOR GENERATING FUNDS			
Restaurant income	2,754,637	2,754,637	3,005,829
ADMINISTRATIVE EXPENSES			
Restaurant cost of sales	854,595	854,595	913,713
Restaurant administrative expenses	491,586	491,586	538,723
Restaurant staff costs	1,156,148	1,156,148	1,114,658
Restaurant depreciation	122,749	122,749	123,737
	2,625,078	2,625,078	2,690,831
Net income from trading activities	129,559	129,559	314,998

CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Delivery of training and support programme	56,199	241,468	297,667	58,962
Total 2017	13,412	45,550	58,962	

In 2017, of the total income from charitable activities, £13,412 was to unrestricted funds and £45,550 was to restricted funds.

5. DIRECT COSTS

	Delivery of training £	Total 2018 £	Total 2017 £
Delivery of training and support programme	152,869	152,869	201,322
Total 2017	201,322	201,322	

6. SUPPORT COSTS

	Delivery of training £	Total 2018 £	Total 2017 £
General costs	57,648	57,648	39,429
Insurance	2,440	2,440	2,373
Bank charges	192	192	293
Auditor's fees	3,870	3,870	2,524
Wages and salaries	321,479	321,479	223,350
National insurance	26,103	26,103	17,702
Pension cost	3,765	3,765	2,885
Depreciation	1,891	1,891	1,824
	417,388	417,388	290,380
Total 2017	290,380	290,380	

Support costs are costs incurred by the Charity to support income generating activities.

CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017/ £
Delivery of training and support programme	152,869	417,388	570,257	491,702
Total 2017	201,322	290,380	491,702	

8. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading	1,156,148	122,749	1,346,181	2,625,078	2,690,831
COSTS OF RAISING FUNDS	1,156,148	122,749	1,346,181	2,625,078	2,690,831
CHARITABLE ACTIVITIES:					
Delivery of training and support programme	351,347	1,891	217,019	570,257	491,702
TAXATION	-	-	10,652	10,652	7,811
	1,507,495	124,640	1,573,852	3,205,987	3,190,344
Total 2017	1,358,595	125,561	1,706,188	3,190,344	

9. TURNOVER

All turnover arose within the United Kingdom.

CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	124,640	123,180
Amortisation of intangible fixed assets	-	900
	<u>124,640</u>	<u>123,180</u>

During the year, no trustees received any remuneration (2017: £NIL).

During the year, no trustees received any benefits in kind (2017: £NIL).

During the year, no trustees received any reimbursement of expenses (2017: £NIL).

11. AUDITORS' REMUNERATION

	2018 £	2017 £
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	2,200	2,100
Fees payable to the charity's auditor and its associates in respect of:		
The auditing of accounts of associates of the charity	6,840	6,770
All other non-audit services not included above	5,410	1,416
	<u>14,450</u>	<u>10,286</u>

CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

12. STAFF COSTS

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,360,402	1,220,963
Social security costs	130,222	118,301
Other pension costs	16,871	19,331
	<u>1,507,495</u>	<u>1,358,595</u>

The average number of persons employed by the charity during the year was as follows:

	2018 No.	2017 No.
Director of trading subsidiary	2	2
Administration	6	4
Operational (Charity)	10	5
Operational (Trading)	60	61
	<u>78</u>	<u>72</u>

The number of higher paid employees was:

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1

13. INTANGIBLE FIXED ASSETS

	Print Design £
GROUP	
COST	
At 1 February 2017	2,700
Disposals	(2,700)
At 31 January 2018	-
AMORTISATION	
At 1 February 2017	2,700
On disposals	(2,700)
At 31 January 2018	-
CARRYING AMOUNT	
At 31 January 2018	-
At 31 January 2017	-

CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

14. TANGIBLE FIXED ASSETS

GROUP	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
COST						
At 1 February 2017	1,111,850	297,758	3,400	255,616	38,215	1,706,839
Additions	880	4,877	-	73,577	1,680	81,014
At 31 January 2018	1,112,730	302,635	3,400	329,193	39,895	1,787,853
DEPRECIATION						
At 1 February 2017	564,420	248,218	2,100	243,673	34,899	1,093,310
Charge for the year	61,789	46,818	1,200	12,343	2,490	124,640
At 31 January 2018	626,209	295,036	3,300	256,016	37,389	1,217,950
NET BOOK VALUE						
At 31 January 2018	486,521	7,599	100	73,177	2,506	569,903
At 31 January 2017	547,430	49,540	1,300	11,943	3,316	613,529

CHARITY	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
COST				
At 1 February 2017	4,572	653	2,769	7,994
Additions	-	-	1,005	1,005
At 31 January 2018	4,572	653	3,774	8,999
DEPRECIATION				
At 1 February 2017	3,581	370	1,845	5,796
Charge for the year	915	130	846	1,891
At 31 January 2018	4,496	500	2,691	7,687
NET BOOK VALUE				
At 31 January 2018	76	153	1,083	1,312
At 31 January 2017	991	283	924	2,198

CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

15. INVESTMENTS

	Shares in group undertakings £
CHARITY	
Carrying value at cost	
At 1 February 2017	151
Amounts written off	(150)
	<hr/>
At 31 January 2018	1
	<hr/>

Cornwall Food Foundation owns 100% of the share capital of Fifteen Cornwall Limited, a company registered in England and Wales. The principal activities of Fifteen Cornwall Limited are running a restaurant and providing a training facility.

Cornwall Food Foundation did own 100% of the share capital of Cornwall Food Foundation Enterprises Limited, a company registered in England and Wales, which was dormant up until 11 July 2017 when this company was dissolved.

CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

Summary statement of comprehensive income for the year ended 31 January 2018

	2018 £	2017 £
Fifteen Cornwall Limited		
Turnover	2,754,637	2,985,899
Cost of sales	(852,908)	(912,204)
Gross profit	<u>1,901,729</u>	<u>2,073,695</u>
Administrative expenses	(1,767,470)	(1,772,489)
Operating profit	<u>134,259</u>	<u>301,206</u>
Other income	-	19,930
Interest payable and similar charges	(4,700)	(6,138)
Profit on ordinary activities before taxation	<u>129,559</u>	<u>314,998</u>
Tax on profit on ordinary activities	(10,652)	(7,811)
Profit for the year	<u>118,907</u>	<u>307,187</u>
Gift aid donation to parent undertaking	(130,000)	(347,940)
Surplus brought forward	36,589	77,342
Retained profit in subsidiary carried forward	<u><u>25,496</u></u>	<u><u>36,589</u></u>

Statement of financial position as at 31 January 2018

	2018 £	2017 £
Tangible fixed assets	568,591	611,331
Current assets	274,370	428,996
Creditors falling due within one year	(460,097)	(621,717)
Creditors falling after more than one year	(357,367)	(382,020)
Share capital	(1)	(1)
Profit and loss reserve	<u><u>25,496</u></u>	<u><u>36,589</u></u>

CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

16. STOCKS

	GROUP		CHARITY	
	2018	2017	2018	2017
	£	£	£	£
Finished goods and goods for resale	49,390	56,725	-	-

17. DEBTORS

	GROUP		CHARITY	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	25,388	51,856	9,837	11,090
Amounts owed by group undertakings	-	-	86,410	290,351
Other debtors	19,866	1,803	12,520	124
Prepayments and accrued income	200,478	23,249	148,423	529
Deferred tax asset (see note 20)	56,340	66,992	-	-
	302,072	143,900	257,190	302,094

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts	43,846	5,000	-	-
Payments received on account	8,153	6,325	-	-
Trade creditors	111,771	62,154	14,067	14,103
Other taxation and social security	65,769	85,807	9,293	5,610
Other creditors	35,154	24,628	21,147	4,547
Accruals and deferred income	173,323	194,131	19,972	22,466
	438,016	378,045	64,479	46,726

	GROUP		CHARITY	
	£	£	£	£
DEFERRED INCOME				
Deferred income at 1 February 2017	106,369	104,994	-	-
Resources deferred during the year	53,160	58,840	-	-
Amounts released from previous years	(52,228)	(57,465)	-	-
Deferred income at 31 January 2018	107,301	106,369	-	-

Deferred income included within creditors within one year at the year end was £107,301 (2017: £106,369).

The above bank loans and overdrafts are secured against the subsidiary's assets under a fixed and floating charge. The loan is repayable over two years and the interest rate is 2.5% p.a.

CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		CHARITY	
	2018	2017	2018	2017
	£	£	£	£
Bank loans	41,154	-	-	-
Government grants received	316,213	382,020	-	-
	357,367	382,020	-	-

The above bank loans and overdrafts are secured against the subsidiary's assets under a fixed and floating charge. The loan is repayable over two years and the interest rate is 2.5% p.a.

20. DEFERRED TAXATION

	GROUP		CHARITY	
	2018	2017	2018	2017
	£	£	£	£
At beginning of year	66,992	74,803	-	-
(Charge for)/released during the year (P&L)	(10,652)	(7,811)	-	-
At end of year	56,340	66,992	-	-

The deferred taxation balance is made up as follows:

	GROUP		CHARITY	
	2018	2017	2018	2017
	£	£	£	£
Accelerated capital allowances	56,340	66,992	-	-

CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

21. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 February 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2018 £
UNRESTRICTED FUNDS					
Charity Reserves	348,905	105,214	(325,761)	130,000	258,358
Subsidiary Reserves	36,589	2,754,637	(2,635,730)	(130,000)	25,496
	<u>385,494</u>	<u>2,859,851</u>	<u>(2,961,491)</u>	<u>-</u>	<u>283,854</u>
RESTRICTED FUNDS					
FoodWorks (Community Cooking fund)	14,217	3,600	(6,628)	-	11,189
Savoy Education Trust fund	-	3,000	(3,000)	-	-
Food For Change	-	190,993	(190,993)	-	-
Building Better Opportunities	-	43,875	(43,875)	-	-
	<u>14,217</u>	<u>241,468</u>	<u>(244,496)</u>	<u>-</u>	<u>11,189</u>
Total of funds	<u>399,711</u>	<u>3,101,319</u>	<u>(3,205,987)</u>	<u>-</u>	<u>295,043</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 February 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2017 £
GENERAL FUNDS					
Charity Reserves	385,127	422,592	(458,815)	-	348,904
Subsidiary Reserves	77,343	2,651,751	(2,692,504)	-	36,590
RESTRICTED FUNDS					
FoodWorks (Community Cooking fund)	7,692	29,400	(22,875)	-	14,217
Experts Grow	-	7,080	(7,080)	-	-
Careers programme	-	9,070	(9,070)	-	-
	<u>7,692</u>	<u>45,550</u>	<u>(39,025)</u>	<u>-</u>	<u>14,217</u>
Total of funds	<u>470,162</u>	<u>3,119,893</u>	<u>(3,190,344)</u>	<u>-</u>	<u>399,711</u>

CORNWALL FOOD FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 February 2017 £	Income £	Expenditure £	Balance at 31 January 2018 £
General funds	385,494	2,859,851	(2,961,491)	283,854
Restricted funds	14,217	241,468	(244,496)	11,189
	<u>399,711</u>	<u>3,101,319</u>	<u>(3,205,987)</u>	<u>295,043</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 February 2016 £	Income £	Expenditure £	Balance at 31 January 2017 £
General funds	462,470	3,074,343	(3,151,319)	385,494
Restricted funds	7,692	45,550	(39,025)	14,217
	<u>470,162</u>	<u>3,119,893</u>	<u>(3,190,344)</u>	<u>399,711</u>

Restricted Funds

Community Cooking fund arose from monies received from the Department of Work and Pensions for the Community Cooking project.

The Experts Grow fund arose from monies received from UK Commission For Employment and Skills (UKCES) to develop ways of improving the earnings and progression of low paid staff in the hospitality sector.

Food For Change is a project funded by the Department of Work and Pensions, which delivers a blend of training and experiential activities.

Building Better Opportunities is a project funded by the European Social Fund, with four separate strands to the programme of Gamechanger, Who Dares Works, Positive People and Working Together. The projects involve preparing and supporting adults to return to the workplace and arranging work placements for 18 to 24 year olds.

CORNWALL FOOD FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	569,903	-	569,903
Current assets	519,986	11,189	531,175
Creditors due within one year	(438,016)	-	(438,016)
Creditors due in more than one year	(357,367)	-	(357,367)
Provisions for liabilities and charges	(10,652)	-	(10,652)
	<u>283,854</u>	<u>11,189</u>	<u>295,043</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	613,529	-	613,529
Current assets	539,841	14,217	554,058
Creditors due within one year	(378,045)	-	(378,045)
Creditors due in more than one year	(382,020)	-	(382,020)
Provisions for liabilities and charges	(7,811)	-	(7,811)
	<u>385,494</u>	<u>14,217</u>	<u>399,711</u>

23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	GROUP	
	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(104,668)	(70,451)
Adjustment for:		
Depreciation charges	124,640	123,180
Decrease/(increase) in stocks	7,335	(7,205)
(Increase)/decrease in debtors	(158,172)	62,162
Decrease in creditors	(44,682)	(126,312)
Net cash used in operating activities	<u>(175,547)</u>	<u>(18,626)</u>

CORNWALL FOOD FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	GROUP	
	2018	2017
	£	£
Cash in hand	169,061	345,622
Total	169,061	345,622

25. PENSION COMMITMENTS

The Group operates defined contribution pension schemes, one for staff in the parent, one for salaries staff in the subsidiary company and another for hourly paid staff in the subsidiary company. The pension cost charge for the period represents contributions payable by the Group to the scheme and amount to £16,871 (2017: £19,331). The pension cost charge for the period represents contributions payable by the Company to the scheme and amount to £3,765 (2017: £2,885).

Contributions amounting to £2,148 (2017: £2,665) were payable to the schemes by the Group and are included in creditors. Contributions amounting to £Nil (2016: £Nil) were payable to the schemes by the Company and are included in creditors.

26. OPERATING LEASE COMMITMENTS

At 31 January 2018 the total of the group's future minimum lease payments under non-cancellable operating leases was:

GROUP	2018	2017
	£	£
AMOUNTS PAYABLE:		
Within 1 year	101,020	100,060
Between 1 and 5 years	404,080	400,240
After more than 5 years	300,180	400,240
Total	805,280	900,540

**CORNWALL FOOD FOUNDATION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

27. RELATED PARTY TRANSACTIONS

During the year, Fifteen Cornwall Limited traded with the Watergate Bay Hotel Limited, a company in which William Ashworth and Judith Blakeburn are also directors. At the year end £9,921 (2017: £31,754) was owed by Watergate Bay Hotel to Fifteen Cornwall Limited. The amount invoiced to Fifteen Cornwall Limited was £153,439 (2017: £157,353), broken down as follows:

£10,757 (2017: £12,147) for management and administrative services
£38,302 (2017: £45,146) for goods purchased on behalf of Fifteen Cornwall Limited
£104,380 (2017: £100,060) for rent of restaurant, office areas and car parking spaces

Fifteen Cornwall Limited invoiced Watergate Bay Hotel Limited £137,365 (2017: £151,254) during the year, as follows:

£135,633 (2017: £146,923) for Hotel guests dining in the restaurant
£1,731 (2017: £4,331) for goods purchased on behalf of Watergate Bay Hotel

During the year, Fifteen Cornwall Limited traded with Graeme Blakeburn, husband of Judith Blakeburn (director of Fifteen Cornwall Limited). The amount invoiced to Fifteen Cornwall Limited was £10,037 (2017: £9,952) in respect of IT support. At the year end, £576 (2017: £1,152) was owed to Graeme Blakeburn by Fifteen Cornwall Limited.

During the year, Fifteen Cornwall Limited paid amounts totalling £NIL (2017: £825) for business advice to Lynher Dairies Cheese Co. Limited, a company in which Catherine Mead is also a director. At the year end £NIL (2017: £NIL) was owed to Lynher Dairies Cheese Co. Limited by Fifteen Cornwall Limited.

Total key management personnel remuneration paid by the charity for the year was £66,300 (2017: £67,437).