

COMPANY REGISTRATION NUMBER: 03524187
CHARITY REGISTRATION NUMBER: 1075525

Breadline Africa
Company Limited by Guarantee
Financial statements
31 March 2021

Breadline Africa

Company Limited by Guarantee

Financial statements

Period from 6 April 2020 to 31 March 2021

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Breadline Africa

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report)

Period from 6 April 2020 to 31 March 2021

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the period ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Companies Act 2006 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 published in October 2019.

Reference and administrative details

Registered charity name	Breadline Africa
Charity registration number	1075525
Company registration number	03524187
Principal office and registered office	29 Lower Brook Street Ipswich Suffolk IP4 1AQ

The trustees

The trustees who served during the period and at the date of approval were as follows:

P Attard Montalto
A Chisholm
Sir R Dunbar
B Elwes
S Lalor
L Seligman
J Sellars (appointed 24 February 2021)
R Sellars
AM Smyth
PJ Smyth
P Wallis (resigned 19 February 2021)

Auditor	Lovewell Blake LLP Chartered accountants & statutory auditor Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB
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Bankers	Barclays Bank Plc Ipswich IP1 1PB
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Breadline Africa

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Period from 6 April 2020 to 31 March 2021

	Santander UK PLC 2nd Floor Bell Hotel 5 Orford Hill Norwich NR1 3QB
Solicitors	Bates Wells Braithewaite Queen Street Place London EC4R 1BE

Breadline Africa

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Period from 6 April 2020 to 31 March 2021

Objectives and activities

The charity's objective is to promote in Africa any purpose which is charitable according to the laws of England and Wales and but not exclusively the relief of poverty.

The principal activity is the provision of converted shipping containers, prefabricated and alternative infrastructure units for poverty relief in Southern Africa in under-resourced communities. In recent years, Breadline Africa has focused its attention on infrastructure projects that benefit early childhood development (i.e. pre-schools that provide educational support to children between the ages of one and six years), as well as primary school learners. Structures include toilets, kitchens and classrooms in pre-schools and libraries and feeding kitchens in primary schools.

Although Breadline Africa's primary focus is on providing infrastructure solutions to further educational outcomes, we also support feeding initiatives and outings for young children.

The trustees have had regard to the Charity Commission's general guidance on public benefit in planning and carrying out the charity's activities during the year.

Achievements and performance

We have continued our extensive fundraising programme, largely through direct mail appeals sent from South Africa to the UK and are also actively seeking additional ways of raising funds. Our sister charity, Breadline Africa RSA, has continued to provide infrastructure for the education of children and poverty alleviation in disadvantaged communities and they have raised additional funds from South African individuals, companies and grant foundations.

During the year, Breadline Africa placed 118 infrastructure units which included 7 libraries; 35 Early Childhood Development (ECD/pre-school) units consisting of kitchens, classrooms and toilets; 39 Brick and Mortar classrooms; 10 classroom libraries and 27 versatile units. This is an increase of almost 40 units from the previous year. This has helped us to impact and improve the learning environment of over 140,000 young children to date.

During the RSA COVID-19 lockdown, Breadline Africa RSA switched over to emergency feeding and started supporting beneficiaries through the provision of ingredients and food parcels. We were able to use our infrastructure, networks, staff, partners, volunteers and other resources to quickly spring into action, reaching out to support those who were experiencing dire hunger. The initial beneficiaries were those who had received container kitchens in the past. This then extended to other organisations feeding young children and vulnerable people. Through this initiative we have managed to provide over 2 million meals, while also distributing over 5,000 food parcels to vulnerable families and received over ZAR3.2mn in Donations in Kind.

Our newsletters have highlighted several of the developmental projects undertaken during the year, which have maintained the themes pursued in earlier years. These have included classrooms and toilets for increased numbers of children in pre-schools, kitchens to provide daily meals for children and libraries for primary school children.

We have continued our strategy of working with community-based organisations that are also supported by other resource and training partners. These partners contribute towards the long-term success and sustainability of our beneficiary organisations by ensuring that staff and children have ongoing access to teaching and learning materials, literacy resources, educational toys, on-site staff training and mentoring and or nutritional support. All our libraries are all placed in partnership with a literacy partner such as Room to Read, Shine Literacy and/or help2read.

All projects applying for funds are screened by Breadline Africa RSA staff to ensure that they meet agreed standards and criteria, and implementation is tracked via a monitoring and evaluation process.

Breadline Africa

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Period from 6 April 2020 to 31 March 2021

Achievements and performance *(continued)*

COVID-19 Impact on Business Operations

Following the announcement in South Africa to close all pre-schools and schools in March 2020, our fundraising focus switched to the feeding of young children as their access to school feeding schemes and pre-school meals was stopped. There are seven million children under the age of six in South Africa and 65% live in households below the poverty line. Many parents who were employed have not been earning during the national lockdown and have been unable to buy food for their families. We grew from 12 to 44 community projects during the financial year, supporting up to 80,000 meals per week at one stage. This enabled us to raise substantial funding thanks to very generous donations from our international donors, trustees and their connections. Strong social media posts, TV coverage and media interviews also boosted our income.

The pandemic continues to have a considerable impact across South Africa, and the need for food has not diminished. We remain committed to continuing to feed the most vulnerable for as long as we can. Our ability to switch the organisation to emergency feeding during the lockdown, has raised sufficient income without the need to use any reserve funds.

Financial review

During the year, funds from new donors increased as a result of the strong response to appeals related to COVID-19. We value the support from our well-established and loyal donor base which provided a major part of our funding and is vitally important to fund the ongoing work of the charity. Our direct mail activities comply with the Code of Fundraising Practice and align to the General Data Protection Policy. This year we once again received significant funds from legacies and have seen an increase in online giving and donations.

The continued increase in grant distribution to South Africa reflects the increased number of infrastructure units placed in impoverished communities.

Reserves policy

All net funds raised during the financial year are allocated to infrastructure and other projects as well as to the sustainability of the charity. The trustees maintain an operating reserve ("the Operational Reserve") to ensure the continuity of the charity in situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding or uninsured losses.

During the financial year, the majority of the Operational Reserve was transferred to our sister charity Breadline Africa RSA. This is to be held as the Operational Reserve in their books and reflects the fact that the vast majority of Breadline Africa's work is carried out by them in South Africa. A sum sufficient to cover the operational expenses of Breadline Africa UK will continue to be maintained in the books of the charity.

The reserve of £23,000 covers six months operational costs as indicated in note 14 on page 20.

Plans for future periods

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the agreed aims and objectives. Breadline Africa will continue to support social welfare and development projects that meet our criteria and to explore ways of innovating and improving fundraising effectiveness to ensure future sustainability.

Breadline Africa

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Period from 6 April 2020 to 31 March 2021

Structure, governance and management

Governing document

The charity is constituted as a company limited by guarantee, and was incorporated under the Companies Acts 1985 to 2006. It is governed by the terms of the Memorandum and Articles adopted on 17th December 2010. It has no share capital and in the event of liquidation the liability of the members is limited to £10 each. The company is registered as a charity by the Charity Commission, under registration number 1075525.

Appointment, induction and training of trustees

The overall governance and financial responsibility is vested in the trustees. The current trustees and details of the appointments and retirements during the year are as set out on page 1.

The trustees are also directors of the charity for the purposes of company law. Trustees holding an executive office are exempted from the requirement to retire by rotation. Further trustees may be appointed at any time, at the discretion of the trustees.

Many of the current trustees have been involved with the organisation for a number of years and are familiar with the practical work of the charity. New trustees are invited to a meeting with the Chairman at which details of the charity and the context within which it operates are provided, including:

- The obligations of the trustees;
- The operational framework of the charity including the Memorandum and Articles of Association;
- Resourcing and the current financial position including the latest published and management accounts;
- Future plans and objectives.

Risk Management

The trustees have identified the major risks facing the charity and have assessed their potential impact. Appropriate systems have been established to monitor and mitigate these risks.

Organisational structure

The trustee board comprises of a minimum of 3 members who meet annually and are responsible for the strategic direction and policy of the charity. At present the board has 10 members from a variety of backgrounds relevant to the work of the charity. The trustees have sole discretion over the award of grants from the charity's funds.

The charity's fund-raising operation and project management is administered in South Africa by Breadline Africa RSA, a sister charity registered in South Africa.

Trustees' responsibilities statement

The trustees (who are also directors 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 for that period.

Breadline Africa

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Period from 6 April 2020 to 31 March 2021

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 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 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

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The trustees' annual report was approved on 2 August 2021 and signed on behalf of the board of trustees by:

Sir R Dunbar
Trustee

Breadline Africa

Company Limited by Guarantee

Independent auditor's report to the members of Breadline Africa

Period from 6 April 2020 to 31 March 2021

Opinion

We have audited the financial statements of Breadline Africa (the 'charity') for the period ended 31 March 2021 which comprise the statement of financial activities (including income and expenditure account), balance sheet, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Breadline Africa

Company Limited by Guarantee

Independent auditor's report to the members of Breadline Africa *(continued)*

Period from 6 April 2020 to 31 March 2021

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Opinions 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 period for which the financial statements are prepared is consistent with the financial statements; and
- 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 the knowledge and understanding of the charity 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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

Breadline Africa

Company Limited by Guarantee

Independent auditor's report to the members of Breadline Africa *(continued)*

Period from 6 April 2020 to 31 March 2021

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In addition to discussions with the client regarding the potential areas for irregularities and non compliance the following tests were also performed;

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and other authorities.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and Employment law.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Because of the inherent limitations of an audit, there is a 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.

Breadline Africa

Company Limited by Guarantee

Independent auditor's report to the members of Breadline Africa *(continued)*

Period from 6 April 2020 to 31 March 2021

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 auditor's report.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Proctor FCA DChA (Senior Statutory Auditor)

For and on behalf of
Lovewell Blake LLP
Chartered accountants & statutory auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

5 August 2021

Breadline Africa

Company Limited by Guarantee

Statement of financial activities (including income and expenditure account)

Period from 6 April 2020 to 31 March 2021

		Period from 6 Apr 20 to 31 Mar 21			Year to 5 Apr 20
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	919,919	25,309	945,228	672,207
Investment income	6	14,525	–	14,525	60,481
Other income	7	524	–	524	–
Total income		<u>934,968</u>	<u>25,309</u>	<u>960,277</u>	<u>732,688</u>
Expenditure					
Raising funds					
Costs of raising donations and legacies	8	(14,719)	–	(14,719)	(218,871)
Charitable activities	9	(1,385,518)	(42,348)	(1,427,866)	(1,452,313)
Total expenditure		<u>(1,400,237)</u>	<u>(42,348)</u>	<u>(1,442,585)</u>	<u>(1,671,184)</u>
Net expenditure and net movement in funds		<u>(465,269)</u>	<u>(17,039)</u>	<u>(482,308)</u>	<u>(938,496)</u>
Reconciliation of funds					
Total funds brought forward		488,269	17,039	505,308	1,443,804
Total funds carried forward		<u>23,000</u>	<u>–</u>	<u>23,000</u>	<u>505,308</u>

The statement of financial activities includes all gains and losses recognised in the period.
All income and expenditure derive from continuing activities.

The notes on pages 14 to 23 form part of these financial statements.

Breadline Africa

Company Limited by Guarantee

Balance sheet

31 March 2021

	Note	31 Mar 21 £	£	5 Apr 20 £	£
Current assets					
Debtors	13	115,287		18,887	
Cash at bank and in hand		46,693		574,768	
		<u>161,980</u>		<u>593,655</u>	
Creditors: Amounts falling due within one year	14	<u>(138,980)</u>		<u>(88,347)</u>	
Net current assets			23,000		505,308
Total assets less current liabilities			<u>23,000</u>		<u>505,308</u>
Net assets			<u>23,000</u>		<u>505,308</u>
Funds of the charity					
Restricted funds			—		17,039
Unrestricted funds			23,000		488,269
Total charity funds	15		<u>23,000</u>		<u>505,308</u>

These financial statements were approved by the board of trustees and authorised for issue on 2 August 2021, and are signed on behalf of the board by:

Sir R Dunbar
Trustee

Company registration number: 03524187

The notes on pages 14 to 23 form part of these financial statements.

Breadline Africa

Company Limited by Guarantee

Statement of cash flows

Period from 6 April 2020 to 31 March 2021

	31 Mar 21 £	5 Apr 20 £
Cash flows from operating activities		
Net expenditure	(482,308)	(938,496)
<i>Adjustments for:</i>		
Other interest receivable and similar income	(14,525)	(60,481)
<i>Changes in:</i>		
Trade and other debtors	(96,400)	90,748
Trade and other creditors	50,633	78,519
Cash generated from operations	(542,600)	(829,710)
Interest received	14,525	60,481
Net cash used in operating activities	(528,075)	(769,229)
Net decrease in cash and cash equivalents	(528,075)	(769,229)
Cash and cash equivalents at beginning of period	574,768	1,343,997
Cash and cash equivalents at end of period	46,693	574,768

The notes on pages 14 to 23 form part of these financial statements.

Breadline Africa

Company Limited by Guarantee

Notes to the financial statements

Period from 6 April 2020 to 31 March 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 29 Lower Brook Street, Ipswich, Suffolk, IP4 1AQ.

2. Statement of compliance

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

Change in accounting period

The end of the accounting period was shortened from 5 April 2021 to 31 March 2021. This was done to bring the year end of the charity in line with Breadline Africa RSA. As a result of the change, comparative values are not entirely comparable. The charity had legal authority to amend the reporting period and has notified both Companies House and the Charity Commission.

Going concern

The accounts have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient for the charity to be able to continue as a going concern.

The Trustees have taken into account the impact of Covid-19 when assessing going concern.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Breadline Africa

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Period from 6 April 2020 to 31 March 2021

3. Accounting policies *(continued)*

Foreign currencies

In previous years, the assets and liabilities and income and expenditure arising in South Africa are accounted for as a foreign branch in accordance with the provisions of FRS102 and were translated at the closing exchange rate. Due to the operational changes mentioned in the basis of consolidation, the South African figures are no longer included in these accounts. Exchange differences arising on the retranslation of the opening net assets for consolidation purposes are included in the Statement of Financial Activities.

The exchange rates used in these financial statements are as follows:

31 March 2021: £1 = ZAR N/A	£1 = EUR 1.17
5 April 2020: £1 = ZAR 22.15	£1 = EUR 1.13

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

Income

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

Breadline Africa

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Period from 6 April 2020 to 31 March 2021

3. Accounting policies *(continued)*

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

4. Limited by guarantee

The charity is a company limited by guarantee and does not have share capital. Every member of the charity undertakes to contribute such amounts (not exceeding £10) as may be required in the event of a winding up.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	726,945	25,309	752,254
Legacies			
Legacies	192,974	—	192,974
	<u>919,919</u>	<u>25,309</u>	<u>945,228</u>

Breadline Africa

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Period from 6 April 2020 to 31 March 2021

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations	532,079	38,688	570,767
Legacies			
Legacies	101,440	—	101,440
	<u>633,519</u>	<u>38,688</u>	<u>672,207</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Interest receivable	<u>14,525</u>	<u>14,525</u>	<u>60,481</u>	<u>60,481</u>

7. Other income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Coronavirus job retention scheme grant	<u>524</u>	<u>524</u>	<u>—</u>	<u>—</u>

8. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donor acquisition and renewal	—	—	44,097	44,097
Mail handling charges and fees	14,719	14,719	160,003	160,003
Printing and stationery	—	—	14,771	14,771
	<u>14,719</u>	<u>14,719</u>	<u>218,871</u>	<u>218,871</u>

Breadline Africa

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Period from 6 April 2020 to 31 March 2021

9. Expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Breadline Africa RSA	1,316,373	–	1,316,373
Container projects	–	–	–
Restricted fund grants	–	42,348	42,348
Breadline Africa Endowment fund	–	–	–
Support costs	69,145	–	69,145
	<u>1,385,518</u>	<u>42,348</u>	<u>1,427,866</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Breadline Africa RSA	144,091	–	144,091
Container projects	382,747	–	382,747
Restricted fund grants	–	20,192	20,192
Breadline Africa Endowment fund	631,969	–	631,969
Support costs	273,549	(235)	273,314
	<u>1,432,356</u>	<u>19,957</u>	<u>1,452,313</u>

Analysis of Support costs

	2021 £	2020 £
Staff costs:		
Wages and salaries	41,185	40,987
Office expenses:		
Computer costs, rent, telephone, postage, stationery and bank charges	19,824	16,895
Foreign exchange losses	–	208,855
Audit and accountancy fees	8,136	6,577
	<u>69,145</u>	<u>273,314</u>

10. Net expenditure

Net expenditure is stated after charging/(crediting):

	31 Mar 21 £	5 Apr 20 £
Foreign exchange differences	–	208,855
Audit fees	5,089	5,520
Accountancy and other services	<u>3,047</u>	<u>1,057</u>

Breadline Africa

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Period from 6 April 2020 to 31 March 2021

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	<u>49,470</u>	<u>48,952</u>

The average head count of employees during the year was 4 (2020: 4).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

12. Trustee remuneration and expenses

No trustee received remuneration or expenses during the year or the prior year.

13. Debtors

	31 Mar 21	5 Apr 20
	£	£
Prepayments and accrued income	87,486	13,141
Other debtors	<u>27,801</u>	<u>5,746</u>
	<u>115,287</u>	<u>18,887</u>

The debtors above include the following amounts falling due after more than one year:

	31 Mar 21	5 Apr 20
	£	£
Other debtors	<u>23,000</u>	<u>–</u>

The other debtor due after more than one year relates to the operational reserve held by Breadline Africa RSA.

The charity has been notified of additional legacies which have not been accrued for within the accounts as there is ongoing uncertainty over the value to be received.

14. Creditors: Amounts falling due within one year

	31 Mar 21	5 Apr 20
	£	£
Accruals	7,782	5,520
Other creditors	<u>131,198</u>	<u>82,827</u>
	<u>138,980</u>	<u>88,347</u>

Breadline Africa

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Period from 6 April 2020 to 31 March 2021

15. Analysis of charitable funds

Designated funds

2021

	Balance at 5 April 2020 £	Income £	Expenditure £	Transfer £	Balance at 31 March 2021 £
Operating reserve	<u>270,880</u>	<u>–</u>	<u>(247,880)</u>	<u>–</u>	<u>23,000</u>

2020

	Balance at 5 April 2019 £	Income £	Expenditure £	Transfer £	Balance at 5 April 2020 £
Operating reserve	<u>317,292</u>	<u>–</u>	<u>–</u>	<u>(46,412)</u>	<u>270,880</u>

During the year, the majority of the Operational Reserve was transferred to our sister charity Breadline Africa RSA. The remaining balance covers the operational costs as mentioned in the reserves policy within the trustees report.

General funds

2021

	Balance at 5 April 2020 £	Income £	Expenditure £	Transfer £	Balance at 31 March 2021 £
General fund	<u>217,389</u>	<u>934,968</u>	<u>(1,152,357)</u>	<u>–</u>	<u>–</u>

2020

	Balance at 5 April 2019 £	Income £	Expenditure £	Transfer £	Balance at 5 April 2020 £
General fund	<u>1,128,204</u>	<u>694,000</u>	<u>(1,651,227)</u>	<u>46,412</u>	<u>217,389</u>

General fund expenditure for the year, amounting to £1,152,357 (2020: £1,442,137), is shown above together with foreign currency losses totalling £Nil (2020: £209,090).

Breadline Africa

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Period from 6 April 2020 to 31 March 2021

Restricted funds

2021

	Balance at 5 April 2020	Income	Expenditure	Balance at 31 March 2021
	£	£	£	£
Container projects	17,039	13,185	(30,224)	–
Feeding projects	–	12,124	(12,124)	–
	<u>17,039</u>	<u>25,309</u>	<u>(42,348)</u>	<u>–</u>

2020

	Balance at 5 April 2019	Income	Expenditure	Balance at 5 April 2020
	£	£	£	£
Container projects	(1,854)	38,688	(19,795)	17,039
Children's projects	162	–	(162)	–
	<u>(1,692)</u>	<u>38,688</u>	<u>(19,957)</u>	<u>17,039</u>

All of the restricted funds above relate to particular social welfare and development projects. Restricted fund expenditure for the year above includes foreign currency gains totalling £Nil (2020: £235 foreign currency losses).

Breadline Africa

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Period from 6 April 2020 to 31 March 2021

16. Analysis of net assets between funds

Period ended 31 March 2021

	Current Assets £	Current Liabilities £	Total £
Unrestricted Income Funds			
Designated Funds	23,000	–	23,000
General Funds	138,980	(138,980)	–
	<u>161,980</u>	<u>(138,980)</u>	<u>23,000</u>

Year ended 5 April 2020

	Current Assets £	Current Liabilities £	Total £
Restricted Income Funds			
Container projects	17,039	–	17,039
	<u>17,039</u>	<u>–</u>	<u>17,039</u>
Unrestricted Income Funds			
Designated Funds	270,880	–	270,880
General Funds	305,736	(88,347)	217,389
	<u>593,655</u>	<u>(88,347)</u>	<u>505,308</u>

17. Analysis of changes in net debt

	At 6 Apr 2020 £	Cash flows £	At 31 Mar 2021 £
Cash at bank and in hand	<u>574,768</u>	<u>(528,075)</u>	<u>46,693</u>

Breadline Africa

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Period from 6 April 2020 to 31 March 2021

18. Related parties

The charity paid grants during the year of £1,358,721 (2020: £553,198) to Breadline Africa, RSA, a sister charity registered in South Africa, towards the costs of social welfare and development projects which it operates and manages. Included within other creditors at the year end is £128,935 (2020: £79,462) owed by Breadline Africa to Breadline Africa RSA.

The charity paid a grant of £nil (2020: £631,969) to Breadline Africa Endowment Fund, a subsidiary charity of the sister charity Breadline Africa RSA. The initial transfer of funds will provide a core reserve for the endowment fund which is hoped will generate sufficient investment income to cover the administration costs of running the charity, thus allowing a higher proportion of donations to be spent on projects. The trustees of the charity who are also directors of Breadline Africa Endowment Fund are P Attard Montalto and B Elwes.

The charity recharged rent and other office costs totalling £1,092 (2020: £1,740) to Grow Peace, a charity with trustees in common with the charity. Included within other debtors at the year end is £nil (2020: £146) owed by Grow Peace to the charity.

During the year unrestricted donations of £4,473 (2020: £3,473) were received from 6 (2020: 7) trustees and restricted donations of £nil (2020: £nil) from trustees.