MAGIC BREAKFAST

England & Wales · Charity number 1102510

Details

Status	Registered
Legal form	Charitable company
Company number	04977015
Registered	2004-03-05
Register	View on the Charity Commission register

Contact

Address	Magic Breakfast 42-46 Princelet Street London E1 5LP
Phone	02078365434
Email	info@magicbreakfast.com
Website	www.magicbreakfast.com

Activities

Objects: THE OBJECTS OF THE CHARITY ARE(A) THE RELIEF OF POVERTY DISTRESS OR SUFFERING AND IN PARTICULAR (BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING) BY PROVIDING FOOD TO CHILDREN IN NEED AT THE START OF THE SCHOOL DAY; AND(B) THE ADVANCEMENT OF EDUCATION OF THE GENERAL PUBLIC AND IN PARTICULAR (BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING) THE INCREASE OF THEIR KNOWLEDGE UNDERSTANDING AND APPRECIATION IN RELATION TO THE SCIENCE OF NUTRITION AND HEALTHY EATING HABITS.

Activities: Magic Breakfast's aim is to alleviate child hunger and poverty as a barrier to education through the provision of healthy breakfasts to children across England and Scotland. This is being achieved through three key activities: food aid, building capacity in school communities to reach every child at risk of hunger and making the case for change to ensure permanent funding for school breakfasts.

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Classification

- **How:** Provides Human Resources, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty
- **Who:** Children/young People

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE IN THE LONDON BOROUGH OF HACKNEY AND IN EAST AND NORTH EAST LONDON.
- Scotland
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£10,392,463	£11,400,579	£5,759,298	107
2024-08-31	£10,329,745	£9,074,516	£6,683,219	94
2023-08-31	£10,506,654	£7,667,958	£5,427,990	85
2022-08-31	£7,491,970	£8,939,204	£2,589,295	77
2021-08-31	£9,011,871	£8,316,044	£4,036,529	64

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Trustees

Name	Role	Appointed
Aniela Shuckburgh	Chair	2018-11-30
Andrienne d'Arenberg		2020-09-25
Cllr Alison Inglis-Jones		2019-03-05
Dominic Hawkins		2026-04-17
Emma Jane West		2019-09-17
Jonathan Boateng		2024-06-20
Julie Harkness		2022-06-22
Julie-Anne Jamieson		2024-01-18
Phil Davies		2018-10-16
Richard Lackmann		2020-09-25
Varsha Venugopal		2019-01-04
Zipporah Kissi		2024-06-20

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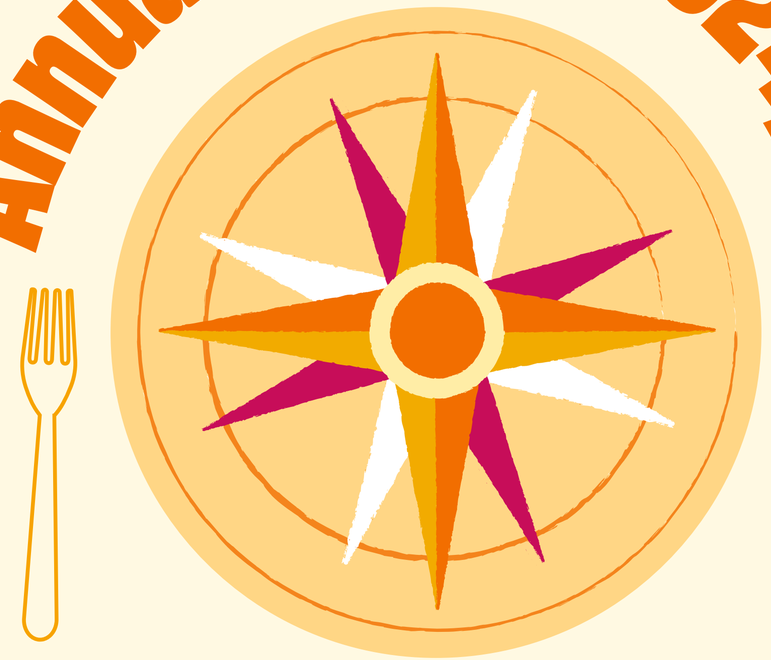
MAGIC BREAKFAST

England & Wales - Charity number 1102510

Accounts

magic breakfast
fuel for learning

Annual Report 2024/25









Reference and administrative details

Charity name: Magic Breakfast

Charity registration numbers: 1102510 (England and Wales) and SC048202 (Scotland)

Company registration number: 04977015

Registered office

Fora
42-46 Princelet Street
London
E1 5LP

Principal operating office

Fora
42-46 Princelet Street
London
E1 5LP

Board of Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Chair and Vice Chair

Aniela Shuckburgh, Chair
Alison Inglis-Jones, Vice Chair

Board members

Andrienne d'Arenberg
Emma West
Jonathan Boateng
Julie Harkness
Julie-Anne Jamieson
Michael Honan (to 29 January 2026)
Phil Davies
Richard Lackmann
Varsha Venugopal
Zipporah Kissi

Board advisors

Dominic Hawkins
Fiona Zeka (resigned 7 April 2025)
Sophie Balmer

Senior Leadership Team

Chief Executive Officer
Lindsey MacDonald

Head of Finance and Technology
Anthony Eckersley (to 31 March 2025)

Director of Finance and Technology
Stuart Fox (from 16 June 2025)

Director of People and Culture
Alan Mustafa

Director of Fundraising and Development
Emily Wilkie

Director of Policy and Engagement
Jacquie Bance de Vasquez

Director of Service Delivery
Rhian Thompson (from 1 October 2024)

Professional advisors

Bankers
The Royal Bank of Scotland
London Drummonds
49 Charing Cross
Admiralty Arch
London
SW1A 2DX

Independent auditors
Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
110 Golden Lane
London
EC1Y 0TG

Investment managers
Rathbones Greenbank
30 Gresham Street
London
EC2V 7QN

Legal advisors
Bates Wells
10 Queen Street Place
London
EC4R 1BE

The trustees present their report and the audited financial statements for the year ended 31 August 2025.

Reference and administrative information set out on page 2 forms part of this report. The financial statements, including the strategic report, comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.





Welcome to our

Annual Report 2024/25

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Magic Breakfast
Annual Report 2024/25

Introduction

Travelling uncharted territory: A new landscape

Steering with intention: Chair's letter

Charting a journey of impact and growth: CEO's report



Travelling uncharted territory: A new landscape



September 2024:
The Government announces the Early Adopters Scheme, bringing opportunity to expand our breakfast provision funded by government.

October 2024:
A record 1 in 5 children are facing hunger and hardship across the UK. (Trussell)

November 2024:
Schools are invited to apply to the Early Adopters Scheme.

December 2024:
Scottish Government announces £3 million fund for 'Bright Start Breakfasts' in their draft budget. Introduction of the Children's Wellbeing and Schools Bill to parliament.

February 2025:
750 schools are recruited to the Early Adopters Scheme. The Department for Education tenders for school engagement advisors to support schools on the Early Adopters Scheme. Nine advisors appointed, of the total 19, are from Magic Breakfast.

March 2025:
The Children's Wellbeing and Schools Bill progresses to the House of Lords.

May 2025:
Inspiring Scotland opens applications for the Bright Start Breakfasts fund.

June 2025:
Magic Breakfast celebrates successful applications to support four new Scottish schools through Bright Start Breakfasts, plus a fifth school in partnership with a local authority.

August 2025:
Food inflation reaches 5.1%, up from the most recent low of 1.3% in August 2024, putting increased pressure on families, school budgets and further increasing the demand for food from our membership schools.

August 2025:
The Government announces a tender for businesses to sponsor the Early Adopters Scheme. Magic Breakfast is one of four organisations selected, bringing together our charity's supply chain to support schools on the pilot with affordable, nutritious breakfast food – delivered to their gates.

Steering with intention

Chair's letter

This has been a year of uncertainty, complexity, and opportunity.

Across the country, schools, families, and charities have continued to face rising costs, shifting policy landscapes, and persistent inequality. For Magic Breakfast, these challenges have been real and present, but they have also strengthened our resolve. We have steered through them with intention, guided by our mission that no child or young person should be too hungry to learn.

The board and leadership team have worked closely together to navigate difficult decisions, balancing our duty to protect the charity's long-term sustainability with our responsibility to respond to urgent need. That has meant making deliberate use of reserves, continuing to invest in infrastructure and preparing for primary school national rollout in England so that more schools and pupils can benefit from breakfast provision. It has seen us commission research into secondary schools, ensuring we understand the specific challenges and opportunities for schools and design breakfast provision with young people that they want to access. It has also meant holding fast to our values, ensuring that how we work remains as important as what we deliver.

We know that none of this would have been possible without the extraordinary commitment of our partner schools. Every day, teachers and school staff go the extra mile to make sure children and young people start the day ready to learn and we are deeply grateful for their partnership. To our funders, supporters and volunteers: thank you for standing with us. Your belief in our mission has given us the confidence to take bold steps and the resilience to weather the pressures of a challenging year.

This year also marks a moment of celebration. We have developed Nourishing Futures, our strategy for 2040 and our business plan for the next three years. To have won the Charity Times' Charity of the Year (income over £10 million) is recognition not only of Magic Breakfast's impact throughout the 2022-2025 business plan, but of the collective effort of everyone who has played a part. It is a reminder of how far we have come, and of the vital importance of the mission that lies ahead.

Looking forward, there is still much to do. Poverty, hunger, and entrenched inequalities continue to blight the lives of too many children and young people in the UK. Yet we enter the next chapter with clarity and conviction, knowing that the progress we have made has laid the foundations for even greater impact. With a strong leadership team, a dedicated staff, community of partners, and a growing movement behind us, I am confident that Magic Breakfast will continue to lead the way.

On behalf of the board, thank you for everything you have done to support our mission. Together, we will continue to champion breakfast and are closer than ever to a future where every child and young person is nourished, empowered and thriving.



With gratitude,

Aniela Shuckburgh,
Magic Breakfast Chair

Magic Breakfast exists to end morning hunger as a barrier to learning for children and young people in the UK.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

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



Charting a journey of impact and growth

CEO's report

Magic Breakfast is the UK's leading expert on school breakfast provision. For over 20 years, we have worked alongside schools to ensure children and young people start their day in a nurturing environment and with the nutrition they need to learn, grow, and thrive. As we draw our 2022-25 business plan to a close, I am proud to share how we have turned challenge into opportunity, strengthened our foundations, and delivered real impact for children and young people.

Our strategy was guided by three goals: reaching as many pupils at risk of hunger as possible, building a movement to end child morning hunger, and operating efficiently, responsibly, and collaboratively. Each of these has been advanced over the past three years. From stabilising in 2022, we have steadily grown provision, fuelled by innovation such as the Magic Menu, which expanded food choices, boosted nutrition and cut waste. In the past year we have recruited a further 156 new schools and expanded access to nourishing breakfasts to make an impact for over 350,000 pupils every day.

We have also remained steadfast in our advocacy, ensuring that the issue of child morning hunger stayed firmly on the political agenda. We worked with members of Parliament and peers, seeking to ensure that the Children's Wellbeing and Schools Bill cemented a right for no pupil to be too hungry to learn. Campaigns such as Breakfast Powers Opportunity and Breakfast Can't Wait gave voice to children's hopes and expectations in both Westminster and Holyrood, demonstrating that breakfast is not just about food, but about opportunity, equity and life chances.

We strengthened our financial resilience whilst remaining within our reserves policy target range, finishing this year with 5.5 months' unrestricted reserves. Over the past three years, public sector income rose from £90,000 to £739,000 per year, with local authority and government contracts in England and Scotland. This has given us the experience and track record to pave the way for larger public sector contracts. With an eye to national policies and the potential for a universal rollout to primary pupils in England, we are positioning the organisation to scale rapidly and sustainably.

At the same time, continued funding is essential to deliver our current work and to make sure no child or young person misses out. We know that promises don't fill tummies, and that more than 1,000 schools are relying on us to provide nourishing breakfasts to their pupils, every morning. We will hold governments to account for the promises they make. We anticipate that we will need to maintain charitable provision in primary schools in England for at least another two years.



Continued funding is essential to deliver our current work and to make sure no child or young person misses out. We know that promises don't fill tummies, and that more than 1,000 schools are relying on us to provide nourishing breakfasts to their pupils, every morning.





As we set out last year, whether because national policies do not yet reach some pupils or because they fall outside policies' scope, we remain committed to shining a light on children and young people in English nurseries and secondary schools, and all young Scots.

Looking ahead, we are determined to address *Hidden Hunger* and close gaps and remove stigma and barriers where they exist.

The impact we delivered in 2024/25 was only possible because of our people. Our staff bring passion, skill, and commitment every day, and I am delighted that we achieved and sustained 80% staff engagement in 2024. We also saw 385 volunteers from our corporate partners take part in our volunteering programmes - 100% of those surveyed said they would recommend the programme, and 100% of schools shared that they would like to be involved again next year. Alongside this, our equity, diversity and inclusion strategy has helped ensure that the voices of pupils and teachers are increasingly informing and driving Magic Breakfast's work. This is central in our new strategy, Nourishing Futures, as we continue to put fairness and inclusion at the heart of our mission.

At the same time, we recognise the challenges we must continue to navigate: reliance on voluntary income, the compounded strains of rising costs and rising need, and the complexity of a rapidly evolving policy landscape while maintaining efficiency. Yet our strengths - our robust evidence base, values-driven culture, and track record of innovation - position us well to embrace the opportunities ahead. With national policy momentum building, growing public awareness of hunger and inequality in our classrooms, and new strategic partnerships emerging, there has never been a more vital moment for our work.

As we step into our next business plan cycle (2025-28), we do so with optimism, focus, and ambition. Our commitment is to relentlessly focus on the benefits of breakfasts being realised through national policies and making all school breakfasts magical.

In opening our Annual Report for 2024/25, I want to emphasise our gratitude to everyone who stands alongside us - our partner schools, funders and supporters. Most importantly, I want to thank the children and young people whose experiences and views guide and inspire us. With your backing and belief, Magic Breakfast will seize the moment we have to make a meaningful and lasting difference in every community, in every classroom, for every child.

Our commitment is to relentlessly focus on the benefits of breakfasts being realised through national policies and making all school breakfasts magical.



Lindsey MacDonald,
Chief Executive Officer

Magic Breakfast
Annual Report 2024/25

Staying the course

Providing breakfasts: every school day

Our year in numbers: A financial dashboard

Our year in numbers: A financial review

Breakfast is an anchor: A family's story



Providing breakfasts
Every school day

A critical role for Magic Breakfast is to deliver food, every single day, to enable children to start their day ready to learn and thrive.

This year we've seen demand increase, and we are now impacting 370,000 children and young people across 1,073 schools each day. Meeting this daily need is core to who we are, and is fuelling young bodies and minds, changing lives and shaping futures.

This year we moved to a new distributor, MWW (Minor, Weir and Willis Ltd.), to strengthen our ability to deliver fresh and refrigerated products. As partners of the Government's School Fruit and Vegetable Scheme, they bring expertise, an established footprint in the sector, and allow us to expand the choice and variety of our food products.

We continue to test and learn to further improve our programme and impact. In secondary schools, we have tested student-led approaches to reduce costs, create opportunities for students, and increase uptake and impact. To keep provision rooted in children's experience, we've also introduced a feedback loop that allows us to hear children and young people's voices and views so we can be more accountable to those who eat our breakfasts every day.

How did we deliver on our aims?

Following our 2024 restructure, this year focused on delivering through specialist teams and creating centres of excellence. Our community engagement team centred whole community engagement, our innovation team partnered with schools to trial ways to boost breakfast uptake, and our support team ensured efficient customer service. Although we didn't meet our partner school growth targets, we achieved strong progress, adding 156 schools to our roll. We also increased the number of children and young people we impact daily, exceeding our objective by 12%.



Rhian Thompson,
Director of Service Delivery

"Magic Breakfast supports all levels of Maslow's Hierarchy of Needs: from meeting children's physiological needs with a healthy breakfast, to providing a safe, predictable environment that promotes wellbeing, social connection, self-esteem and, ultimately, academic achievement. The ripple effect across attendance, concentration, and behaviour has been profound. Families report reduced morning stress, and staff consistently note improved focus and energy in the classroom. This is an initiative that feeds both body and potential – we couldn't be prouder to be part of it."

Ian Tankard, Headteacher,
Coleridge Primary School





Over 2,100 tonnes of food (the equivalent weight of about 170 double-decker buses) was delivered this year, providing millions of breakfasts for children and young people across the country!

Maximising impact through community engagement

Providing advice and support to our partner schools remains central to our approach.

In the past, we have focused engagement with schools' leaders and breakfast staff. In line with our aims for this year, we widened our approach, providing both in-person and remote support and adopting a pupil-informed, whole-school system that engaged entire communities of staff, pupils and families. Continuous evaluation of the impact of this model has evidenced its effectiveness in removing barriers and stigma, as well as successfully embedding breakfast into school culture.

One of the most powerful changes has been connecting schools facing similar challenges. School staff training has built awareness and knowledge. School staff have been equipped with tools to spot morning hunger, pupils inspired through assemblies and families engaged at school gates, fairs and sports days. Teachers report they are now looking daily for signs of hunger and intervening effectively.

We are focused on empowering everyone connected with schools, educating about the importance of breakfast to prepare for the day ahead and unlocking the potential of every child.



5,200
members of school staff reached through **254** events, increasing their knowledge and confidence by more than **15%**



84%
of pupils were inspired to eat breakfast more regularly after we engaged with **79,000** young people across **298** assemblies and workshops



53
volunteer-led enrichment activities were delivered by **385** volunteers, with plans in place for seasonal celebrations, restaurant visits, career-insight sessions and school improvement projects to continue into 2025/26



School staff understanding of identifying pupils at risk of hunger grew from
73 to 89%
while confidence in supporting them rose from **77% to 91%**

85%
of our pupils now understand how to access breakfast in their school, while **82%** recognise how it supports their learning

The proportion of children having breakfast in our schools rose by
7.8%
(against our target of **10%**)

Our long-term vision is to see communities transformed, with every child and family understanding and embracing the power of a nourishing breakfast.

Looking ahead

Government commitments to universal primary breakfasts in England are welcome, but gaps remain across England, Scotland, Wales and Northern Ireland.

We know hunger exists in early years settings and remains prevalent throughout secondary schools. With many secondary pupils excluded from government breakfast plans and the current National School Breakfast Programme due to end in July 2026, our work to deliver breakfasts in secondary schools is more urgent than ever. We currently support more than 350 schools with secondary aged pupils and Magic Breakfast is committed to filling these gaps, one breakfast at a time.

Our year in numbers
A financial summary

Decrease in unrestricted reserves – mainly due to our planned investment in providing more breakfasts.

Net position:

-£1,008,116 deficit

(2024: +£1,275,167 surplus)

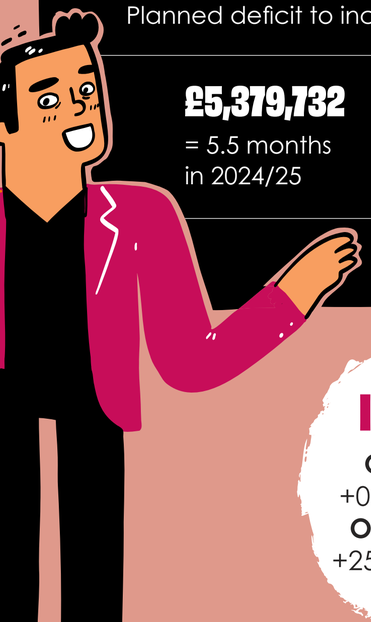
Reduction in months of reserves cover

-1.6 months

Planned deficit to increase impact

£5,379,732
= 5.5 months in 2024/25

£6,267,494
= 7.1 months in 2023/24



In 2024/25

Overall income
+0.4% (£10,392,463)
Overall outgoings
+25.6% (£11,400,579)

Income

72.1% increase in public sector funding



New and increased local authority contracts. Department for Education contract for 9 advisors

2023/24 – £429,316
2024/25 – £739,007

27.8% increase in membership income



Increased due to recruitment of new schools throughout both 2023/24 and 2024/25

2023/24 – £593,572
2024/25 – £758,541

8.5% decrease in cash fundraising



Due to a challenging economic and fundraising climate

2023/24 – £8,026,387
2024/25 – £7,346,575

2.6% decrease in donated goods, services and facilities



This includes both food and our office space

2023/24 – £1,115,484
2024/25 – £1,086,031

Outgoings

60.7% increase in paid-for food costs



Increase due to the growth in children and young people supported as well as increase in food costs

2023/24 – £1,358,169
2024/25 – £2,182,470

19.7% increase in gift in kind food costs



Enabled by the generosity of our corporate partners and concerted effort to increase uptake of gift in kind products

2023/24 – £792,365
2024/25 – £948,450

50.2% increase in warehousing and distribution costs



Increase due to the growth in children and young people supported

2023/24 – £1,278,541
2024/25 – £1,920,886

16.2% increase in staff costs



Additional colleagues to deliver our impact and increase in national insurance contributions

2023/24 – £3,984,156
2024/25 – £4,629,936

3.3% increase in all other costs



2023/24 – £1,663,280
2024/25 – £1,718,837

2024/25 is the first year that the accounts have been prepared on a group consolidated basis, so figures will not compare directly with our 2023/24 report.

Our year in numbers
A financial review



Stuart Fox, Director of Finance and Technology

To maximise our reach and deepen our impact, we planned a net investment budget for 2024/25, resulting in a deficit of £1,008,116 (2024: surplus of £1,275,167).

This was a deliberate decision to draw on our reserves to fund increased reach, growth, innovation and advocacy while staying within our reserves policy. We closed the year with 5.5 months (2024: 7.1 months) of unrestricted reserves (excluding fixed assets), maintaining financial resilience in line with our policy.

Total group income for the year increased marginally to £10,392,463 (2024: £10,351,678). Within this, cash fundraising fell by 8.5% year on year, affected by the economic environment and the impact of the National Insurance contributions increase on our corporate partners in particular. However, this reduction was fully offset by growth in other income streams.

Public sector funding rose to 7.1% of total group income (2024: 4.1%), a notable increase, driven by local authority and Department for Education contracts. Magic Breakfast is working with the Department for Education on the Early Adopters Scheme with nine advisors being seconded to support schools to implement the guidelines and capture learnings to inform the subsequent national rollout. Membership fees also grew with increased school numbers and because many transitioned into the second year of their engagement cycle with us, moving beyond the initial 50% discount period.

"The Finance Team works closely with our frontline colleagues in service delivery, advocacy and fundraising to ensure that our financial systems are robust, transparent and inclusive. Ensuring our collective focus remains on the effective management of funds to consistently support our mission keeping children and young people at the heart of everything we do."

Tusa Femiola, Financial Reporting Manager

Providing more breakfasts to children and young people naturally resulted in higher operational costs, as we deployed more of our resources to meet rising demand.

Overall, expenditure increased to £11,400,579 (2024: £9,076,511), driven by this expanded reach, our investment in fundraising (for future sustainability) and as a consequence of prevailing inflationary pressures across all areas.

To mitigate inflationary pressures in particular, we maintained tight control over discretionary spending, ensuring that resources were channelled into essential services and strategic priorities. This included proactively strengthening our operational capacity to support the anticipated national rollout of free breakfast provision for all primary pupils in England. Through targeted spending in technology and staffing we will be well positioned to scale rapidly and flexibly. This disciplined approach has helped preserve financial resilience while sustaining impact across our programmes.

Looking to the next financial year, we have developed a plan (see page 30) that includes:

- **Further investment in breakfast delivery**: We plan to further increase our total number of breakfasts provided by approximately 5%.
- **Investment in systems change and enabling young people**: Newer areas of our strategy, that become increasingly important after the expected national rollout of breakfasts to primary aged children.
- **Investing to enable scale**: We will continue to allocate resources toward initiatives that improve delivery efficiency and prepare us for rapid scale-up, in line with the confirmed national rollout in England, should Magic Breakfast choose to participate.
- **Readiness for public contracts**: Our success in securing just under 50% of the Department for Education's advisor contracts for the 2025 Early Adopters Scheme demonstrates our capacity to deliver at a national level. We will continue to position ourselves for further public sector contracts, with financial models in place to support sustainable growth.
- **Reserves and risk management**: We will continue to operate within our reserves policy, maintaining a prudent level of coverage to manage risk.
- **Investment management**: We will invest surplus funds sensibly and responsibly, in line with our reserves and investment policies, to generate maximum income whilst protecting value, to support long-term sustainability.

Our financial approach will remain proactive and mission-driven, ensuring we are ready to seize emerging opportunities, navigate uncertainty, and deliver long-term impact for children and young people.

Breakfast is an anchor
A family's story

"As a mum, Magic Breakfast gave me security. You know they're being looked after."

When my youngest first went to primary school, I was a single mum who worked full time, but I wasn't in the best of jobs.

We relied on Magic Breakfast. He went there from when he was 5 until he was 11. The breakfast club meant he had somewhere safe to go, early every morning where he was provided with a nutritious start to the day.

Because my son is autistic, routine is important to him. He was happy he saw the same faces all the time and he had a chance to play with the other kids who were there before school. He also liked that there were different breakfast options.

Breakfast club was a great way for him to get used to the school environment. When he was first there, he felt pleased there were older kids at breakfast who he became familiar with, and he'd know them in the playground. It brought him that sense of not feeling alone when you're quite small.

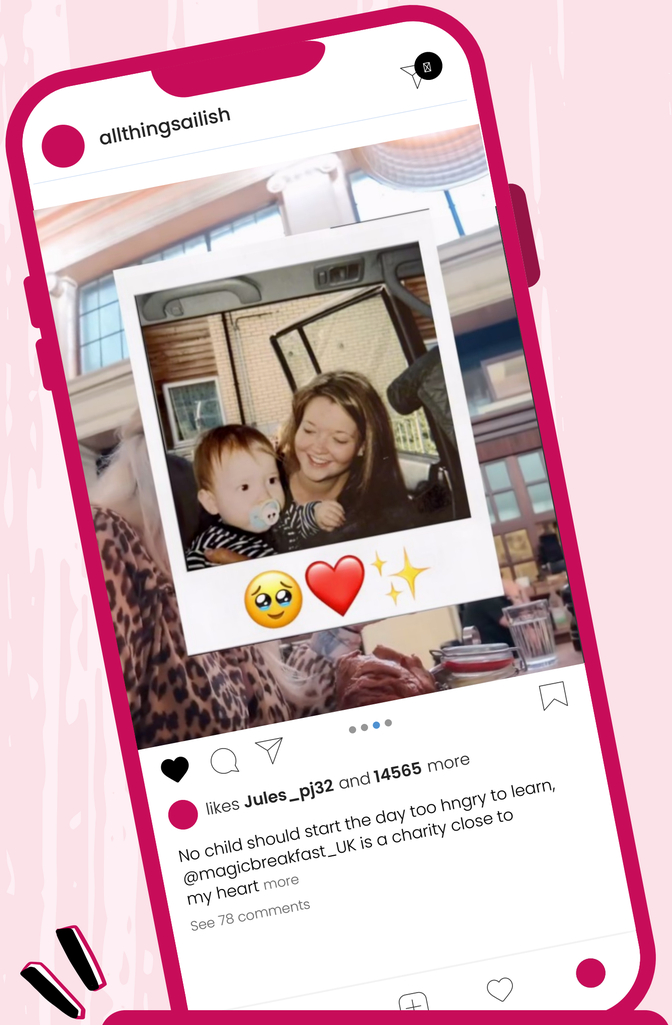
As a mum, Magic Breakfast gave me security. You know they're being looked after; they're somewhere they'll get a good, nutritious breakfast. They're also in a warm, welcoming space. It brought me a kind of comfort to know this.

Back then I worked as a trainee personal assistant. I wasn't on the best of wages, so it was quite difficult to afford childcare. If it wasn't for breakfast club, I probably wouldn't have been able to work full time or grow my career as much as I have. I went on to become an executive assistant, and now I'm self-employed and I have my own social media marketing company.

My other son goes to the school now, and although we don't need the breakfast club because I work round the hours, one thing that's great is that the same ladies are still running it. They live locally, and we see them out and about. It's great to know that Magic Breakfast is there for the kids, bringing this sense of community. They still talk to my son, and he remembers going there. We carry the memories with us.

Magic Breakfast meant I could do the job I was doing, and he could be in school safely. It was a very important part of helping me on the journey to where I am now. I'm passionate about spreading awareness of how important school breakfasts are. In many parts of Edinburgh there isn't after school support, so being able to drop your kids off half an hour or 45 minutes early – it makes a huge difference.

Ailish Buckley



Ailish now leverages her successful role as an influencer to build awareness of Magic Breakfast and what we do.

Magic Breakfast
Annual Report 2024/25

The voices that guide us

Guided by insights

Many voices,
one shared purpose



The voices that guide us

Guided by insights

Annual Breakfast Survey

Magic Breakfast's *Annual Breakfast Survey* – sent to all partner schools - reveals the profound impact of school breakfast provision on children and young people across the UK.

Schools shared how breakfast provision is about more than just food, supporting social development, mental health and emotional wellbeing.

The survey also highlighted the impact at secondary level, where breakfast provision continues to play a vital role despite unique challenges. Children and young people benefit from improved attendance and punctuality, more healthy eating habits and an increased sense of belonging at school.

For some pupils, breakfast and school lunch may be their only meals of the day. Staff at a Magic Breakfast secondary school in the North East told us that morning hunger "**steals a child's focus, dampens their energy, clouds their emotions and widens the gap between potential and performance.**" Breakfast provision in secondary schools is often the first point of connection between staff and pupils, offering a calm, welcoming space that fosters trust.

Secondary schools are increasingly stepping in to support families beyond learning by providing food, clothing and pastoral care. Schools told us that breakfast provision helps to level the playing field, particularly for families affected by poverty, rising living costs and food insecurity.



Ben Dunn, Head of Impact and Insights

Bigging up breakfast in secondary schools

Breakfast uptake is usually lower in secondary schools than in primary. To understand why, and how to increase interest, we worked with ten secondary schools in Scotland. Students shaped provision, from choosing menus to chopping fruit, and their involvement proved central to success.

The learnings were clear:

- Engagement from school leadership was critical.
- Breakfast was more popular when there was greater variety of food.
- Uptake rose when food was placed in high-traffic areas or trays of food reached classrooms so latecomers could access it.
- Simple equipment, like microwaves for beans, made a difference.

Through the scheme, some schools saw dramatic increases, from 650 to over 2,000 portions of breakfast being eaten per week. Their reflections highlighted barriers to access that exist and reinforced the benefits beyond nutrition.



These voices strengthened the evidence that breakfast supports focus, wellbeing and belonging.

"Sometimes my breakfast and school dinner is all I will eat in a day."

"I could concentrate more in class."

"Having breakfast at school makes a huge difference. It gives me the energy to get through tough classes and the chance to connect with friends before lessons start. It's helped me feel more prepared and less stressed."

"I like having breakfast with my friends."

"I wasn't hungry in lessons."

Our first breakfast ambassadors

We trialled ‘Breakfast Ambassadors’ - students championing breakfast in their schools. Over six weeks, ambassadors explained to classmates why eating in the morning matters. Peer-to-peer messaging proved powerful, and ambassadors gained confidence, leadership and teamwork skills. Breakfast Ambassadors helped develop a connection with school leaders, who told us that the programme helped raise awareness of barriers to learning, and gave ambassadors an improved sense of responsibility and leadership.

Their reflections showed both personal and community impact:

“It made me feel passionate and happy about being useful to the school.”

“I helped people have a good start to the day and not run on an empty stomach - because if you do, you will not focus on anything.”

“[I want] secondary schools to get breakfast as mandatory instead of just primary schools.”

Amplifying these voices increased uptake and let young people shape school culture. This model of leadership by children and young people will expand next year.

Beyond educational improvement

Through our social impact strategy, we are deepening understanding of how breakfast affects lives, throughout childhood and adolescence, beyond education. The voices of children and families highlight these broader benefits: calmer mornings, improved mental health, stronger peer relationships and the long-term economic potential of a nourished generation.

Lived experience shows breakfast is about more than filling stomachs. It can influence equality of opportunity, health outcomes and help to break intergenerational cycles of poverty.

“When pupils come to school hungry, everything they do that day is impacted; how they engage, who they talk to, what they are able to retain, their ability to make good choices. Level of energy is so important when it comes to thriving and being able to be a decent and content member of society.”

Magic Breakfast Secondary partner School





Towards systemic change

The impact and insights team places lived experience at the centre of learning. Listening to young people and communities, trialling approaches based on their ideas and gathering evidence helps target root causes of child hunger.

Children and young people are not just beneficiaries of breakfast; they are increasingly the experts guiding our work. Their voices shape programmes, strengthen evidence and influence policy. This is how breakfast becomes not just a meal, but a catalyst for social change.

The voices that guide us

Many voices, one shared purpose

"Children, young people and teachers reshaped our Breakfast Powers Opportunity summer campaign action. We initially had a single version but ended up with tailored primary and secondary versions after their feedback. The result exceeded expectations, with over 50 schools and nearly 1,300 young people taking part in an action that felt engaging, meaningful and easy to support!"

Katharine Voss, Campaigns Manager

"What we hear from the frontline feeds directly into our advocacy and influencing work. Insights from the Annual Breakfast Survey are shaping our briefing papers and policy recommendations for our ongoing work over the course of the year to ensure that decision-makers across Governments in Westminster and Scotland understand the realities faced in schools. We're also using the survey findings in our Party Conference communications with MPs and MSPs. It's a clear example of how the voices of schools and staff guide the conversations we're having at the highest level."

Natalie Dilworth, Head of Policy & Public Affairs

"Feedback from the Annual Breakfast Survey showed that some cereals weren't as popular as others and often created surplus. Using these insights, we streamlined our range from nine cereals to six, helping schools reduce waste while ensuring a more consistent supply of favourites."

Andrea Hall, Supply Lead



The many voices that shape our work

"Feedback from students and staff shaped the Breakfast Ambassadors programme. What began as one ambassador per group has grown to two, helping young people feel more confident, empowered and connected. Their voices guided us to expand a successful pilot into a larger rollout, building a stronger sense of responsibility and belonging."

Catherine Millar, Innovation Manager

"Many schools naturally gravitate towards cereals, bakery items and milk, with beans or porridge sometimes feeling harder to prepare. Then one school introduced 'Beans Fridays,' a simple idea that boosted Friday attendance and created a sense of excitement at the end of the week. I began sharing that example, and soon another school developed their own version – a weekly 'Big Breakfast' that became a huge success! It's a great reminder of how powerful it is when schools share ideas and inspire one another."

Chris Allen, Community Engagement Partner

The many voices that shape our work

"Insight from schools allows us to match enrichment opportunities to their needs and interests, and to tailor our programmes in such a way that they are genuinely beneficial to the school communities we work with. For example, many schools shared with us that they would love to see more food workshops through us, so we will be trialling a food workshop programme this summer. Similarly, we are looking to make our resources more accessible to children who speak English as an additional language, which is something schools shared can be a challenge at the moment. We want our enrichment opportunities to add real value to school life, so hearing directly from schools, is really important to us."

Gabriela Petrova, Volunteer Executive



"It goes so much deeper than the physical effects of hunger. It's wondering your whole younger years why you aren't deserving of a meal without this feeling of suffocating guilt. Therefore, on what planet would you be deserving of this place at uni, or to travel, or have any aspirations?"

Sophie Balmer, Magic Breakfast Youth Advisor



We were honoured to have Sophie Balmer and Nicola Noble share their powerful stories at our Labour conference event, ensuring the voices of lived experience were heard as policies were shaped.

"Frontline staff, both in schools and at Magic Breakfast, share insights that ripple across our community – for example, recognising that a child squirrelling away snacks can be a sign of hunger. By exchanging these experiences through our community touchpoints, school staff feel more confident spotting and addressing hunger and we build a collective knowledge base that supports our shared mission of ending child morning hunger."

Lynsey Appleby, Community Engagement Partner

"Whether we're helping translate fundraising teams' requirements into streamlined and standardised processes, assisting engagement partners to better track and record the support they provide to schools, or implementing new technology to enable more sophisticated and measurable user journeys, technology and transformation is always looking to help colleagues to increase their effectiveness based on the input they receive from our community."

Pete Mills, Systems Analyst, Technology and Transformation

"Breakfast is about more than food – it's about equity. When every child starts the school day nourished, they have the chance to learn and thrive. Real change means tackling root causes, so no child's potential is held back by structural inequality. That's why I'm passionate about supporting organisations like Magic Breakfast to drive the systemic change we need and, as a school leader, I am committed to modelling good practice and sharing insight to demonstrate what's possible to policy makers."

Nicola Noble, Associate Head Teacher, Big Education

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Shifting the current

Influencing systems for long-term impact

The power of lived experience: An MP's story



Steering focus where it is needed

Influencing systems

For long-term impact

This year has been a landmark one for Magic Breakfast's mission, as our long-term aims are beginning to be realised and our voice is being heard at the highest levels of decision-making.

Drawing on over 20 years of evidence, experience, and expertise, and with support from donors and partners, we have influenced and informed government policy and practice.

A major milestone came in September 2024, when the Chancellor announced funding for the Government's flagship school breakfast club policy, offering universal free breakfast for primary children. Magic Breakfast played a central role in shaping its pilot, the Early Adopters Scheme (EAS), ensuring SEND (special educational needs and disabilities) schools and Pupil Referral Units were included by defining the commitment as ***all primary-aged children***, rather than ***all primary schools***. We secured robust evaluation, recognition of the need for flexibility in how schools deliver, and access for early adopter schools to receive expert support and advice.

The Early Adopters Scheme will run from April 2025 to April 2026 with £30m committed to date, providing free breakfast for 750 schools and enabling robust evaluation.

"While we have seen great steps forward in our mission to end child morning huger this year, the job is not done. We will need to use our insights and leverage our relationships to ensure that national rollout in England is equitable and reaches the children who need it most. Alongside this, we will seek to secure commitments for school breakfasts for secondary students and early years children, too."

Beth McCleverty, England Policy and Public Affairs Manager

Our campaign, Breakfast Powers Opportunity, amplified the voices of teachers, staff, and children. Nearly 1,300 children shared why breakfast matters, with some joining us outside Parliament to tell MPs their stories. Three students and a teacher later handed these messages into 10 Downing Street alongside a personal letter to the Prime Minister.

"I hope the government understand that everyone needs a breakfast club... it's for everyone, like primary, secondary, and college."

"I hope [the Prime Minister] considers it because I had a good time and I'm not doing it for nothing!"

The young people who took part in our summer action



Hunger doesn't end at age 11!

In April, we launched a national teacher network to turn frontline insight into campaign action, calling for provision for secondary-aged children in SEND schools and to continue provision for secondary pupils on the National School Breakfast Programme (NSBP). A co-signed letter was sent directly to the Chancellor, while campaigns at party conferences, petitions, and social media activity aimed to protect secondary provision across NSBP schools.

Delivering for young Scots

In Scotland, our Breakfast Can't Wait campaign helped secure funding for an initial government pilot, Bright Start Breakfasts - an important first step to realising their four-year-old commitment. We will continue pressing for expansion beyond the 2026 elections, showing that breakfast is a smart, compassionate way to support families and pupils.

"We welcomed the news that school breakfast for primary-aged children was being put into policy with real optimism and a sense of validation. To hear that this provision was being recognised at a national policy level felt like an acknowledgment of what schools like ours have known for some time: that hunger is a barrier to learning, and that addressing it early in the day lays a foundation for better behaviour, engagement, and wellbeing."

Ian Tankard, Headteacher, Coleridge Primary School

The power of lived experience:
An MP's story

Going without or struggling never leaves you, and it is that lived experience that drives real change. But change is never achieved alone.

In my time as an MP, every change I have been a part of has come through working alongside others – fellow MPs, my team, my constituents, local groups, national organisations, charities and well-known advocates – the list is endless. Yet it is the voices and actions of people with lived experience that are vital in shaping and informing policy. When communities, their representatives and government collaborate to design policy and deliver change, the result is more impactful and more widely welcomed across the country.

Back in 2021, with the support of Magic Breakfast and others, I introduced the School Breakfast Bill. The Bill sought to enshrine in legislation a comprehensive, evidence-based programme of school breakfast clubs. Because no child should start the day hungry. Hungry children don't learn, no matter how bright and determined they are, and no matter how dedicated their teachers are. While the Bill didn't progress, it did lead to the Government at the time extending school breakfast provision. Still, too many children were left missing out.

The current Government has since proposed school breakfast clubs for all primary schools which, once fully implemented, will reach 4.6 million children, giving them access to the most important meal of the day. But we know more is needed.



Emma Lewell, Member of Parliament for South Shields

While I welcome the rollout, secondary-aged children, including those in SEND schools, are still excluded, and greater flexibility is required so the programme can work across all educational settings.

What progress has been achieved has only come about because of the persistence and lived experience of campaigners, shared through meetings, rallies, letters, speeches, debates, media interviews and press articles.

In July, at Parliament Square, I stood with pupils, teachers and campaigners from Magic Breakfast who called for action rooted in what they see and live every day. One pupil put it simply: "It's a simple intervention with massive impact… how are we meant to grow as a country if we can't grow our stomachs with our forks?"

Teachers, children and parents have been, and remain, some of the most powerful advocates for school breakfast, ensuring that their experience directly shapes the changes they want to see in their schools and communities.

Governments and politicians come and go. But those who live these realities – and who stand up and speak out for practical change – remain. And so will I.

Change is never easy, but it is always worth it. I look forward to continuing my work with Magic Breakfast so that no child ever starts the school day hungry.

"It has felt genuinely empowering to know that the insights from school leaders and frontline staff are not only being heard but are actively informing national thinking. Being part of the Early Adopter programme has offered a platform to share what's working on the ground – from logistics and staffing to the subtler pastoral benefits we're seeing in children who start the day settled and fed. The Department for Education's willingness to listen to those delivering this provision daily has helped shape a more informed, responsive policy direction. It feels like a shift toward policy with children's real, lived experiences at its centre – and that's hugely encouraging."

Ian Tankard, Headteacher, Coleridge Primary School



Steering focus

Where it is needed

Analysing the legislation

Our role as a "critical friend" to government is to welcome progress, while also highlighting gaps and pressing for improvements.

Following the introduction of the Children's Wellbeing and Schools Bill, we carefully examined the Government's plans to see who was included and who was excluded. **In February, our Chief Executive gave evidence to the Education Committee on why it is vital that the Children's Wellbeing and Schools bill meets the needs of children and young people.**

Our Director of Policy and Engagement, Jacquie Bance de Vasquez, gave evidence to Labour's National Policy Forum in April 2025 on the opportunities to shape policy in early years.

We understand from our partner schools the importance of flexibility, allowing them to deliver breakfast in different ways and settings to make the policy truly inclusive and impactful.

We also identified a gap for older pupils. Secondary school students, especially those with special educational needs and disabilities (SEND), face a higher risk of poverty. For them, breakfast at school is not an add-on but a crucial safety net.

We highlighted the need for effective monitoring and evaluation of the policy, at child level. Without robust data collection and accountability, it will be difficult to track progress, measure impact, or make necessary adjustments as the policy rolls out.



Finlay Allmond, Scotland Policy and Public Affairs Manager and UK Legislative Lead



"Please give all children in all schools breakfasts!"

Magic Breakfast SEND partner School

"In our Nursery classes is where our Magic Breakfast journey begins, where the benefits are not just health/nutrition based, they are also woven through our curriculum offer. Magic Breakfast is a huge part of our planned social development opportunities from aged 2 to aged 11."

Richard Davis, Headteacher, Moorside Community Primary Academy School

"All children should be able to have a free breakfast."

Magic Breakfast SEND partner School

The Children's Wellbeing and Schools Bill rightly enshrines breakfast clubs for primary pupils, but risks excluding some of the most at-risk children, including older pupils with SEND. We continue to press for flexible, inclusive provision across all phases of education.

Acting on the findings

To make our case, we worked across Parliament and beyond. Emma Lewell MP tabled amendments in the Commons, while we engaged with ministers, civil servants, and opposition parties. In the Lords, we partnered with Lord Watson of Invergowrie, taking him to a SEND secondary school to see the difference breakfast makes, and worked with Baroness Lister to keep the issue high on the agenda. We also led a coalition of 10 leading charities calling for key changes to the bill in a letter to the House of Lords. Showing parliamentarians the real-world impact helps ensure debates are grounded in children's experiences, not just statistics.

We drew on the expertise across Magic Breakfast. Schools shared what would and wouldn't work in practice while our Community Engagement team helped us make the case for robust data.

Although our amendments were not adopted in legislation, our proposals were debated and gained support across the sector. This means that when the Government publishes their implementation guidance for schools, our recommendations should be visible and ready to influence delivery.

Beyond Westminster

In Scotland, we played a similar role with the Government's Bright Start Breakfasts policy. Drawing on seven years of experience, we advised on how to extend provision in preparation for, what we hope will be, a national rollout. Our influence with ministers, civil servants and the wider sector reflects our credibility as both service delivery partners and thought leaders.

Being 'in the room' is not about securing quick wins. It is about ensuring that children who need breakfast are not overlooked, and that government policy is shaped by evidence, practice and the lived reality of schools.



"The Early Adopters Scheme funding does not cover our grab-and-go provision, so Magic Breakfast's support has been essential to cover this critical option, to ensure that every child starts the day ready to learn. It means we can reach children who might otherwise miss out, and it shows why a flexible, multi-model approach is so important if Government funded breakfast provision is going to continue making a real difference."

Ian Tankard, Headteacher, Coleridge Primary School



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Meeting a new wave of challenges and opportunities

Tailored impact across the UK

The role of our donors, funders and supporters



Tailored

Impact across the UK









Across the UK, the need for breakfast remains high, with poverty affecting millions of children.

Magic Breakfast's approach demonstrates that we understand the specific challenges of each geography. Our partnerships with commissioners across the UK deliver practical solutions, support local priorities and ensure children throughout a community start the day ready to learn. By combining local insight with national policy engagement, we continue to prove that breakfast is more than a meal and can deliver against local priorities and strategies.

"We are delighted to start a partnership with Magic Breakfast that has been funded by Bright Start Breakfasts, this will provide breakfasts to over 20,000 children over the course of the year, easing the pressure on those parents and enabling their employment."

Sheryl Ritchie, Deputy Head Teacher, Clydemuir Primary School

"We know from speaking to teachers and parents that this scheme has helped children arrive at school more settled, focused and ready to learn. For many families, knowing breakfast is available brings real peace of mind."

Judi Gasser, Cabinet Member for Children, Wandsworth Council

Our work in Scotland

In Scotland we started to build relationships with local authorities, establishing our first formal partnership with South Ayrshire. These partnerships are crucial to address local need and an effective way to support a national policy.

Our work in England

We contributed to the Mayor of the North East's child poverty strategy and our local authority partnerships have expanded. Councils in Hammersmith & Fulham, Wandsworth, Camden and North Somerset fully fund breakfasts for their schools.

Partnerships align with councils' wider public health, education, and anti-poverty strategies, tackling issues such as absenteeism and late arrivals. Hammersmith & Fulham increased free breakfasts from 24 to 33 schools, while Wandsworth doubled provision from 20 to 40 schools. Stories highlight the difference breakfast makes: Maya*, a Year 8 student who often skipped breakfast due to family circumstances, is now more alert, confident and engaged after accessing a quiet breakfast space each morning.

*Name changed for privacy.

The role of
Our donors, funders and supporters



Emily Wilkie, Director of Fundraising and Development

The Government has made promises and, thanks to the support of our funders and donors, progress towards ending child morning hunger has been made – but there is still so much to do.

This is a moment of opportunity...

Magic Breakfast is developing our infrastructure, systems and resources to scale up and help make policy work in practice. All of this depends on charitable funding. Our income is also critical to sustaining current provision, providing access to more than 350,000 children and young people every school day, and supporting schools in England and Scotland not benefiting from the Government's scheme. With continued backing, we can grow our impact, play our full role in driving systemic change across the UK and deliver against our ambitious long-term strategy.

Funders and partners are at the heart of our success. Raising funds from corporations, trusts, foundations and individuals is increasingly challenging, yet the commitment of our partners has never wavered. They have stood with us year after year, and this report is our opportunity to thank them. We are particularly grateful to those who give unrestricted funding, which allows us to adapt in the face of a changing landscape and ensure we can maximise impact for children and young people.

Our partnerships are extraordinary!

This year we celebrate five years with Kraft Heinz - Beanz Meanz Breakfast! We have also deepened collaborations with long-standing partners such as the players of People's Postcode Lottery, who have raised £5,000,000 to date and who now support our Annual Breakfast Survey, delivering impact far beyond financial donations alone. Pro bono support continues to be vital too – Permira, for example, has worked with us on planning for scale and strategic projects.

These partnerships succeed and endure because we invest in understanding each other. We have built relationships that are open, mutually beneficial and dynamic - making them sustainable, even in today's financially volatile environment.

We are also innovating...

New propositions and joint ventures allow us to package our work in fresh ways. For example, our Breakfast Bookstars programme with Arch Insurance and the National Literacy Trust is tackling educational inequality by providing a reading programme alongside our breakfast provision.

Together, we can keep evolving what a meaningful, healthy start to the day looks like.

No single organisation can end child hunger, but collaboration brings us closer to lasting solutions. With the support of our community, we raised £7.3 million this year. Although this was below our £8.4 million target due to a shifting and challenging fundraising environment, our continued focus on multi-year funding and long-term partnerships have supported our sustainability into 2025/26. The data and lessons learnt from this year have also shaped our strategic focus and approach as we navigate the various downward pressures ahead.

This year our volunteers brought creativity, kindness and inspiration to nearly 1,500 children and young people. Magic Makers gifted toys, games and books to enrich breakfast clubs, while partners such as Taylor Wimpey transformed school spaces through construction and design projects as part of our Magic Makeovers programme. Corporate partners hosted career panels, workshops and mentoring schemes, including a roti-making experience for pupils in Brighton, hosted by Dishoom. Magic Reading Champions encouraged pupils to promote a love of reading in their schools. With partners including Warburtons and Marriott Hotels, we hosted 23 Aspiration Days (that's 20 more than last year!) and 42 Magic Makers events to benefit whole school communities.

Our supporters played a crucial role in amplifying our work this year. Social media collaborations with Will Poulter, Steph McGovern and other high-profile supporters helped us reach wider audiences, with celebrity and influencer content driving exceptional engagement and generating authentic conversations on the issue of child morning hunger. Our community helped us to grow visibility and trust in our brand, with thousands of people and media outlets showcasing lived experience voices, including over 1000 profiles raising awareness across social channels.

Thank you to our
Amazing supporters

As we look back over the year, we want to thank everyone who makes our work possible - our funding partners, supporters, young people, families and schools. Each plays a vital role in helping us deliver life-changing breakfasts to children. The names listed here represent just some of our partners, but our gratitude extends to every member of this community, whose support powers our mission every day.





Corporate partners

- Addleshaw Goddard LLP
- Amazon
- Arch Insurance International
- Ardian Foundation
- Arla Foods UK
- Beauty Pie
- BEST Breakfast
- CABWI Awarding Body
- Cadent
- Claranet
- Connex Education Partnership
- Dishoom
- Eversheds Sutherland
- Fora
- Grove End Housing
- Grupo Bimbo UK Ltd
- Hawksmoor
- High Speed Training
- HSBC UK
- Kellanova
- Kraft Heinz
- L&Q
- Manchester Airports Group
- Marriott Hotels
- Morgan Stanley
- Pure
- Quaker Oats UK
- Reynolds Food Group
- STV Children's Appeal
- Taylor Wimpey Plc
- The Barratt Redrow Foundation
- The Permira Foundation
- Thesleff Group and their restaurants Los Mochis London City, Los Mochis Notting Hill, and Sale e Pepe
- TJC
- Universal Music Group UK's Task Force for Meaningful Change
- Warburtons
- Weetabix Food Company
- Zurich Community Trust (UK) Limited
- Zurich Insurance

Development advisors

- Jessica Graham
- Lily Silverton
- Priyan Shah
- Saloni Thakrar
- Simon Woods

Major donors

- Erica Wax and Andrew Balls
- Gertjan Vlieghe
- Phil Davies and Family
- Victoria and Eoin Walsh

Local authorities and public funding partners

- Department for Education
- Scottish Government
- Inspiring Scotland
- Camden Council
- Hammersmith & Fulham Council
- North Somerset Council
- South Ayrshire Council
- Wandsworth Council

Trusts and foundations

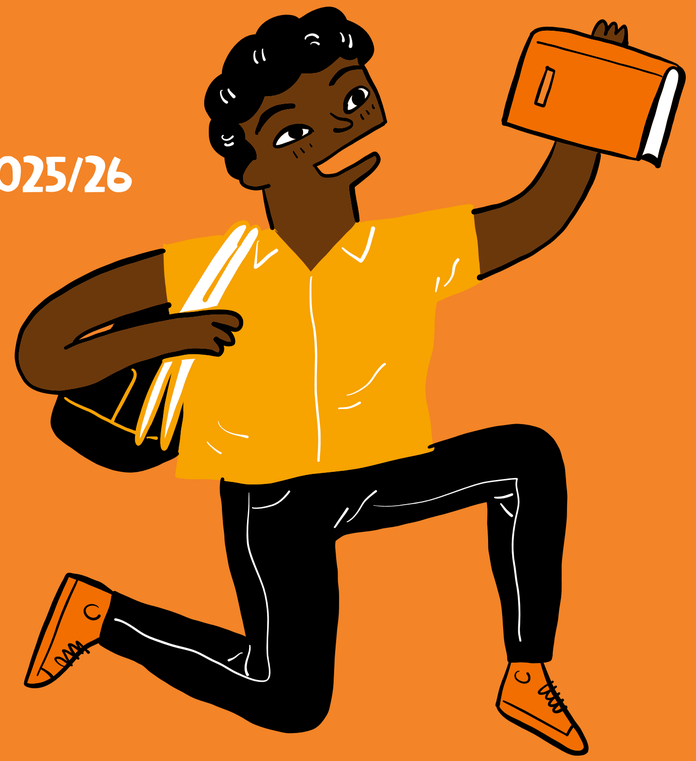
- Allan & Gill Gray Philanthropies
- Betty Messenger Charitable Foundation
- Familia Charitable Trust
- Funds raised by players of People's Postcode Lottery, awarded by Postcode Children Trust
- Infrastructure Industry Foundation
- 'Peace Train' by The Yusuf Islam Foundation
- Rosetrees
- ShareGift
- The Childhood Trust
- The Clara E Burgess Charity
- The Jectus Charitable Foundation
- The John Armitage Charitable Trust
- The John Horseman Trust
- The Julia Rausing Trust
- The LHR Charitable Foundation
- The Sounouyergon Fund
- The Thompson Family Charitable Trust
- The Windfall Foundation
- The WPA Foundation
- Westminster Foundation

During 2024/25, the charity paid due regard to its fundraising practices in line with the guidelines set out by the Fundraising Regulator's Fundraising Code of Practice, the General Data Protection Regulation (GDPR), the *Charities Act 2011* and the *Charities (Protection and Social Investment) Act 2016*. The charity is registered with the Fundraising Regulator and is committed to being an open, fair and respectful fundraiser.
Magic Breakfast establishes commercial participatory agreements with its commercial participators to ensure they comply with the Fundraising Code of Practice, and these are monitored by the charity. The charity does not engage professional fundraisers to raise funds on its behalf and direct marketing and fundraising is only undertaken where prior consent has been obtained and complies with GDPR, the Fundraising Code of Practice, the *Charities Act 2011* and the *Charities (Protection and Social Investment) Act 2016*.
There were no complaints made against the charity or its commercial participators regarding fundraising practices.

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Charting a new path

Looking ahead: plans for 2025/26



Looking ahead
Plans for 2025/26

As we enter the first year of Nourishing Futures, our strategy for 2040, Magic Breakfast stands at a pivotal moment. With growing political momentum for universal school breakfast provision and increasing public awareness of child morning hunger, 2025/26 will be a year for bold action.

Our mission remains clear: to champion and provide nourishing breakfasts that help children learn and thrive. Key to our strategy for 2040 are three new strategic goals:

1. **Ensure** nourishing breakfasts are provided to as many pupils as possible
2. **Reduce** child morning hunger and its root causes in partnership with others
3. **Empower** children and young people to define and assess the value of breakfasts

Our work this year will both deliver immediate impact and lay the foundations for the longer-term change that we want to see.

To **ensure nourishing breakfasts are provided to as many pupils as possible,** we plan to:

- Continue to support more than 1,000 schools, and provide access to more than 350,000 pupils.
- Continue to provide expert advice and support to schools – funded through voluntary and public sector income – ensuring that our work drives both immediate outcomes and systemic, sustainable impact.
- Support the two national pilots ahead of national rollout, enhancing automation across our processes, and ensuring a robust supply chain for scale.
- Prepare for participation in the national rollout as a provider subject to various factors, including evaluation of alignment with strategy and sustainability.
- Work to feature breakfast prominently in the Scottish election manifestos and secure budget commitment in the Scottish budget.
- Ensure national rollout guidance in England reflects our recommendations and enables impact.
- Adapt to the evolving political landscape and deepen our engagement with policymakers, schools, and coalitions.
- Draw on our expertise and our partner schools' experiences to inform the review of school food standards and further build the case for early years and secondary aged pupils to have a nutritious breakfast.

Long term, we aim to embed breakfast provision, not just as a nutritional intervention, but as a powerful tool for equity, wellbeing and educational opportunity in classrooms across the UK.

2.

In our aim to **reduce child morning hunger and its root causes in partnership with others**, we are at an early point in our journey. 2025/26 will be a year of building foundations, in which we will:

- Cement Magic Breakfast as a leading voice in the school breakfasts space and grow engagement across channels, strengthening our visibility and amplifying our message.
- Submit consultation responses to influence decision-making and policy development.
- Publish research enabling us to better understand the root causes of child morning hunger.
- Map and mobilise a network of stakeholders to advance our theory of change, inform advocacy efforts and prioritise root causes.
- Seek the advice of our teachers and school staff to guide our work and ensure relevance.



3.

To **empower children and young people to define and assess the value of breakfasts**, we will:

- Integrate innovative tools and approaches to build and unite a movement.
- Continue to champion the voices of children and young people and embed them across all levels of our work.
- Develop and embed an updated theory of change and evaluation framework, providing a strong, evidence-based foundation for decision-making.
- Explore what makes breakfast truly magic for pupils, from nursery right through to secondary, ensuring young people are central in defining and assessing the value of our work.

Important events since the end of the financial year:

Early Adopters Scheme sponsorship opportunity

To support all our strategic goals, we have clear **enabling strategies**:

Strengthen our capabilities to deliver at scale by building an agile workforce, investing in technology and data and embedding innovation.



Maintain financial sustainability by raising £8.0m of income (excluding donated goods/services) through strategic partnerships and engagement, while also expanding public sector funding.



2025/26 is a year of opportunity. With our strategy in place, our team energised, and our partners aligned, we are ready to deliver impact at scale and shape a future where every child and young person is nourished, empowered and thriving.

Magic Breakfast
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Governance and management

- Principal risks and uncertainties
- Reserves policy and going concern
- Structure, governance and management
- Trustee appointment, training and remuneration
- Statement of responsibilities of trustees



Principal risks and uncertainties

Principal risks

The Board of Trustees is clear on its responsibilities for ensuring that the major risks to which the charity is exposed are identified, particularly those related to the operations and finances of the charitable company. The trustees then ensure systems and procedures are in place to mitigate those risks.

How we manage risks

The charity has a risk management policy that outlines its approach to risk management and processes. To support the identification, management and mitigation of risks in a timely manner, the leadership team maintains a risk register for the charity. Board committees review risks relevant to their areas of oversight, and the CEO presents the full register to the Governance, Nominations and Risk Committee and an overview at quarterly Board meetings.

Financial risks

Magic Breakfast may be unable to deliver its plans due to insufficient or unpredictable income, alongside increasing cost pressures. This could reduce our ability to maintain or expand services to schools and children, and work in policy and campaigning, or investment in fundraising.

Mitigations in place:

- Long-term financial planning, with assessment of different scenarios, particularly in relation to the Government rollout of breakfast provision to all primary schools in England.
- An annual budgeting process that is clearly aligned to organisation plans and a corresponding reserves policy.
- An established reforecast process that enables structured adjustment for changes in expectations mid-year.
- Monthly financial performance reporting, enabling the early identification of pressures.

Operational and business continuity risks

Major operational disruption — for example IT failure, data breach, or external incident — could compromise our activity, particularly food provision to schools. There is also a risk that growth or change is not managed effectively, reducing impact.

Mitigations in place:

- Business continuity planning, in particular with regards to supply chain and retention of an IT support supplier with defined protocols.
- Cyber security measures and regular reviews of systems resilience.
- A structured programme to prepare the organisation for potential changes in scale.

Brand and reputational risks

Shifts in government policy, or perceptions of our impact, could damage Magic Breakfast's standing and reduce its ability to influence, fundraise, or attract partnerships.

Mitigations in place:

- Clear communications strategy to position Magic Breakfast's mission and impact.
- Active engagement with policymakers and stakeholders to demonstrate effectiveness.
- Publication of robust evidence of impact through research and evaluation.
- Media management to ensure proactive and responsive communications.



External environment risks (other)

There is a risk that Magic Breakfast cannot adapt quickly enough to external challenges and opportunities, such as political change, competition for funding, or technological disruption.

Mitigations in place:

- Ongoing environmental scanning to identify risks and opportunities early.
- Engagement with policymakers, funders, and partners to shape and respond to developments.
- Scenario planning and flexible operating models that allow rapid response.
- Structured programme of risk reviews to capture emerging risks and update mitigations.

People and culture risks

Staff engagement may decline, or the workforce may not remain so closely aligned with our culture and strategy. This could impact performance, morale, and ultimately the delivery of our impact.

Mitigations in place:

- Implementation of a People & Culture Strategy, reviewed annually.
- Regular staff engagement surveys with follow-up actions.
- Embedding Equity, Diversity and Inclusion strategy across the organisation.
- Oversight by the People & Culture Committee.
- Focus on workforce development and wellbeing initiatives.

The Board of Trustees are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Reserves policy and going concern

Reserves policy

At the year end, the group held £5,379,732 (2024: £6,267,494) in unrestricted reserves (excluding fixed assets), the equivalent to 5.5 months of cash future running costs.

Taking into account key risk factors that are inherent in Magic Breakfast's operating model and the wider environment (particularly fundraised income), the Board of Trustees aims to have a level of unrestricted reserves which equates to between 3.5 to 5.5 months of cash future running costs. Our plans might see our forecast being outside of this range at a point in time, as we seek to set accurate and balanced plans. Plans for investment in 2025/26 will see the levels of reserves reduce but remain within the range as set out in the policy.

Investment policy

In August 2025, the board approved a new investment policy. Given the potential change to the organisation's model as a consequence of the new Government's school breakfast policy, the policy ensures maximum returns, but with a very low risk profile, permitting investments of up to 12 months maturity (in deposits with only certain highly rated banks and UK government securities).

Going concern

Given forward business planning and forecasts, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. This includes considering the financial and organisational challenges relating to the new Government's school breakfast policy in England. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Accounting Policies, in Note 1 to these accounts.

Structure governance and management

The organisation is a charitable company limited by guarantee, incorporated on 26 November 2003 and registered as a charity in March 2004. The registered charity numbers are 1102510 and SC048202.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 7 to the accounts.

Governance

The decision-making body of the charity is the Board of Trustees, who are responsible for the governance and ensuring it pursues its charitable purpose. The trustees, who are also directors of the company for company law purposes, are recorded on page 2.

The trustees meet quarterly and regularly within committees to ensure good governance and provide guidance. We have three board committees: Finance and Audit, Governance, Nominations and Risk, and People and Culture. Their purpose is set out in their terms of reference. Committees meet between board meetings, and as required, and are made up of at least two trustees supported by at least one executive team member. The CEO attends all committee meetings.

Day-to-day management

The trustees set the strategic direction and delegate day-to-day management to the CEO, who executes through the Senior Leadership Team (SLT).

Magic Outcomes Limited

Magic Breakfast wholly owns Magic Outcomes Limited which is presently undertakes certain trading activities, including licensing the Magic Breakfast brand. Magic Outcomes turnover for the year totalled £426,093 (2024: £171,624). See Note 10 for more information on Magic Outcomes' trading activities.



Trustee appointment, training and remuneration

Appointment of trustees

The management of the charitable company is the responsibility of the Magic Breakfast trustees who are elected and co-opted under the terms of the Articles of Association. Reviews are held periodically to identify any expertise gaps and appointments are made, where required, to strengthen the board. The most recent full review was in August 2025, undertaken in line with the UK Governance Code (using the DSC Governance App) and agreed actions will be reviewed quarterly. This sits alongside regular skills and diversity audits. These assessments support forward planning of the Governance, Nominations and Risk Committee.

Trustee induction and training

The charity provides guidance to all newly appointed trustees on the responsibilities and requirements of the role. To make the board as effective as possible, induction processes, training and review are in place; this includes trustee training, school breakfast visits, meetings with key staff and an annual performance and development review.

Remuneration policy for key management personnel

The charity has considered the disclosure requirements of the Charities Statement of Recommended Practice (SORP) for related party relationships and considers its Key Management Personnel to be the trustees and SLT. Related party disclosures are included in Note 20 of the accounts. The Pay and Benefits Policy ensures equity, transparency, and development opportunities for staff. It sets out that we will perform salary benchmarking at least every three years to ensure all salaries are in line with similar sized national education charities. This is carried out by the human resources function of the charity. The results of this benchmarking process and any recommended changes are provided to the People and Culture Committee for review and recommendation to the Finance and Audit Committee. Where the changes are significant or include Key Management Personnel, the Committees will make recommendations to the full board. In this instance, changes will only be made upon approval from the full board and will be minutes at the board meeting. Trustees are not remunerated for their roles as trustees but Key Management Personnel that make up the SLT received a salary for these roles.

Statement of responsibilities of trustees

The trustees (who are also directors of Magic Breakfast for the purposes of company law) are responsible for preparing the trustees' Annual Report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or 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 Statement of Recommended Practice
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the *Companies Act 2006*. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 August 2025 was 12 (2024: 12). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' Annual Report which includes the strategic report has been approved by the trustees on 29 January 2026 and signed on their behalf by

Aniela Shuckburgh,
Chair



Magic Breakfast
Annual Report 2024/25

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Independent auditor's report

Opinion

We have audited the financial statements of Magic Breakfast (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 August 2025 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent charitable company's affairs as at 31 August 2025 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
- Have been prepared in accordance with the requirements of the *Companies Act 2006*, the *Charities and Trustee Investment (Scotland) Act 2005* and regulations 6 and 8 of the *Charities Accounts (Scotland) Regulation 2006* (as amended)

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Magic Breakfast's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

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

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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

Independent auditor's report

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the *Charities and Trustee Investment (Scotland) Act 2005* and under the *Companies Act 2006* and report in accordance with regulations made under those Acts.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, internal audit and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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.

A further description of our responsibilities is available 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 charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the *Companies Act 2006* and section 44(1)(c) of the *Charities and Trustee Investment (Scotland) Act 2005*. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Farrah Kitabi
(Senior statutory auditor)

2 February 2026

for and on behalf of Sayer Vincent LLP,
Statutory Auditor

110 Golden Lane,
LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the *Companies Act 2006*

Statement of financial activities

Statement of financial activities incorporating income and expenditure account for the year ended 31 August 2025.

Income from	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations and grants	2	**8,194,573**	**996,925**	**9,191,498**	9,735,444
Charitable activities	3	**739,007**	**-**	**739,007**	429,316
Income from other trading activities	4	**426,093**	**-**	**426,093**	171,624
Investments	5	**35,865**	**-**	**35,865**	15,294
Total income		**9,395,538**	**996,925**	**10,392,463**	10,351,678
Expenditure on					
Raising funds	6	**1,874,129**	**13,359**	**1,887,488**	1,570,001
Food aid	6	**7,453,483**	**918,874**	**8,372,357**	6,163,978
Making the case for change	6	**1,050,921**	**89,813**	**1,140,734**	1,342,532
Total expenditure		**10,378,533**	**1,022,046**	**11,400,579**	9,076,511
Net (expenditure)/income for the year		**(982,995)**	**(25,121)**	**(1,008,116)**	1,275,167
Transfer between funds	15	**5,616**	**(5,616)**	**-**	-
Net movement in funds		**(977,379)**	**(30,737)**	**(1,008,116)**	1,275,167
Reconciliation of funds					
Total funds brought forward	15	**6,406,048**	**361,366**	**6,767,414**	5,942,247
Total funds carried forward		**5,428,669**	**330,629**	**5,759,298**	6,767,414

All income and expenditure derive from continuing activities. The Statement of Financial Activities includes all gains and losses recognised during the year. The prior year Statement of Financial Activities is detailed in Note 22.

For the year ended 31 August 2024, the published financial statements related to the charity only, whereas for the year ended 31 August 2025, the financial statements relate to the group entity, incorporating the results and balances of the charity and its subsidiary. Where reasonably practical, the performance of the charity has been stated alongside that of the group in the notes to the accounts.

Balance sheets

Balance sheet as of 31 August 2025

Fixed assets	Note	2025 Group £	2024 Group £	2025 Charity £	2024 Charity £
Intangible assets	9	**48,937**	138,554	**48,937**	138,554
Investments	10	**-**	-	**38,001**	38,001
Total fixed assets		**48,937**	138,554	**86,938**	176,555
Current assets					
Stock	12	**160,047**	156,958	**160,047**	156,958
Debtors	13	**472,956**	565,667	**841,714**	627,974
Cash at bank and in hand	18	**5,943,162**	6,641,148	**5,509,588**	6,419,624
Total current assets		**6,576,165**	7,363,773	**6,511,349**	7,204,556
Creditors					
Amounts falling due within one year	14	**(865,804)**	(734,913)	**(841,896)**	(697,892)
Net current assets		**5,710,361**	6,628,860	**5,669,453**	6,506,664
Net assets		**5,759,298**	6,767,414	**5,756,391**	6,683,219
Charity funds					
Restricted funds	15	**330,629**	361,366	**330,629**	361,366
Unrestricted funds	15	**5,428,669**	6,406,048	**5,425,762**	6,321,853
Total funds		**5,759,298**	6,767,414	**5,756,391**	6,683,219

The deficit of the charity for the year ended 31 August 2025 was £926,828 (2024: Surplus £1,255,229). The financial statements were approved and authorised for issue by the Trustees on day month year and signed on their behalf by:

Aniela Shuckburgh, Chair
Company registration number: 04977015

Consolidated statement of cash flows

Consolidated statement of cash flows for the year ended 31 August 2025

		2025	2024
Cash flows from operating activities	**Note**	**£**	**£**
Net cash (consumed)/provided by operating activities	17	**(733,851)**	1,277,727
Cash flows from investing activities			
Interest from investments	5	**35,865**	15,294
Net cash provided by investment activities		**35,865**	15,294
Change in cash and cash equivalents in the year		**(697,986)**	1,293,021
Cash and cash equivalents brought forward		**6,641,148**	5,348,127
Cash and cash equivalents carried forward	18	**5,943,162**	6,641,148

1. Accounting policies

Basis of preparation

The consolidated 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) – (Charities SORP (FRS 102)) and the *Companies Act 2006/Charities Act 2011*.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Magic Outcomes Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the *Companies Act 2006*. A summary of the result for the year is disclosed in the notes to the accounts.

Magic Breakfast 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 trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The financial statements 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 expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure are sufficient with the level of reserves for the charity to be able to continue as a going concern.

Funds

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.

Investment income, gains and losses are allocated to the appropriate fund.

Income recognition

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.

For donations to be recognised, the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

1. Accounting policies continued

Donated goods, 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 item is probable and that economic benefit can be measured reliably.

On receipt, donated goods, services or 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 goods, facilities or services of equivalent economic benefit on the open market. A corresponding amount is then recognised in expenditure in the period of receipt.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest paid or payable by the bank.

School membership income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Grant income is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is categorised under the following headings:

- Costs of raising funds includes costs incurred seeking voluntary contributions through donations and the running of fundraising events during the year;
- Expenditure on charitable activities includes all costs incurred on furthering the objects of the charity; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings, they have been allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Governance costs are those incurred in connection with the running of the charity and compliance with constitutional and statutory requirements.

Costs of raising funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in Note 6.

Intangible fixed assets and amortisation

Identifiable development expenditure is capitalised to the extent that:

- The technical, commercial and financial feasibility can be demonstrated;
- The total cost of the individual asset is greater than £10,000, or the asset is purchased as part of a larger project which is to be capitalised; and
- The asset is likely to be used over a period of time that is longer than one year.

Provision is made for any impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following basis:

Software - 33.3% straight line

Investments

Investments in subsidiaries are measured at cost less impairment.

Stock

Stock represents donated and purchased breakfast ingredients and is recorded at fair value less impairment.

Debtors or creditors receivable/payable within one year

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

Creditors are recognised when the charity has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. The financial assets and financial liabilities of the charity are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 13. Prepayments are not considered to be basic financial instruments and are measured at the amount prepaid, net of any trade discounts due.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Note 14. Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

Tax

The charity is an exempt charity within the meaning of Schedule 3 of the *Charities Act 2011* and 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. It therefore does not suffer tax on income or gains applied for charitable purposes.

Employee benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Allocation of support costs
- Amortisation rates for intangible fixed assets
- Income recognition of grants
- Donated goods, facilities and services valuation

2. Income from donations and grants

A)

Current year	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations	**5,861,024**	**644,219**	**6,505,243**	6,953,403
Membership income	**758,541**	**-**	**758,541**	593,572
Grants	**488,627**	**352,706**	**841,333**	1,072,984
Donated goods, facilities and services	**1,086,031**	**-**	**1,086,031**	1,115,484
Other	**350**	**-**	**350**	1
Total 2025	**8,194,573**	**996,925**	**9,191,498**	9,735,444
Total 2024	8,467,874	1,267,570	9,735,444	

Total donated goods, facilities and services for the year were £1,086,031 (2024: £1,115,484) and comprise of the following:

- £945,859 (2024: £888,201) of breakfast foods;
- £131,100 (2024: £131,100) of office facilities;
- £0 (2024: £73,723) of delivery services;
- £0 (2024: £13,229) of professional services;
- £0 (2024: £NIL) of staff training;
- £9,072 (2024: £8,832) of software licenses;
- £0 (2024: £400) of other miscellaneous goods and services.

B)

Prior year	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	6,228,955	724,448	6,953,403	7,120,598
Membership income	593,572	-	593,572	638,190
Grants	529,862	543,122	1,072,984	1,567,036
Donated goods, facilities and services	1,115,484	-	1,115,484	800,870
Other	1	-	1	5
Total 2024	8,467,874	1,267,570	9,735,444	10,126,699
Total 2023	9,115,589	1,011,110	10,126,699	

3. Income from charitable activities

A)

Current year	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Contract income (Hammersmith & Fulham)	**192,894**	**-**	**192,894**	126,548
Contract income (Camden)	**149,312**	**-**	**149,312**	121,708
Contract income (Wandsworth)	**269,044**	**-**	**269,044**	161,060
Contract income (North Somerset)	**-**	**-**	**-**	20,000
Contract income (South Ayrshire)	**8,500**	**-**	**8,500**	-
Early Adopters Scheme income	**119,257**	**-**	**119,257**	-
Total 2025	**739,007**	**-**	**739,007**	429,316
Total 2024	429,316	-	429,316	

There are no unfulfilled conditions or other contingencies attached to the contract income above.

B)

Prior year	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Contract income (Hammersmith & Fulham)	126,548	-	126,548	100,694
Contract income (Camden)	121,708	-	121,708	76,303
Contract income (Wandsworth)	161,060	-	161,060	101,537
Contract income (North Somerset)	20,000	-	20,000	-
Total 2024	429,316	-	429,316	278,534
Total 2023	278,534	-	278,534	

4. Income from other trading activities

A)

Current year	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from other trading activities	**426,093**	**-**	**426,093**	171,624
Total 2025	**426,093**	**-**	**426,093**	171,624

B)

Prior year	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from other trading activities	171,624	-	171,624	112,064
Total 2024	171,624	-	171,624	112,064

5. Income from investments

A)

Current year	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Bank interest receivable	**35,865**	**-**	**35,865**	15,294
Total 2025	**35,865**	**-**	**35,865**	15,294
Total 2024	15,294	-	15,294	-

B)

Prior year	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Bank interest receivable	15,294	-	15,294	5,091
Total 2024	15,294	-	15,294	5,091
Total 2023	5,091	-	5,091	-

6. Analysis of expenditure

A)

Current year	Raising funds £	Charitable activities: Food aid £	Charitable activities: Making the case for change £	Governance costs £	Support costs £	Total 2025 £	Total 2024 £
Staff costs (Note 8)	**1,184,558**	**1,734,382**	**674,594**	**77,557**	**958,845**	**4,629,936**	3,984,156
Temporary staff costs	**-**	**-**	**-**	**-**	**-**	**-**	4,758
Other staff costs	**17,433**	**31,390**	**8,052**	**5,870**	**69,763**	**132,507**	108,735
Contractors and consultants	**18,544**	**14,220**	**32,247**	**26,938**	**101,030**	**192,979**	195,059
Direct food costs	**-**	**5,142,571**	**-**	**-**	**-**	**5,142,571**	3,571,447
Administration costs	**43,035**	**110,878**	**60,717**	**21,607**	**274,219**	**510,456**	413,369
Premises costs	**35,326**	**55,141**	**18,885**	**1,538**	**26,630**	**137,520**	136,934
Legal and professional fees	**10,868**	**10,308**	**5,055**	**7,322**	**21,362**	**54,915**	5,734
Publicity, marketing and fundraising	**288,057**	**10,427**	**169,558**	**221**	**14,959**	**483,222**	511,543
Governance costs	**-**	**-**	**-**	**39,939**	**1,082**	**41,021**	51,441
Bad debts	**142**	**-**	**4**	**-**	**1**	**147**	3,458
Amortisation	**12,386**	**33,731**	**4,129**	**-**	**25,059**	**75,304**	89,877
	1,610,349	**7,143,048**	**973,241**	**180,992**	**1,492,949**	**11,400,579**	9,076,511
Support costs	**247,174**	**1,096,392**	**149,383**	**-**	**-**	**1,492,949**	1,128,549
Governance costs	**29,965**	**132,917**	**18,110**	**-**	**-**	**180,992**	128,284
Total 2025	**1,887,488**	**8,372,357**	**1,140,734**	**-**	**-**	**11,400,579**	**-**
Total 2024	1,570,001	6,163,978	1,342,532	-	-	9,076,511	-

The fee payable to Sayer Vincent for the audit of Magic Breakfast's consolidated accounts was £23,475 (2024: £22,400). The fee payable to Sayer Vincent for the lodgement of the corporation tax return for Magic Outcomes was £1,175 (2024: £NIL).

6. Analysis of expenditure continued

B)		Charitable activities					
	Raising funds	Food aid	Making the case for change	Governance costs	Support costs	Total 2024	Total 2023
Prior year	£	£	£	£	£	£	£
Staff costs (Note 8)	**956,617**	**1,528,181**	**785,317**	**64,776**	**649,265**	**3,984,156**	3,445,264
Temporary staff costs	**-**	**-**	**4,758**	**-**	**-**	**4,758**	52,449
Other staff costs	**7,518**	**4,642**	**3,621**	**867**	**92,087**	**108,735**	75,073
Contractors and consultants	**49,428**	**10,780**	**1,510**	**-**	**133,341**	**195,059**	117,373
Direct food costs	**-**	**3,562,516**	**8,931**	**-**	**-**	**3,571,447**	3,032,102
Administration costs	**30,000**	**89,569**	**74,801**	**8,759**	**210,240**	**413,369**	325,828
Premises costs	**31,690**	**56,456**	**26,628**	**1,746**	**20,414**	**136,934**	160,805
Legal and professional fees	**4,534**	**-**	**-**	**-**	**1,200**	**5,734**	50,884
Publicity, marketing and fundraising	**251,580**	**7,897**	**243,987**	**695**	**7,384**	**511,543**	308,608
Governance costs	**-**	**-**	**-**	**51,441**	**-**	**51,441**	31,542
Bad debts	**-**	**3,458**	**-**	**-**	**-**	**3,458**	1
Amortisation	**21,234**	**46,947**	**7,078**	**-**	**14,618**	**89,877**	70,780
	1,352,601	**5,310,446**	**1,156,631**	**128,284**	**1,128,549**	**9,076,511**	7,670,708
Support costs	**195,210**	**766,413**	**166,926**	**-**	**-**	**1,128,549**	837,242
Governance costs	**22,190**	**87,119**	**18,975**	**-**	**-**	**128,284**	99,316
Total 2024	**1,570,001**	**6,163,978**	**1,342,532**	**-**	**-**	**9,076,511**	-
Total 2023	1,270,982	5,227,263	1,172,463	-	-	7,670,708	-

Making the case for change: During the year, the brand & marketing team staff costs were evenly split across: raising funds, food aid, making the case for change and support costs (2024: direct allocation to making the case for change). Also during the year, the brand & marketing team non-staff costs were allocated according to activity (2024: direct allocation to making the case for change).

7. Trustee remuneration, benefits and expenses

Trustees give their time freely and during the year, Trustees have not received any remuneration (2024: £NIL) or benefits of any kind (2024: £NIL) for the work they have undertaken.

The charity does however permit Trustees to claim expenses to reimburse them for costs that they incur in fulfilling their duties. Expenses incurred by Trustees, or otherwise met by the charity, are detailed below, and these were wholly in fulfilment of charity business:

	2025 £	2024 £
Disclosure Barring Service checks	**-**	53
Training	**176**	-
Printing and stationery	**72**	-
Travel and subsistence	**783**	238
Total	**1,031**	291
Total number of trustees paid expenses	7	5

8. Staff costs

Staff costs were as follows:

	2025 £	2024 £
Wages and salaries	**4,014,899**	3,465,117
Social security costs	**424,171**	320,826
Pension costs	**175,977**	146,038
Termination and redundancy costs	**14,889**	52,175
Total	**4,629,936**	3,984,156

8. Staff costs continued

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

	2025 No.	2024 No.
Food Aid	**43**	39
Making the Case for Change	**15**	18
Fundraising	**27**	22
Support	**21**	14
Governance	**1**	1
Total	**107**	94

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2025 No.	2024 No.
£60,000-£69,999	**4**	5
£70,000-£79,999	**3**	3
£80,000-£89,999	**-**	-
£90,000-£99,999	**1**	1
Total	**8**	9

The total amount of employee benefits received by Key Management Personnel, including employers' national insurance, is £544,688 (2024: £477,816). The charity considers its Key Management Personnel to comprise the Trustees and the members of the Senior Leadership Team listed in the Reference and Administrative details on page 2.

The Trustees of the charity, other than detailed in Note 7, did not receive any remuneration in the year.

9. Intangible fixed assets

	ERP system	School portal	Website	Data warehouse	Total
Cost		**£**	**£**	**£**	**£**
At 1 September 2024	212,340	26,873	75,177	14,313	328,703
Additions	-	-	-	-	-
Disposal of asset	-	-	-	(14,313)	(14,313)
At 31 August 2025	**212,340**	**26,873**	**75,177**	**-**	**314,390**
Amortisation					
At 1 September 2024	(171,052)	(4,479)	(14,618)	-	(190,149)
Charge for the period	(41,288)	(8,957)	(25,059)	-	(75,304)
At 31 August 2025	**(212,340)**	**(14,436)**	**(39,677)**	**-**	**(265,453)**
Carrying amount					
At 31 August 2025	**-**	**13,437**	**35,500**	**-**	**48,937**
At 31 August 2024	41,288	22,394	60,559	14,313	138,554

During the year, the charity made the decision to dispose of the total remaining value of the data warehouse as construction of the asset was abandoned.

10. Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Magic Outcomes Limited, a company registered in England. The company number is 04621084. The registered office address is 42-46 Princelet Street, London, E1 5LP.

The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line-by-line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the parent charity.

The directors of the subsidiary are as follows:

- Michael Honan, Trustee (resigned 29 January)
- Lindsey MacDonald, Chief Executive Officer
- Emily Wilkie, Director of Fundraising and Development
- Elizabeth Little, Head of Corporate Partnerships
- Anthony Eckersley, Head of Finance and Technology (resigned 11 March 2025), and Stuart Fox, Director of Finance and Technology (appointed 11 November 2025).

A summary of the results of the subsidiary is shown below.

	2025 £	2024 (restated) £
Turnover	**426,093**	171,624
Gross profit/(loss)	**426,093**	171,624
Administrative expenses	**(94,892)**	(90,335)
Distribution under Gift Aid to parent charity	**(331,201)**	(81,289)
Profit/(loss) on ordinary activities before taxation	**-**	-
Taxation on profit on ordinary activities	**-**	-
Profit/(loss) for the financial year	**-**	-
Retained earnings		
Total retained earnings brought forward	**2,907**	64,256
Ordinary share capital	**38,001**	38,001
Profit/(loss) for the financial year	**-**	-
Distribution under Gift Aid to parent charity from prior year	**-**	(61,349)
Total retained earnings carried forward	**40,908**	40,908
The aggregate of the assets, liabilities and reserves was:		
Assets	**504,362**	247,560
Liabilities	**(463,454)**	(206,652)
Reserves	**40,908**	40,908

The charity charges a management fee to Magic Outcomes payable to the parent charity, Magic Breakfast, which is based on a proportion of income across the group entity. The management fee for the year ending 31 August 2025 was £87,281 + VAT (2024: £88,342 + VAT).

During the year, the Charity identified that Gift Aid income relating to the year ended 31 August 2024 had not been accrued in the financial statements for that year. Under the terms of the Deed of Covenant signed in November 2023, Magic Outcomes was obligated to distribute its taxable profits to Magic Breakfast.

In accordance with the Charity SORP (FRS 102), Gift Aid income from subsidiary undertakings should be recognised when the Charity is entitled to the income, receipt is probable, and the amount can be measured reliably. The omission of this accrued income represented a prior-year error in Magic Outcomes. As the amount was considered material to Magic Outcomes, the comparative figures within the consolidated financial statements have been restated.

Amounts owed to the parent from subsidiary undertakings is shown in Note 13.

11. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2025 £	2024 £
Gross income	**10,466,139**	10,329,745
Result for the year	**(926,828)**	1,255,229

12. Charity and group stock

	2025 £	2024 £
Undistributed breakfast ingredients	**160,047**	156,958

Stock recognised as an expense during the year was £3,155,198 (2024: £2,173,679).

13. Debtors

	2025 Group £	2024 Group £	2025 Charity £	2024 Charity £
Trade debtors	**302,669**	361,897	**246,009**	336,405
Other debtors	**442**	90	**442**	90
Amounts owed by group undertakings	**-**	-	**439,546**	88,342
Other taxation	**-**	417	**-**	-
Accrued income	**75,799**	86,386	**61,799**	86,386
Prepayments	**94,046**	116,877	**93,918**	116,751
Total	**472,956**	565,667	**841,714**	627,974

14. Creditors: amounts falling due within one year

	2025 Group £	2024 Group £	2025 Charity £	2024 Charity £
Trade creditors	**220,631**	276,154	**219,491**	258,473
Other taxation and social security	**192,895**	132,625	**185,426**	132,625
Other creditors	**43,959**	46,302	**43,959**	46,302
Accruals	**130,934**	82,804	**127,550**	81,141
Deferred school membership income	**265,470**	179,351	**265,470**	179,351
Deferred income - licence fees	**11,915**	17,677	**-**	-
Total	**865,804**	734,913	**841,896**	697,892

School membership and licence fee income is deferred as it is recognised over the entirety of the membership and licence fee period, respectively.

Grant income is deferred when there are performance obligations which have yet to have been satisfied and therefore there is no entitlement to the income.

	Balance brought forward at 1 September 2024	2025 Group	2025 Charity	2025 Group	2025 Charity	Balance carried forward at 31 August 2025
		Income released		Income deferred		
Deferred income						
School membership income	**179,351**	179,351	179,351	265,470	265,470	**265,470**
Licence fees	**17,677**	17,677	-	11,915	-	**11,915**
	197,028	197,028	179,351	277,385	265,470	**277,385**

15. Statement of funds

A)

Group - Current year	Balance at 1 September 2024 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2025 £
Unrestricted funds					
General funds	**6,406,048**	**9,395,538**	**(10,378,533)**	**5,616**	**5,428,669**
Restricted funds					
The Big Give Christmas Appeal 2024	**-**	**202,992**	**(168,823)**	**-**	**34,169**
Erica Wax and Andrew Balls	**126,006**	**-**	**(74,680)**	**-**	**51,326**
Arch Insurance (UK) Limited	**-**	**109,510**	**(109,510)**	**-**	**-**
Zurich Community Trust (UK) Limited	**108,000**	**108,000**	**(108,000)**	**-**	**108,000**
The Julia Rausing Trust	**-**	**100,000**	**(100,000)**	**-**	**-**
Westminster Foundation	**20,145**	**88,620**	**(86,540)**	**-**	**22,225**
Universal Music	**54,527**	**42,500**	**(79,684)**	**-**	**17,343**
The Davies Family Charitable Fund	**-**	**62,500**	**(62,500)**	**-**	**-**
STV Children's Appeal	**-**	**50,000**	**(32,427)**	**-**	**17,573**
John Armitage Charitable Trust	**-**	**43,956**	**(14,782)**	**-**	**29,174**
Other restricted funds	**52,688**	**188,847**	**(185,100)**	**(5,616)**	**50,819**
	361,366	**996,925**	**(1,022,046)**	**(5,616)**	**330,629**
Total funds	**6,767,414**	**10,392,463**	**(11,400,579)**	**-**	**5,759,298**

Charity - Current year	Balance at 1 September 2024 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2025 £
Unrestricted funds					
General funds	**6,321,853**	**9,469,214**	**(10,370,921)**	**5,616**	**5,425,762**
Restricted funds					
The Big Give Christmas Appeal 2024	**-**	**202,992**	**(168,823)**	**-**	**34,169**
Erica Wax and Andrew Balls	**126,006**	**-**	**(74,680)**	**-**	**51,326**
Arch Insurance (UK) Limited	**-**	**109,510**	**(109,510)**	**-**	**-**
Zurich Community Trust (UK) Limited	**108,000**	**108,000**	**(108,000)**	**-**	**108,000**
The Julia Rausing Trust	**-**	**100,000**	**(100,000)**	**-**	**-**
Westminster Foundation	**20,145**	**88,620**	**(86,540)**	**-**	**22,225**
Universal Music	**54,527**	**42,500**	**(79,684)**	**-**	**17,343**
The Davies Family Charitable Fund	**-**	**62,500**	**(62,500)**	**-**	**-**
STV Children's Appeal	**-**	**50,000**	**(32,427)**	**-**	**17,573**
John Armitage Charitable Trust	**-**	**43,956**	**(14,782)**	**-**	**29,174**
Other restricted funds	**52,688**	**188,847**	**(185,100)**	**(5,616)**	**50,819**
	361,366	**996,925**	**(1,022,046)**	**(5,616)**	**330,629**
Total funds	**6,683,219**	**10,466,139**	**(11,392,967)**	**-**	**5,576,391**

15. Statement of funds continued

The General fund is an unrestricted fund which is 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.

The Big Give Christmas Appeal restricted fund is used to provide food aid to schools in London.

The **Erica Wax and Andrew Balls** restricted fund is used to fund our investment in data and technology to support the integration and utilisation of data and insights into service delivery.

Arch Insurance (UK) Limited restricted fund is used to provide food aid to schools in London, Birmingham and Manchester.

The **Zurich Community Trust** restricted fund is used to provide food aid to schools and to support our policy and campaigning work in the UK.

The Julia Rausing Trust restricted fund is used to fund our service delivery costs throughout the year.

The Westminster Foundation restricted fund is used to provide food aid to schools in Westminster, Cheshire and Lancashire.

Universal Music's Taskforce for Meaningful Change restricted fund is used to provide food aid to schools in the UK with a high proportion of pupils from Black ethnic backgrounds.

The Davies Family Charitable Fund restricted funds are used to provide food aid to schools in the UK and Scotland.

STV Children's Appeal restricted fund is used to provide food aid to schools in Scotland.

The John Armitage Charitable Trust restricted fund is used to onboard and provide food aid to schools in Hartlepool.

Other restricted funds are made up of restricted funds which are subject to varying restrictions regarding their use, however no single fund is material in nature.

B)

Group - Prior Year	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2024 £
Unrestricted funds					
General funds	**5,167,121**	**9,084,108**	**(7,845,181)**	**-**	**6,406,048**
Restricted funds					
The Access Foundation	**-**	**400,237**	**(400,237)**	**-**	**-**
The Big Give	**13,090**	**172,149**	**(185,239)**	**-**	**-**
Erica Wax and Andrew Balls	**-**	**130,000**	**(3,994)**	**-**	**126,006**
Zurich Community Trust	**112,490**	**108,000**	**(112,490)**	**-**	**108,000**
Westminster Foundation	**-**	**82,685**	**(62,540)**	**-**	**20,145**
Universal Music	**-**	**85,000**	**(30,473)**	**-**	**54,527**
The Davies Family Charitable Fund	**-**	**60,000**	**(60,000)**	**-**	**-**
Nabeel Bhanji and Sahar Meghani	**-**	**50,000**	**(50,000)**	**-**	**-**
Other restricted funds	**199,546**	**179,499**	**(326,357)**	**-**	**52,688**
	325,126	**1,267,570**	**(1,231,330)**	**-**	**361,366**
Total funds	**5,492,247**	**10,351,678**	**(9,076,511)**	**-**	**6,767,414**

Charity - Prior Year	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2024 £
Unrestricted funds					
General funds	**5,102,864**	**9,062,175**	**(7,843,186)**	**-**	**6,321,853**
Restricted funds					
The Access Foundation	**-**	**400,237**	**(400,237)**	**-**	**-**
The Big Give	**13,090**	**172,149**	**(185,239)**	**-**	**-**
Erica Wax and Andrew Balls	**-**	**130,000**	**(3,994)**	**-**	**126,006**
Zurich Community Trust	**112,490**	**108,000**	**(112,490)**	**-**	**108,000**
Westminster Foundation	**-**	**82,685**	**(62,540)**	**-**	**20,145**
Universal Music	**-**	**85,000**	**(30,473)**	**-**	**54,527**
The Davies Family Charitable Fund	**-**	**60,000**	**(60,000)**	**-**	**-**
Nabeel Bhanji and Sahar Meghani	**-**	**50,000**	**(50,000)**	**-**	**-**
Other restricted funds	**199,546**	**179,499**	**(326,357)**	**-**	**52,688**
	325,126	**1,267,570**	**(1,231,330)**	**-**	**361,366**
Total funds	**5,427,990**	**10,329,745**	**(9,074,516)**	**-**	**6,683,219**

16. Analysis of net assets between funds

A)

Current year	Unrestricted funds 2025 Group £	Restricted funds 2025 Group £	Total funds 2025 Group £	Unrestricted funds 2025 Charity £	Restricted funds 2025 Charity £	Total funds 2025 Charity £
Intangible fixed assets	**48,937**	**-**	**48,937**	**48,937**	**-**	**48,937**
Fixed asset investments	**-**	**-**	**-**	**38,001**	**-**	**38,001**
Current assets	**6,245,536**	**330,629**	**6,576,165**	**6,180,720**	**330,629**	**6,511,349**
Creditors due within one year	**(865,804)**	**-**	**(865,804)**	**(841,896)**	**-**	**(841,896)**
Total	**5,428,669**	**330,629**	**5,759,298**	**5,425,762**	**330,629**	**5,756,391**

B)

Prior year	Unrestricted funds 2024 Group £	Restricted funds 2024 Group £	Total funds 2024 Group £	Unrestricted funds 2024 Charity £	Restricted funds 2024 Charity £	Total funds 2024 Charity £
Intangible fixed assets	**138,554**	**-**	**138,554**	**138,554**	**-**	**138,554**
Fixed asset investments	**-**	**-**	**-**	**38,001**	**-**	**38,001**
Current assets	**7,103,771**	**361,366**	**7,465,137**	**6,843,190**	**361,366**	**7,204,556**
Creditors due within one year	**(836,277)**	**-**	**(836,277)**	**(697,892)**	**-**	**(697,892)**
Total	**6,406,048**	**361,366**	**6,767,414**	**6,321,853**	**361,366**	**6,683,219**

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net movement in funds for the year (as per Statement of Financial Activities)	**(1,008,116)**	1,275,167
Adjustment for		
Decrease in intangible assets	**89,617**	1,915
Interest from investments	**(35,865)**	(15,294)
(Increase) in stock	**(3,089)**	(100,388)
(Increase)/decrease in debtors	**92,711**	177,077
Increase/(decrease) in creditors	**130,891**	(60,750)
Net cash (consumed)/provided by operating activities	**(733,851)**	1,277,727

18. Analysis of cash and cash equivalents

	2025 Group £	2025 Charity £	2024 Group £	2024 Charity £
Cash in hand	**5,943,162**	**5,509,588**	6,641,148	6,419,624

19. Operating lease commitments

The charity is in receipt of donated office premises therefore there are no further lease payments owing. During the year, the charity leased a storage facility however there are no future minimum lease payments owing under non-cancellable operating leases.

During the year, the lease expenditure for office premises totalled £NIL (2024: £NIL). During the year, the lease expenditure for the storage facility totalled £5,952 (2024: £5,834) which is recognised in the Statement of Financial Activities.

20. Related party transactions

Other than trustee and Key Management Personnel transactions detailed in Note 7 and the donations noted below, there were no related party transactions during the period.

During the year, the charity received unrestricted donations of £1,127 (2024: £NIL) and restricted donations of £75,050 (2024: £75,000) from trustees and key management personnel. Of the total restricted donations, one donation of £62,500 was given by The Davies Family Charitable Fund and the remaining £12,550 was made up of four donations, three of which were given during the Big Give Christmas Appeal and one during the Financial Times Appeal. The purposes of these restricted funds are outlined under Note 15.

21. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Magic Outcomes Limited distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax in the year was:

	2025 £	2024 £
UK corporation tax at 19%	**-**	-

22. Prior year statement of financial activities

	Note	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024
Income from		£	£	£
Donations and grants	2	**8,467,874**	**1,267,570**	**9,735,444**
Charitable activities	3	**429,316**	**-**	**429,316**
Income from other trading activities	4	**171,624**	**-**	**171,624**
Investments	5	**15,294**	**-**	**15,294**
Total income		**9,084,108**	**1,267,570**	**10,351,678**
Expenditure on				
Raising funds	6	**1,571,650**	**-**	**1,571,650**
Food aid	6	**4,969,463**	**1,193,160**	**6,162,623**
Making the case for change	6	**1,304,068**	**38,170**	**1,342,238**
Total expenditure		**7,845,181**	**1,231,330**	**9,076,511**
Net income for the year		**1,328,927**	**36,240**	**1,275,167**
Transfer between funds	15	**-**	**-**	**-**
Net movement in funds		**1,328,927**	**36,240**	**1,275,167**
Reconciliation of funds				
Total funds brought forward	16	**5,167,121**	**325,126**	**5,942,247**
Total funds carried forward		**6,406,048**	**361,366**	**6,767,414**

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Continue the story at:
www.magicbreakfast.com

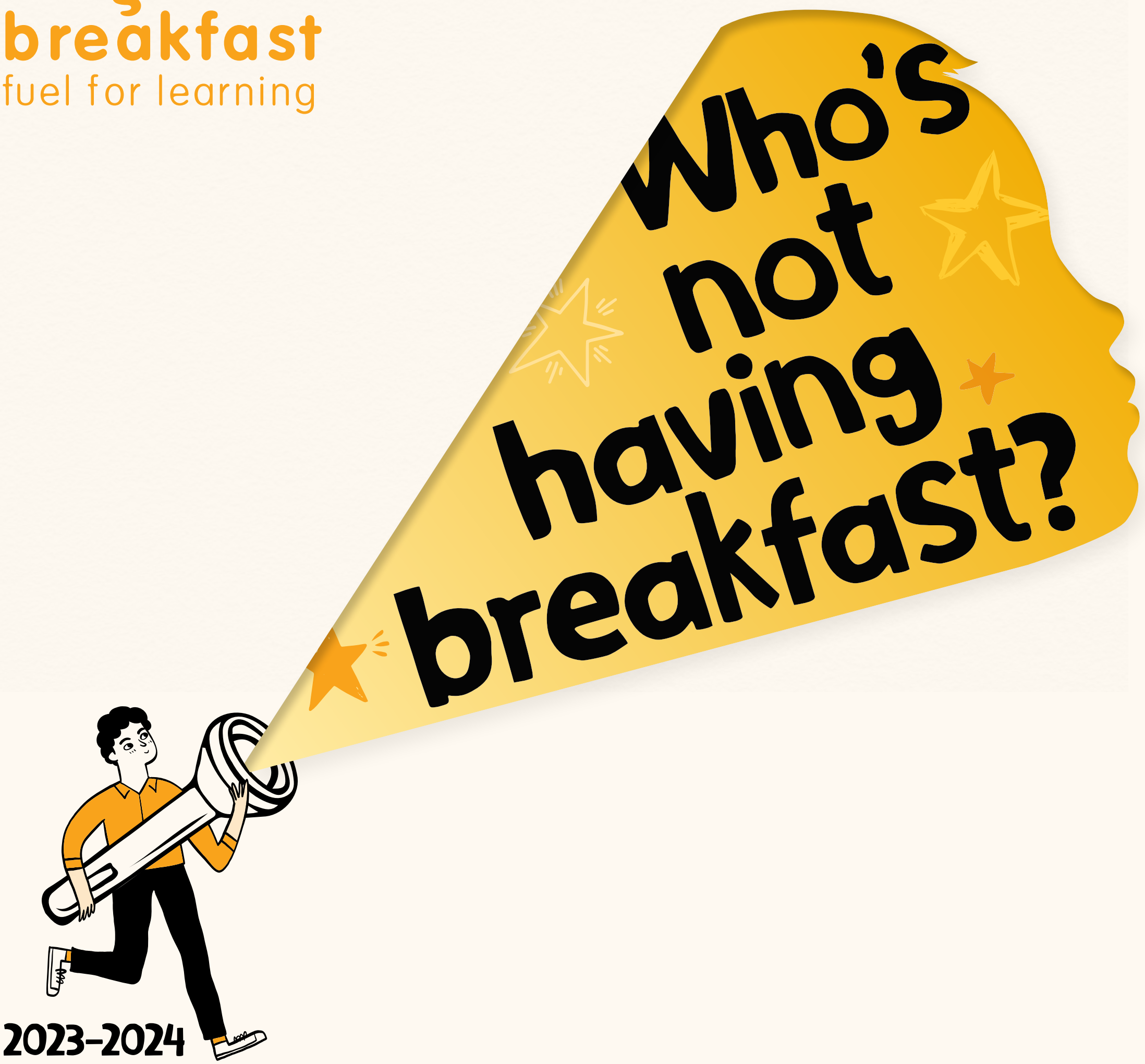
Magic Breakfast UK
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MAGIC BREAKFAST

England & Wales - Charity number 1102510

Accounts

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ANNUAL REPORT

Magic Breakfast Annual Report 2023-2024



Reference and administrative details

Charity name	Magic Breakfast
Charity registration no	1102510 (England and Wales) and SC048202 (Scotland)
Company registration no	04977015
Registered and principal office	Fora 42-46 Princelet Street London E1 5LP
Board of Trustees Chair and Vice Chair	**Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:** Aniela Shuckburgh, Chair Alison Inglis-Jones, Vice Chair
Board members	Andrienne d'Arenberg Emma West Jonathan Boateng (appointed 20 June 2024) Julie Harkness Julie-Anne Jamieson (appointed 18 January 2024) Michael Honan Phil Davies Richard Lackmann Varsha Venugopal Zipporah Kissi (appointed 20 June 2024)
Senior leadership team	**Chief Executive Officer** Lindsey MacDonald **Director of People and Culture** Alan Mustafa **Head of Finance and Technology** Anthony Eckersley **Director of Fundraising and Development** Emily Wilkie **Director of Policy and Engagement** Jacquie Bance de Vasquez **Director of Service Delivery** Sam Boulton (last employment date 31 August 2024) Rhian Thompson (appointed 1 October 2024)
Professional advisors	Bankers **The Royal Bank of Scotland** **London Drummonds** **49 Charing Cross** **Admiralty Arch** **London** **SW1A 2DX** Insurance brokers **Surrey Insurance Limited** **PO Box 1533** **Woking** **GU22 2RY** Independent auditors **Sayer Vincent LLP** **Chartered Accountants and Statutory Auditor** **110 Golden Lane** **London** **EC1Y 0TG** Legal advisors **Bates Wells** **10 Queen Street Place** **London** **EC4R 1BE**

The trustees present their report and the audited financial statements for the year ended 31 August 2024.
Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

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Annual Report 2023/24

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01.



Magic Breakfast Annual Report 2024

INTRODUCTION

The difference breakfast makes:

A school's story

Shelagh Todd and Kenny Stewart
Head Teacher and Deputy Head Teacher at Easter Carmuirs Primary School, Falkirk



Before we offered school breakfasts, our children were often unable to concentrate in lessons. They were disengaged from learning and could be dysregulated at times. A pencil breaking could feel like the last straw... it felt like they were running on empty. We worked with staff and pupils to identify the root cause of these behaviours, and a lack of a nutritious breakfast was a common theme. There are high levels of unemployment and deprivation in our local area, and we believe that 78% of our children were not eating a substantive breakfast. It was time for us to act.

Every school's needs are different, but for us it was important that breakfast was served in the classrooms for it to be the nurturing time we wanted it to be, for our young people to get settled into the day and for having a check in with their teachers. Initially, there were concerns about how our classrooms would manage. Many teachers felt that we would be losing a lot of time to breakfast, fearing the impact on managing an ever-tightening curriculum.

Hearts and minds were won, however, when we piloted breakfast in one class. The teacher was able to quickly see the impact it was having on her class's ability to learn. Suddenly, there was a lot of positive chatter in the staffroom. Far from wasted time, breakfast was being touted as a transformative way of setting pupils up for the day. More teachers asked if they could give breakfast in their classroom and, within a year, every class was serving breakfast.

Now a whopping 93% our pupils have a magic breakfast (with the rest eating at home before they leave) and our partnership with Magic Breakfast ensures that this is a wholly sustainable endeavour, removing our fears around changes in government funding or the rising costs of food.

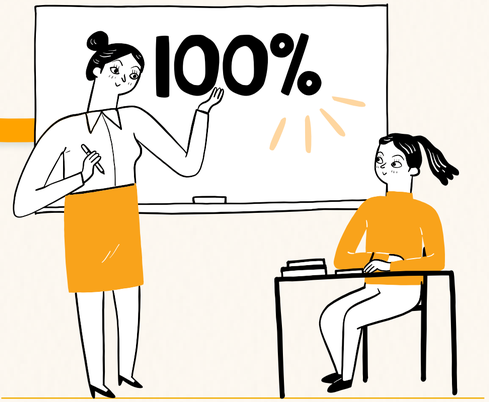
We've now helped our feeder high school look at how they provide breakfast, sharing our insight into the transformational part it plays in powering the potential of our young people. The need to have a morning meal doesn't suddenly change when a child goes to secondary; arguably, the need is even greater as social and academic demands increase.

> **We think breakfast is important to every pupil at every kind of School. It fills tummies and fuels learning. But more than that, it teaches social skills and creates nurturing relationships between staff and pupils, allowing children to feel safe, secure and able to share anything.**

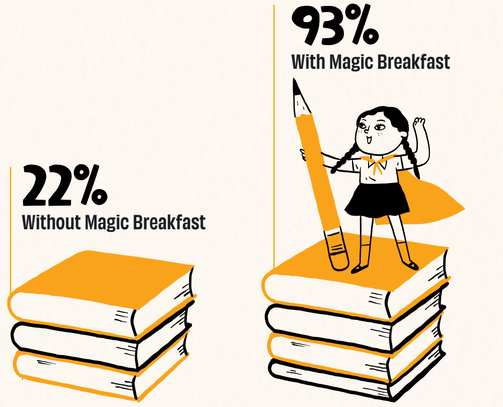
Shelagh Todd and Kenny Stewart



Amount of classrooms serving Magic Breakfast:
(Carmuirs Primary School, Falkirk)



Number of pupils eating breakfast:
(Carmuirs Primary School, Falkirk)



Powering opportunities:

Welcome from the Chair



I am delighted to welcome you to this year's Annual Report. As you look through the pages that follow, you'll see that this has been a year for growth and building on the strong foundations we put in place last year. We are now reaching more children and young people in more schools across the country. Thanks to our generous supporters we increased our target number of children and young people receiving a magic breakfast and responded to a volatile political environment.

Magic Breakfast's mission is, and has always been, to alleviate child hunger as a barrier to education to improve life chances and opportunities for children and young people in the UK. Our core activity is twofold: providing nutritious breakfasts, in partnership with schools, to reach children and young people at risk of hunger, and making the case for change to eliminate child morning hunger for good.

On both fronts, we have taken strides forward. We now support 277,000[1] children and young people each day, and school breakfast provision forms part of a government bill that featured in the King's speech.

Looking to the future we have asked ourselves a key question: who's not getting breakfast...

WE NOW SUPPORT 277,000 CHILDREN AND YOUNG PEOPLE EACH DAY

We asked ourselves,

'Who's not getting breakfast in our partner schools?'

We undertook research in partnership with secondary schools and their pupils to understand the barriers preventing young people from engaging with breakfast provision. In line with our equity, diversity, and inclusion (EDI) action plan and with support from DataKind UK, we reviewed our uptake data in schools and how this compared with local demographic and community data.

Of councils we asked,

'Who's not getting breakfast in your area, and how is it affecting them?'

Providing evidence of the social, academic and economic outcomes of breakfast, we built partnerships with four local authorities to consider how they might end child morning hunger in their communities.

As a new government took the helm, we asked:

'Who's not getting breakfast, and what could they achieve if they had it?'.

The current policy commitment misses secondary, SEND, PRU and nurseries in England, so we must ensure they are not forgotten, and champion the opportunities that breakfast powers for them. Our work to hold Scottish Government to account for their promise continues.

We continued to consider and develop our governance and were delighted to appoint and welcome three new trustees to our board this year who bring a wealth of experience and passion for our cause. We also appointed two new board advisors who attend all board meetings and bring the voice of recent lived experience to trustees' decision making.

I would like to thank everyone who has contributed to this year's story and success, in particular my fellow trustees, our board advisors, and the team at Magic Breakfast. Together with our supporters, stakeholders and friends, we are ensuring that children and young people for generations to come will not be too hungry to learn. Thank you!

With gratitude,

Aniela Shuckburgh
Magic Breakfast Chair

[1] This figure is based on children on roll at all Magic Breakfast schools. Our approach is to ensure that breakfast is a universal provision open to all on roll, and schools report that behaviour in class improves where breakfast has been provided.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

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





Steadfast focus on impact:

CEO's report

This has been a big year for Magic Breakfast. Powered by our supporters and our team, we have taken big leaps forward in our efforts to end child morning hunger, both for now and for good. As the landscape around us has changed at pace, we have stayed true to our strategy and values while we pivoted our team and plans to respond effectively.

Our strategic objectives:

1



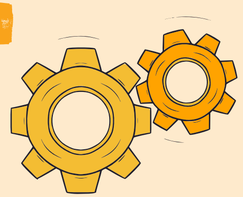
Ensure a nutritious and filling breakfast is provided to as many pupils at risk of hunger as possible

2



Build a movement to push for a solution to child morning hunger

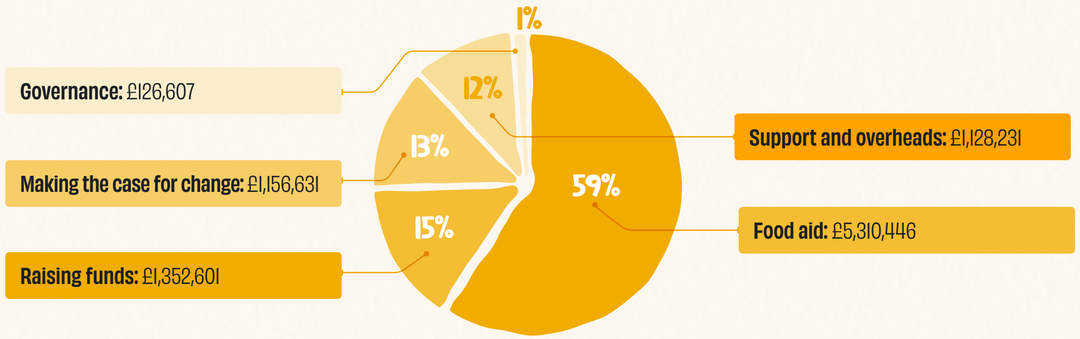
3



Operate efficiently and responsibly with greater internal and external collaboration

2024 resource allocation:

With support, overheads and governance



Reaching more children and young people

We made difficult decisions in 2022/23 to cut back in various areas as we laid stronger foundations for sustainable growth of our school breakfast operations.

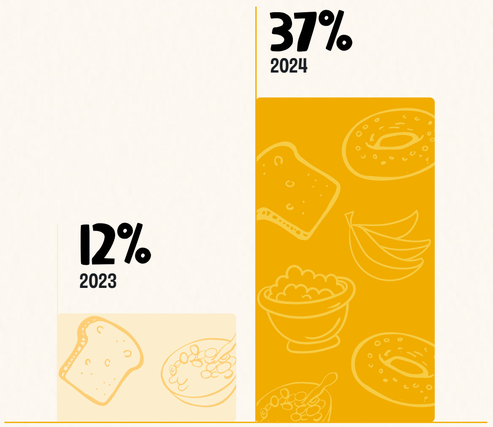
A gamechanger for our work and efficiency was the launch of our Magic Menu in September 2023. This has had a real impact on the choice and variety we can offer and our ability to respond to supply chain challenges. We had increased uptake of breakfast by children and young people in our existing schools and saw the number of schools serving three or more food groups rise from 12% to 37%.

Despite increasing the number of children and young people being provided breakfast, the Magic Menu format has meant we've been able to make better use of donated food (gift in kind) and reduce our spend on paid for food (from £1,381k to £1,358k).

On top of this, we expanded our geographical footprint by working with additional schools and growing our partnerships with local authorities to deepen our presence in communities and further diversify our revenue.

	2022/23	2023/24
Pupils with access to a magic breakfast each day	164,000	277,000
Partner schools supported	636	917
Local authority partnerships	3	4

Number of schools serving three or more food groups:



Increased use of donated food:



Steadfast focus on impact:

CEO's report

Advocating for long-term change

We went into the recent general election having helped ensure that free breakfasts for primary school children were pledged in the manifestos of both the Labour and Green parties. This was tremendously positive, though our experience in Scotland has shown us that we cannot count on promises alone.

We have continued to put pressure on the Scottish Government to deliver on their promise, now four years old, to introduce universal school breakfasts in primary and ASN schools.

WITH THE AIM OF SECURING A POLICY COMMITMENT TO FREE SCHOOL BREAKFASTS BY THE NEWLY ELECTED UK GOVERNMENT, IT WAS CRUCIAL THAT WE SHINE A LIGHT ON THE OPERATIONAL AND FINANCIAL CHALLENGES FOR SCHOOLS AS WELL AS THE GAPS IN THE PROPOSED POLICY FOR ENGLAND.

We also need to ensure that school breakfast provision on the statute books is inclusive and reaches those who need it most, just as it is in Magic Breakfast schools. Without this, those at greatest risk of hunger may miss out on the nutritional safety net that free school breakfasts can provide.

Our goal is to build and showcase research and evidence of good practice, hold governments to account, and shine a light on all those children and young people who are still not getting breakfast – those who are hungry and falling through the gaps.

This applies as much to our own service delivery as it does to our advocacy and campaigning work. We cannot scale up and replicate inequalities.



Data and systems

In 2023/24 we have continued to encourage and embed a data-led culture, capturing and sharing insight across the organisation. Establishing a technology and transformation team has seen us deliver several key projects this year, including a new website, a portal for our partner schools, and better integrated and timely performance reporting.

As a result of increasing data maturity, we can more readily see the communities living with the highest levels of deprivation, and growing attainment gaps, against our current operations.

We can now use this information to target our resources, support, and funds into the communities who need us most.



Our target areas 2024/25

Steadfast focus on impact:

CEO's report

Responsible growth

We had a successful year of fundraising, raising £8.1 million against a target of £7.4 million. This saw our unrestricted reserves end the year at 7.0 months. We will continue to spend reserves through sustainable growth of our service delivery and preparing our systems and team for change in the year ahead.

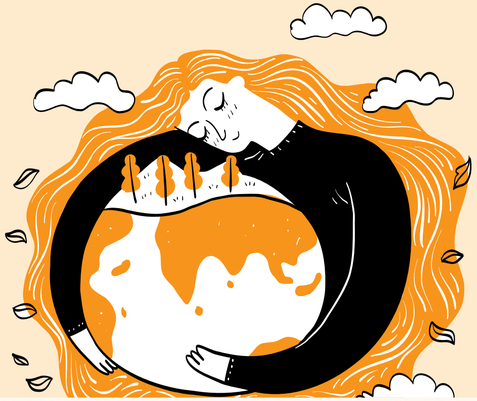
EQUITY, DIVERSITY AND INCLUSION ACTION PLAN

Cutting across our objectives is the continuing progress with our equity, diversity and inclusion action plan. This year saw us more clearly define what 'lived experience' means for Magic Breakfast, the role and opportunities for individuals with lived experience to contribute to decision making and challenged us all to think about how we best amplify their voices.



ENVIRONMENTAL AND ORGANISATIONAL SUSTAINABILITY

We've engaged Sustainable X to embed our commitment to environmental and organisational sustainability, building on the mission statement we set and helping us build a roadmap to net zero. We are creating an action plan that aligns to the sustainable development goals (SDGs) to keep us on track and to ensure that we operate responsibly.



Assessing our environmental impact

- ☑ Develop a procurement policy
- ☑ Collect carbon emissions data from our workforce and supply chain
- ☑ Reduced supply chain food waste through improved forecasting and ordering processes

Summary

As a team, this has been a year of successes and continued learning. We're reaching more pupils who face hunger as a barrier to learning. We're having an impact in the corridors of power. We have amplified the voices of young people speaking to this vitally important issue.

Yet we know many will not be helped by the current proposals. We will stand with those children and young people who are excluded and push their rights and experiences forward. We will continue to tackle hunger today, while seeking to end it for good for every child and young person in the UK.

WE'RE HAVING AN IMPACT IN THE CORRIDORS OF POWER



Our year in numbers:

A financial summary

Income

-7%
Decrease
2023/24



We expected this to be down, due to the huge impact of the Times Campaign in 2022/23

Cash fundraising

2022/23	£8,735,798
2023/24	£8,087,736

+39%
Increase
2023/24



Donated goods, services and facilities

2022/23	£800,870
2023/24	£1,115,484

+10%
Increase
2023/24



Improved utilisation of gift in kind food due to introduction of the magic menu

% of total food spend that is gift in kind

2022/23	26.8%
2023/24	36.8%

-7%
Decrease
2023/24

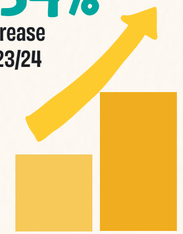


Reduction due to phasing of new schools joining through the year with 50% membership fee reduction for first year

Membership income

2022/23	£638,190
2023/24	£593,572

+54%
Increase
2023/24



Full year of support for Wandsworth and Camden

Statutory income

2022/23	£278,534
2023/24	£429,316

-2%
Decrease
2023/24



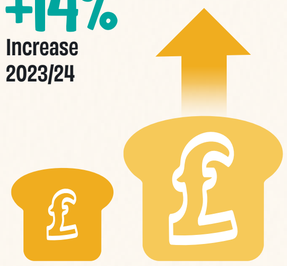
Despite income being slightly lower than last year, we have seen a 9.5% uplift on our 2023/24 target income

Overall income

2022/23	£10,506,654
2023/24	£10,329,745

Outgoings

+14%
Increase
2023/24



Increase due to the growth in children and young people supported

Cost of food

2022/23	£1,887,612
2023/24	£2,150,532

-2%
Decrease
2023/24

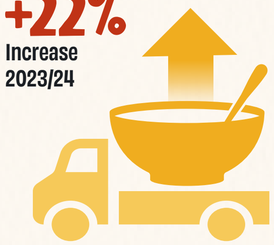


As we supported more children and young people in 2023/24, total food costs increased as expected. However, the paid for food reduced year on year due to the generosity of our corporate partners and greater utilisation of gift in kind food donations

Paid for food expenditure

2022/23	£1,381,128
2023/24	£1,358,167

+22%
Increase
2023/24



Increase due to the growth in children and young people supported

Distribution costs

2022/23	£1,043,995
2023/24	£1,278,541

+16%
Increase
2023/24



Growth in full time equivalent staff to enable growth and focus on tech and digital investment

Staff costs

2022/23	£3,690,159
2023/24	£4,292,707

+29%
Increase
2023/24



Other costs

2022/23	£1,046,191
2023/24	£1,352,730

+18%
Increase
2023/24



Overall spend

2022/23	£7,667,958
2023/24	£9,074,516

Increase in unrestricted reserves (less fixed assets) to support growth and navigate uncertainty in 2024/25 following Government's pledge to provide a healthy and nutritious breakfast to all England primary schools.

2022/23:



= 6.4 months of running costs

2023/24:



= 7 months of running costs

02.





WHO'S NOT HAVING BREAKFAST?

Widespread hunger:
The effect on communities

Gill McLuckie,
Community and Engagement Area Manager, Scotland

We've seen that life is becoming harder for families because of the rising cost of living. Families that were just about keeping their heads above water are no longer managing.

I speak to parents who say they don't eat breakfast and their children don't either. Many parents are skipping meals because they feel it takes food from the mouths of their families. The children pick up on this and their anxiety increases. Children are coming into school with the weight of hunger on their shoulders, and we're expecting them to be able to learn.

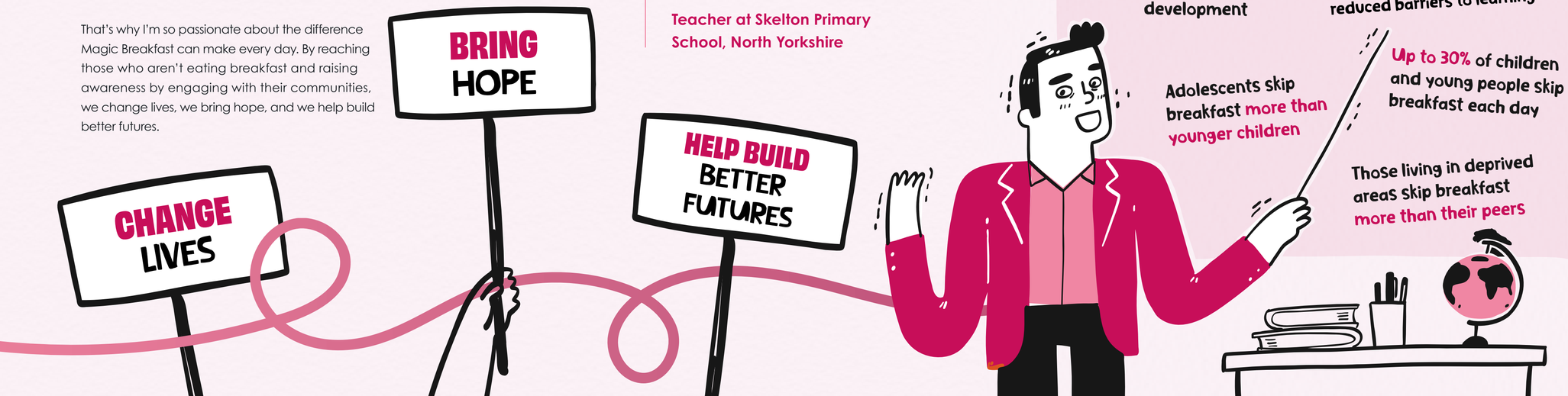
When I think back to my time working in schools, I used to see children who, each morning, would be fidgeting, poorly behaved and struggling with concentration. I now firmly believe a lot of this behaviour could have been attributed to morning hunger.

Children don't always recognise the symptoms of hunger either. They don't always connect pains in their stomach, or feeling agitated or lethargic, with not having eaten. They're so used to those feelings.

We've made inroads into our understanding of who's affected by morning hunger. It's not just the children and young people themselves; it's their parents, teachers, friends and the community who also feel the impact.

That's why I'm so passionate about the difference Magic Breakfast can make every day. By reaching those who aren't eating breakfast and raising awareness by engaging with their communities, we change lives, we bring hope, and we help build better futures.

> **We have provided breakfast for so long now that we couldn't imagine school life without it. But we can remember the impact that no breakfast had upon staff wellbeing. We would often be so concerned about some children being hungry that we were providing food from our own pockets. Having a healthier breakfast offer that the school provides every day has been a weight off our minds.**
>
> Teacher at Skelton Primary School, North Yorkshire



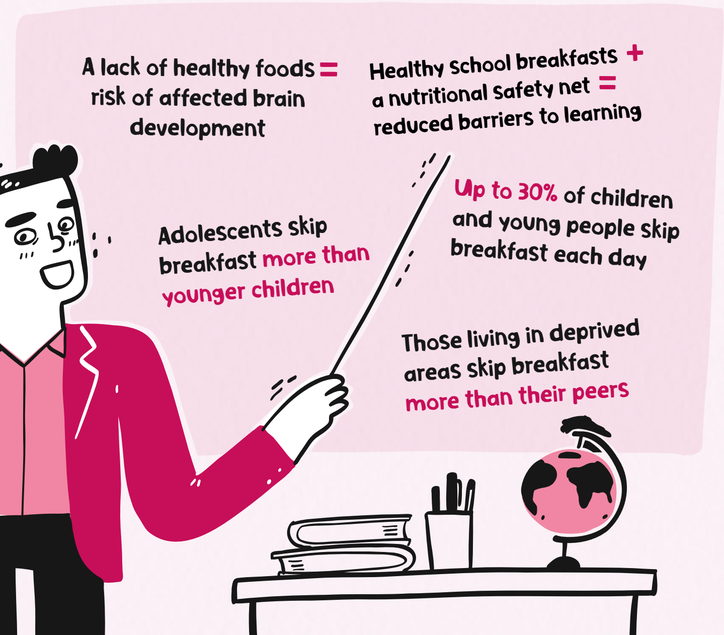
Understanding need:
Our research

The need for Magic Breakfast's work remains high and widespread. Government statistics show that around nine pupils in every class of 30 are living in poverty in the UK, the highest number in a decade (Department for Work and Pensions).

This year, we've also witnessed the largest educational attainment gap in over a decade, with disadvantaged primary pupils being 10.3 months behind their wealthier peers, and secondary pupils lagging 19.2 months behind (Education Policy Institute, 2024). We commission and undertake research to better understand how we, and others, can best alleviate and end the consequences of hunger in the UK's classrooms.

Health and educational outcomes

We commissioned the British Nutrition Foundation (BNF) to conduct a scientific review into the importance of breakfast for health and educational outcomes in children and young people. The report, **'Rise and shine: How breakfast impacts children and young people'** summarised school breakfasts' impact on narrowing the attainment gap, reducing health issues, and breaking the cycle of poverty in society.



> **The school implemented a universal breakfast program, offering a healthy and appealing breakfast option to all students before the school day began and again mid-morning. Teachers noted a significant rise in student attentiveness and participation in lessons. Students arrived with improved focus and energy levels, ready to learn.**
>
> Magic Breakfast partner school, Hampshire

Understanding need:
Our research

Barriers to uptake

Data shows a lower uptake of breakfast among secondary school pupils compared with primary school pupils. Our 'Secondary Pilots' research project, funded by The Barratt Foundation, seeks to help us identify and overcome the barriers secondary students face in accessing school breakfast.

Research pilots were conducted in ten schools across Scotland, each with different approaches to increase uptake and record the experiences of both pupils and staff. These findings will enable us to devise new approaches in secondary schools and develop good practice guidance for the sector to be shared next year.

We also worked with DataKind UK to identify which communities and cohorts are less likely to take advantage of breakfast at school. We found there is lower uptake among those where English is a second language, and this has led us to consider how we can better present our resources and messaging to the families of those who might be missing out. A more place-based approach to the work done by our Engagement Partners is being launched and tested from September 2024.

> "Previously I had at least 3 children a day come to me to say they were hungry and hadn't had breakfast. Now we've changed the way we do things to remove the stigma and barriers, I haven't had a single child come to me to say they're hungry."

Pupil Support Lead, Leesons Primary School, Kent

The Magic Breakfast model helps schools overcome the challenges they face in reaching hungry pupils. Since partnering with us, 50% of our schools feel they have now overcome all the barriers preventing children from accessing their magic breakfast! Of those who still encounter challenges in uptake, 16% cite parental interest and 10% mention awareness of the importance of breakfast as barriers.

This is why we champion a multi-model approach, including provision for pupils arriving to school late, and are pivoting our engagement focus in 2024/25 to educating school communities.

Breakfast changes lives:
Sophie's story

Sophie Balmer,
Magic Breakfast Board Advisor

At primary school, breakfast club was one of my favourite parts of the day. I remember, after we ate, the staff would play a pop song and tell us to 'wake up and shake up' to the music. I never felt awkward, and never worried that anyone was thinking 'Oh here come the kids who need the free food.' It was relaxed and open, and no one felt embarrassed about being there.

Mam was a healthcare worker and a single mam of four. Having our breakfast at school helped her, especially if things were a bit tough money-wise. She could also rush off to work a bit sooner, and it took one extra worry off her plate.

But secondary school was different. Everything feels embarrassing when you're a teenager, and I felt there was a stigma about getting breakfast. When I did go in for something to eat, I felt like the staff were thinking, 'Thanks for making us come in early because your family can't afford your breakfast.' If there's any sense of shame like that, you feel singled out. Food stops being enjoyable, and it ruins your self-confidence.

As I got older, I became more aware of the conversations Mam was having about money. Mam skipped a lot of meals, and I copied her subconsciously. I stopped eating breakfast and barely had anything at lunch. I thought I wasn't that hungry, but looking back I can see that I was. I would sit in lessons, finding it difficult to concentrate, and come out of the classroom thinking, 'I wasn't even in that lesson.'

Now I'm 20, a student at the University of Leeds and a board advisor to Magic Breakfast. It's my job to give my perspective on the work we do to the trustees. With two younger sisters still at school, I want to be part of the movement making sure no one is starting their school day too hungry to learn.

School breakfast is a lifeline for the parents who work difficult hours and a saviour for children who rely on the food and the social contact. I know my early experiences at breakfast club have helped me achieve in the long-term. The food choices and social spaces it created for me made me feel empowered and changed my perspective; I realised that school was somewhere I wanted to be.

Breakfast changes lives. It helped me succeed. And that's why it's so important to look for ways to reach everyone who's missing out on food in the mornings.



Sophie Balmer

Sophie is one of Magic Breakfast's new board advisors, along with Fiona Zeka. Both Sophie and Fiona were supported with breakfast at school, and now as young adults will be bringing their expertise, views and knowledge to our board of trustees as our work continues to eradicate morning hunger amongst children and young people.

"IF YOU DON'T DESERVE A BREAKFAST, WHY WOULD YOU DESERVE TO GO TO UNIVERSITY AND DO AMAZING THINGS?"

> "Breakfast is imperative for regulation in the mornings and has a huge impact on behaviour in the mornings. We couldn't not offer it, as it is so important."

Safeguarding Lead, South Shields School, Tyne and Wear





Magic Breakfast Annual Report 2024

REACHING MORE HUNGRY CHILDREN

More seats around the table:

Reaching more children

To reach more children going without breakfast, it is essential that we ensure our offer is as accessible as possible to pupils at our partner schools. We have always championed a holistic breakfast offering that takes various forms, from breakfast clubs to grab and go models, to increase reach. This year, we have undertaken a range of additional activities, seeking to overcome some of the barriers to breakfast and increase uptake.













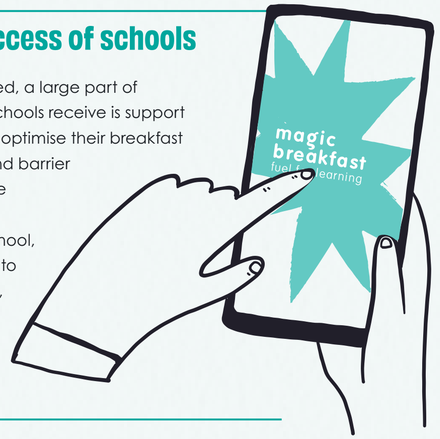
Greater choice, greater nutrition

We launched our Magic Menu to ensure we can sustainably feed more children and young people, and to provide choice across a variety of products and food groups. As a result, we have seen the number of schools receiving more than 3 different food groups raise from 12% to 37%.

We were particularly excited about trialling a new cereal, BEST Cereal, which is well known amongst young people due to influencers popular within this age group. This was an opportunity to place young people at the heart of our decision-making, and we felt it would resonate with them. It did! We ran a successful trial in secondary schools, where we are always looking to increase uptake, and the students were very keen to engage.

Supporting the success of schools

Alongside food being delivered, a large part of the service that our partner schools receive is support and guidance to launch and optimise their breakfast provision so that it is stigma and barrier free. We support the effective implementation of multiple models of delivery in each school, having consistently found this to be best for school staff, pupils, and realising the benefits of breakfast.



What are the different breakfast delivery models?



Breakfast clubs

Breakfast clubs run before the school day, providing childcare, food and activities. Where possible, we promote breakfast clubs that are free and accessible to all as a great way to ensure there are no barriers or stigma.



Grab and go

Grab and go breakfasts are available to pupils as they arrive at school, in a location that is easily accessible, such as at the school gate or in the playground. This can run independently or alongside a breakfast club.



Classroom breakfasts

Classroom breakfasts are offered to all children as they start their day and are often eaten while reading or doing early morning work. This model is particularly effective in reaching a high number of children and young people each day, ensuring no one is missing out.



Late arrivals

Breakfast for late arrivals is crucial in ensuring that no one starts the day too hungry to learn and can be as simple as a basket of bakery items positioned at the sign-in desk.

> **We encourage a whole school approach, so that every member of staff has the knowledge to recognise the signs of hunger and feel confident in offering support. We carefully consider each school individually to work out what model will suit their needs, so every child and young person has access to breakfast daily.**
>
> **Where do latecomers arrive? How best do we support young people with additional supports needs? Is there a safe space that pupils who are feeling vulnerable gravitate towards? How can breakfast be made available to each pupil in a way that works for them? I like to buddy up experienced schools with new schools to share what works!**

Gill McLuckie,
Magic Breakfast Area Manager

Spotlight on success:

MAGIC BREAKFAST PARTNER SCHOOL, SOUTHMEAD PRIMARY, WENT FROM REACHING 7% OF THE CHILDREN ON THEIR SCHOOL ROLE WITH BREAKFAST TO OVER 50%, SIMPLY BY ADDING A GRAB AND GO MODEL TO THEIR BREAKFAST OFFER.



More seats around the table:

Reaching more children

Moving forward

At the end of 2023/34, we restructured our service delivery team to enable us to scale more efficiently and provide more localised support and education to schools and their communities.

Many teachers may not be aware that the symptoms they see in their classrooms are those of hunger and parents may not be aware of the opportunity to access breakfast in their school. Engagement and education will play a crucial role in embedding national policy effectively.

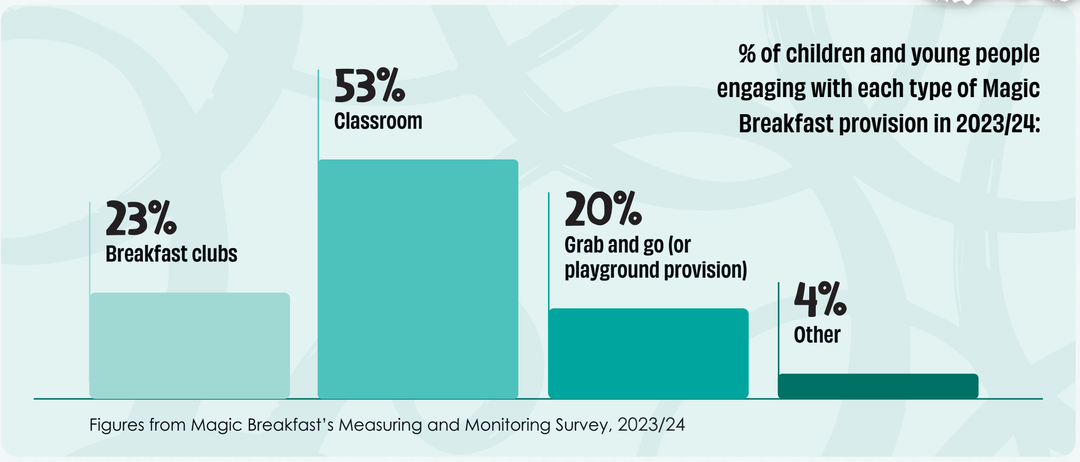
We will continue to listen to feedback from the children, young people, schools and families who are the centre of what we do. The future looks very exciting, and success will see 'more seats around the table' at school breakfasts.

Magic Menu = more donated food used + more nutritional breakfasts + more choice for young people

Breakfasts at clubs + breakfasts in classrooms + breakfasts in playgrounds = stigma-free breakfast provision

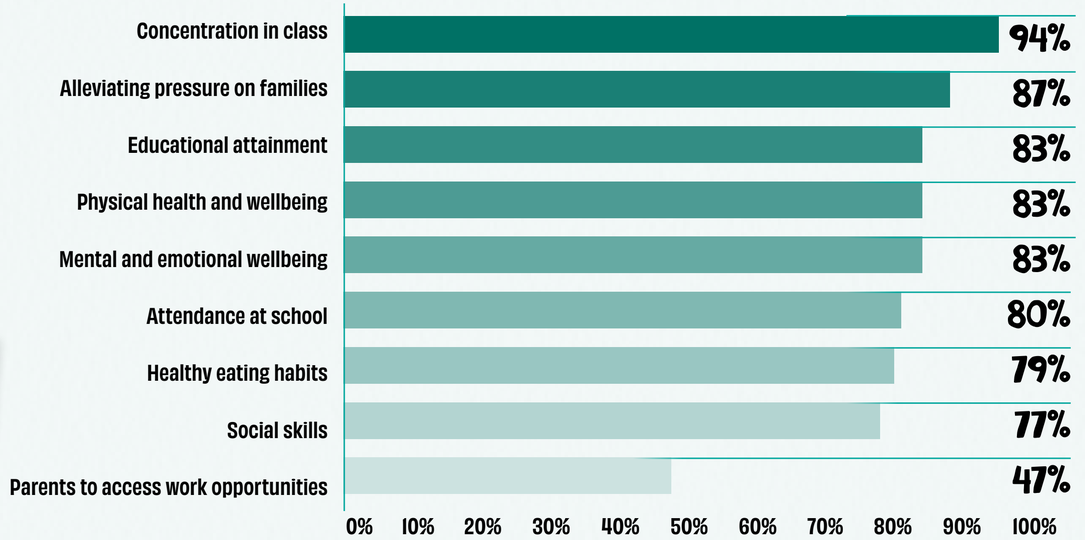
277,000 children and young people offered a breakfast each day, +69% on 2023

Restructured support teams + increased engagement with school communities = setting us up for future growth



Figures from Magic Breakfast's Measuring and Monitoring Survey, 2023/24

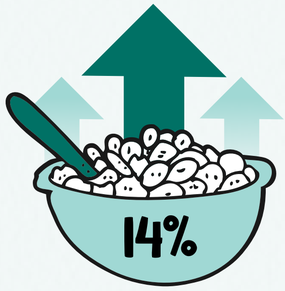
More full tummies, more positive impact for the communities we serve



From Magic Breakfast's Measuring and Monitoring Survey, 2023/24

Partnerships overcome barriers

Increasing cost of food:



Increase in donated goods, facilities and services:

+£315,000

As we grew to support more children and young people, we saw the cost of food increase by £262,920 (14%) to £2,150,532. However, thanks to our amazing corporate partners, we saw an increase of donated goods, facilities and services of £315,000 in value, ensuring that costs did not prevent us from getting more breakfasts into more schools.



Sustainable growth:
Working with more schools



Rebekah Willetts,
Business Development Manager

Our new business development team works in partnership with local authorities to deliver hunger-focused breakfast provision in their local areas. This year, the team has been forming relationships with new local authorities across the country to expand our support, which is a key means of delivering on our strategic objectives.



Partnerships underpin our sustainable growth.

We have hundreds of schools on our waiting list who we can only support at a rate that our fundraised income allows. Partnerships with local authorities enable Magic Breakfast to support more schools to provide healthy and inclusive breakfasts with sustainable funding.



A personalised approach makes for success.

Working with local authority teams and school leaders in an area, we can shape the partnership to meet each community's needs and priorities.





A local authority contract can cover all schools.

Funding from commissioned income means we have the potential to give every pupil across the area access to breakfast. This is aligned with our vision for universal breakfast and means that we can reach more children who are struggling with morning hunger, whatever the reason and irrespective of the pupil premium levels in the school they attend.



The schools pay no membership fees.

Everything is funded by their local authority, including food, delivery and expert support from our staff, which reduces pressure on school budgets.



WE ENDED 2023/24 SUPPORTING 917 SCHOOLS, WITH 281 NEW SCHOOL PARTNERSHIPS ESTABLISHED AND PARTNER SCHOOLS IN SCOTLAND DOUBLING OVER THE YEAR



In partnership with local authorities...

...we can help tackle health inequalities, boost learning, and improve attendance. Breakfast is a low-cost, high-outcome intervention with a powerful role in overcoming economic, educational and health inequalities. Local authorities appreciate the vast potential of their investment in breakfast for both young people and the wider community, with families seeing reduced strain on household budgets and increased support for working parents.



Working with more schools

The Westminster Foundation is funding a five-year project, providing breakfast to schools in Westminster, Cheshire and Lancashire. Other supporters, including The Swire Charitable Trust and The Bel Foundation, have enabled us to fund more schools and provide them with the equipment they need to set up their breakfast provision.

> "Having hunger-focused provision and being able to target children who were vulnerable to food insecurity was really important to us. Magic Breakfast provides food and brings a huge amount of experience to this space."
>
> Safeguarding Lead, South Shields School, Tyne and Wear

Ending morning hunger for good:
Shaping the future

Katharine Voss,
Campaigns Manager

What opportunity did the general election offer in ending morning hunger for good?

It was an opportunity to mobilise our supporters and encourage the UK's political leaders to prioritise and address hunger in our classrooms. We wanted to raise awareness of the fact that 1 in 5 children are at risk of being too hungry to learn at the start of the day[1].

What was your strategy in the run-up to the election?

Firstly, ensuring that school breakfast was in the party manifestos was key, as this would provide us with a commitment in England to hold them to account once in Government. Influencing this required engagement with key Members of Parliament whose remit covered education, poverty and health, as well as with the major parties' policy advisors. We also worked with coalitions to ensure school breakfasts featured in their asks for the next Government and Magic Breakfast was aligning with the wider sector's aims.

We had to be agile and prepared, as it was a highly volatile political environment with a new Scottish First Minister and rumours of an election in May. That early planning paid off when the election was called in July.

School breakfasts featured in both the Labour and Green Party manifestos. Labour promised a funded breakfast club in every primary school in England and while we welcomed this pledge as a step forward, we know it leaves many children and young people without breakfast.

Education is devolved, so this policy only affects pupils in England. Young people at secondary school, in ASN/SEND schools, in youth offending schemes or at pupil referral units would be missing out. And what, we asked, about the children who cannot get to school early enough for the traditional breakfast club model?

How can you persuade the Government to prioritise children and young people?

By bringing children's voices to the fore and championing hunger-focused, universal and stigma-free provision. We are also backing up our asks with strong evidence and insights from pupils, parents, teachers, and school leaders.

It was important to us that officials and politicians understood that there are lots of reasons why children come to school hungry. Effective provision that truly tackles hunger and overcomes stigma must take all of this into account. Take the traditional breakfast club format, for instance: it runs before school hours, so you won't reach those who are persistently late. Consider that if you provide food in classrooms for the first 15 minutes of registration, you can reach more children.

We know that school breakfasts can also be a way to help parents access work and we have worked to emphasise that if the objective is to address hunger and alleviate child poverty then the policy cannot focus purely on childcare. That will ensure that there are no barriers to breakfast, such as an additional charge (for childcare). It is also vital that any policy is funded with new, additional money and doesn't remove budget from another part of a school's already shrinking pot.

This new money is also critical for the change we need in Scotland, where their commitment to free school breakfast in 2021 has still not been implemented. New money in Westminster's budget releases new money in Scotland, and we are focused on ensuring that sees school breakfasts delivered ahead of the 2026 Scottish election.

[1]The Food Foundation, Food Insecurity Tracker, January 2024

SPOTLIGHT
on success



"There is a damaging assumption that working families are able to afford breakfast. There are some who were just above the threshold and now, with rising costs, no longer are.

If we could end child morning hunger for good, we'd have families with less strain, not just financially, but also logistically. For working families with busy mornings where providing breakfast is one step too much, there would be one less thing to worry about.

They would have a slower, more nurturing start and we'd see young people who were prepared to take on anything the day was going to throw at them."

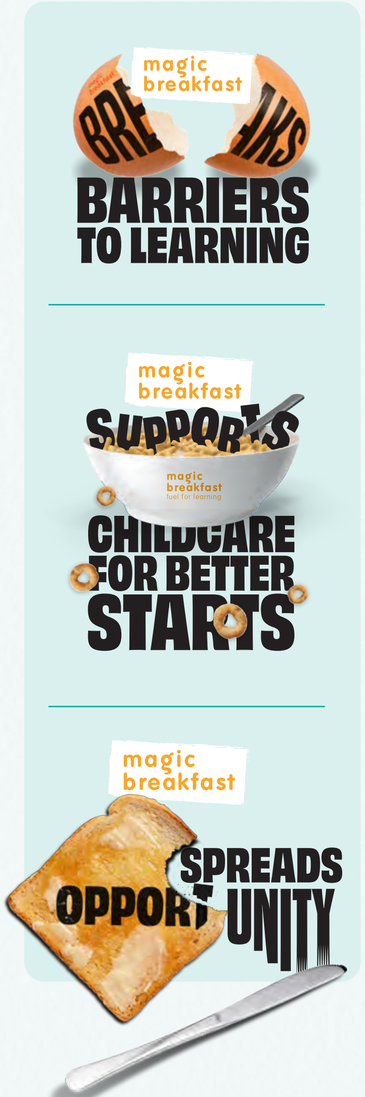
Shelagh Todd and Kenny Stewart - Head Teacher and Deputy Head Teacher at Easter Carmuirs Primary School, Falkirk.



Ending morning hunger for good:
Shaping the future

Advocating for change

- Recruit campaigners to call on parliamentary candidates to put breakfast on the agenda
- Send a letter to the party leaders from teachers across the UK
- Produce an implementation guide for key civil servants, ministers and MPs
- Cultivate relationships with MPs who can support our asks
- Work closely with the Department for Education to share best practice and ensure that children and young people remain at the centre of discussions
- Collaborate with sector partners and coalitions to ensure school breakfast policy sits in wider strategies to end child poverty and improve school food
- Prepare for party conferences, in England and in Scotland, to highlight these asks





"I've never worked at a place where our issue is so high up on the government agenda. Seeing the government and the opposition both agreeing on the importance of breakfast is really encouraging. We must be doing something right!

As we continue to take on our role of critical friend, the next year offers a lot of opportunity for us to get closer to delivering our vision."

Katharine Voss,
Campaigns Manager





Magic Breakfast Annual Report 2024

POWERED BY PEOPLE

Inspiring action:

Raising awareness of the issue

Spreading the word about what we do and why is what underpins the success our community has achieved. That's why, this year, our brand and marketing has undergone a transformation. We have established a foundation on which we can better communicate the cause, champion change and inspire action.

Brand development

To increase our visibility and enable us to reach more audiences, we overhauled our brand identity. Our brand is a connector, linking us to our communities and acting as a catalyst for engagement. It can be a force for good and a flag behind which the movement to end child morning hunger can rally, which is why we invested in developing a distinctive and compelling visual identify which would resonate with our audiences. This was first introduced through the design of last year's annual report.



Tracking awareness

Crucially, especially given our investment in its development, we can now track public awareness of our brand. What's more, we can also track awareness of the issue of child morning hunger. This insight allows us to truly measure the collective impact of our external communications in a way we couldn't before. We have also developed new audience insights looking at how we might shift our narrative in the light of the primary commitment, and to ensure that those still missing out are not forgotten.



Over the month of February, we called on our supporters in schools, workplaces and at home to enjoy breakfast together with friends, family and colleagues to raise money and awareness for children going without breakfast.

The response to our call was amazing. Thanks to our community of celebrities, partners, schools and supporters, we raised over:

£54,000

Website donations were up:

1570%

(year-on-year)

24%

of surveyed members of the public recognised the campaign!

Broadening digital capabilities

Our work this year has included improving our digital capabilities, including launching a brand-new website, developing our email community experience, investing resource in social media tools and increasing our celebrity engagement. Celebrity partnerships have been influential in spreading the word about child morning hunger to new, diverse audiences.

The foundations have been laid for us to go from strength to strength in 2025 and beyond. We will continue working to mobilise and support the movement that is fighting for a different future for hungry children.



Giving to Magic Breakfast

The donors who give to Magic Breakfast play a vital role in funding life-changing breakfasts. Of course, the more we raise through giving, the more children and young people we can reach with a nutritious morning meal. But our supporters don't just fill hungry tummies when they donate... they also enable us to find and test new ways to reach those who are missing out and support our work in ending morning hunger for good.

This year, our focus has been on creating a compelling case for support and effectively communicating the story of Magic Breakfast's impact, so that we can attract new donors and solidify our existing relationships with givers. We stay in touch, keeping donors abreast of the latest news and developments via our email community and through our Magic Morning online events, where supporters can hear directly from schools. This has resulted in an incredibly successful year, with £8.1 million raised through donations to Magic Breakfast.

Whatever the reason for their support, the commitment that our donors have to the cause never ceases to inspire us. We work closely with them to make sure they have the information they need to support us in the way that suits them and with their motivations.

Giving the...

GIFT OF GROWTH

Donor funding will be used to transform our data systems, develop our data technology, improve our ability to draw out insight and enable us to make more informed decisions. This is vital for Magic Breakfast as we look to grow and develop.

10 years of players' support

Many of the people that give to us do so indirectly. This year, we celebrated ten years of support from players of People's Postcode Lottery, who have raised an incredible £4.8 million for Magic Breakfast over the last decade. We were delighted to receive a significant increase in our annual funding, bringing it up to £800,000. The size of this annual award, and it being unrestricted, makes a huge difference to the work we do and our ability to reach hungry children and young people.

Supported by players of PEOPLE'S POSTCODE LOTTERY

Awarded funds from POSTCODE CHILDREN TRUST

Donations doubled

This year we had an outpouring of support for our Big Give campaign, which saw every donation given by our supporters matched by pledgers and the Childhood Trust. Our target had been to raise £150,000.

THANKS TO ALL THE DOUBLED DONATIONS AND OUR GIFT AIDERS, OUR TOTAL WAS OVER £193,000!



Fundraising for change

This year, employees at The Access Group chose Magic Breakfast as their charity of the year and raised hundreds of thousands of pounds by taking on challenges and hosting fundraising events. Below, you'll hear from Earl McFarlane, The Access Group's Head of Support, who was one of nine Access Group colleagues who took part in a deadlifting world record. The team even skipped breakfast to complete the challenge hungry, an act of solidarity with children across the UK who face their daily challenges hungry.

What motivated you to take on this challenge?

I am in the blessed position to be able provide for my child emotionally, mentally and financially. Every child should experience the same, but not every parent and carer can provide financial support, which makes me profoundly sad. For this reason, I have always tried my hardest to raise awareness of Magic Breakfast. As I am constantly finding ways to challenge myself physically, I was keen to put both passions together for the good of the charity.

How demanding was the challenge for the group?

The physical side was the most difficult for us, and no food to power us on the day made it harder. Deadlifts target a lot of muscle groups. As competitors started to fade, the stronger members of the team took on the responsibility of more reps to try to increase our average number as a team, but as time went on, muscles got tired!

What did you enjoy most about the experience?

Everything! The day, the support, the amazing colleagues that helped organise and increase awareness, the brilliant competitors, the venue, the staff. Mostly, it was the satisfaction that we were doing something that matters to people that matter.

How did the challenge go?

End to end, the challenge was a resounding success. Every person who attended, from support staff to people who came to cheer us on, helped to shine a light on this cause, and that was the aim. Magic Breakfast really cared about what we were doing and wanted to help. We didn't reach our world record target, but we did raise a respectable amount of money and even appeared on local radio to promote the charity. That's a win in my book! I will continue to fundraise for Magic Breakfast – it's a great charity that's very close to my heart.





Challenge events

This year, fundraisers have taken on a fantastic range of challenges to raise funds for Magic Breakfast. We've had skydives, marathons, Tough Mudders, ultra swims, hikes, step challenges and even an SAS-inspired course. One memorable event was a three-day rally across Europe in a car covered in baked beans, with those taking part dressed in breakfast-themed costumes!

Strategic partnerships

The partnerships team at Magic Breakfast works with companies, each of which support us in a different way, but all are aligned with our mission and dedicated to amplifying our impact.

Over the past few years our portfolio of fundraising partners has grown. Partners help us reach more children who are going without breakfast, often employing creative means of doing so. Sometimes support is financial or though gifts in kind, other times it's by using their platform to talk about our work, by helping us forge strategic relationships or by giving their staff time to volunteer with us.

	Raised:
Corporate partnerships	£3,621,776
Trusts and foundations	£1,972,149
Individual giving	£1,095,961
Philanthropy	£918,020
Community and events	£479,830
Gift in kind	£1,115,484
Total combined cash fundraising and gift in kind value:	£9,203,220

> "The print suite that I curated for Magic Breakfast and Counter Editions has raised £112,000, which I am completely over the moon about! This will provide close to 400,000 children a breakfast. I have supported this charity for many, many years and I am so buzzed that we have raised so much money for the charity. Thank you, Magic Breakfast... long may you reign!"



Russell Tovey

During 2023/24, the charity paid due regard to its fundraising practices in line with the guidelines set out by the Fundraising Regulator's Fundraising Code of Practice, the General Data Protection Regulation (GDPR), the *Charities Act 2011* and the *Charities (Protection and Social Investment) Act 2016*. The charity is registered with the Fundraising Regulator and is committed to being an open, fair and respectful fundraiser.

Magic Breakfast establishes commercial participatory agreements with its commercial participators to ensure they comply with the Fundraising Code of Practice, and these are monitored by the charity. The charity does not engage professional fundraisers to raise funds on its behalf and direct marketing and fundraising is only undertaken where prior consent has been obtained and complies with GDPR, the Fundraising Code of Practice, the *Charities Act 2011* and the *Charities (Protection and Social Investment) Act 2016*.

There were no complaints made against the charity or its commercial participators regarding fundraising practices.

2 million+ breakfasts

Heinz provided over two million breakfasts this year, together with equipment to ensure that schools can prepare and serve breakfasts. When schools offer a magic breakfast, they can face practical challenges in preparing, heating and serving the food. Support from Heinz has been transformational in overcoming this. They worked with us to make sure schools have the resources and equipment to enjoy our breakfast provision at its best.

Fuel for Success

As part of our annual Fuel for Success campaign, partner restaurants including D&D, Hawksmoor, Thesleff Group and The Vineyard invited diners to add a voluntary £1 to their bills over May and June to provide breakfasts to young people sitting their exams. Celebrity supporters Will Poulter and Big Zuu also got on board to raise awareness of the huge impact of child hunger during the exam period.

2 million portions of bread

In the past year, Warburtons has generously donated an incredible 2 million portions of bread - a huge triumph! Warburtons has also raised awareness of our partnership and vital work through their "Baked In" campaign and inspired young minds by taking part in Aspiration Days in Bolton, home of Warburtons.

Amplifying our key messages

Quaker's 'Share the Warmth' campaign saw our key messaging around the risk of child hunger amplified on packs, on billboards, on bus stops and in media, along with the donation of 3 million bowls of porridge shared between Magic Breakfast and FareShare.

Hundreds of volunteers

Hundreds of corporate volunteers took part in our volunteer programme to support children and young people in a number of ways, from decorating their classrooms, providing festive gifts or offering career advice and inspiration.

Research and staff

This year marked the launch of our partnership with the Barratt Foundation, who generously committed to donating £500,000 over two years. Their support funds healthy and nutritious breakfasts, a research project in Scotland and three engagement partners.

£100,000 donated

Universal Music donated £100,000 to support Black and other marginalised communities across 16 Magic Breakfast schools.

7,500 children supported

The second year of our partnership with the Zurich Community Trust continued to deliver huge impact on tackling child hunger. By the end of June in 2024, the lives of over 7,500 children have been transformed through direct breakfast support, with over 938,000 healthy breakfasts consumed, and positively impacting just over 21,000 children in total since the start of support in July 2022. Going the extra mile, ZCT has supported with additional matched fundraising, strategic business support in the form of pro-bono projects, as well as enabling access to a host of training and learning and development opportunities.

New hotel partnerships

We started working with Marriott Hotels, whose UK hotels have set an ambition of funding one million breakfasts per year whilst also volunteering with our partner schools in their local areas.

Empowering Staff:

Ways of working at Magic Breakfast



Our goal at Magic Breakfast is for our staff to thrive. Central to this is a people-centric working culture empowering everyone to give their best at work. Our focus is on enhancing our effectiveness through learning pathways and acting with agility to meet every opportunity to make a difference for children and young people.

We aim to enable our people to unlock their productivity, enjoy their work and find work-life balance. All our staff can use flexitime, and a third of them work flexibly with formally compressed or altered hours to fit around their lives. New family-friendly policies and procedures have been put in place including a maternity reinduction process and guidance for those going through, or supporting someone going through, menopause.

We know that, to ensure colleagues can thrive in an inclusive workplace, wellbeing is central and we have transformed our support for this. Wellbeing Champions and Mental Health First Aiders, who are trained to support colleagues, have now been introduced, alongside training around stress management and navigating change.

UNLOCKING PRODUCTIVITY, ENJOYING WORK AND FINDING WORK-LIFE BALANCE.

We find increasing alignment across our work, thanks to a number of initiatives this year. Embedding our values in performance and introducing organisation-wide ‘ways of working’ has powered our effectiveness as a team. The launch of our behaviour and respect policy, alongside embracing compassionate candour, has boosted our confidence in communication.

Having different perspectives and backgrounds creates a diversity of thought that extends through our work and is crucial to our success, but our staff group hasn’t been as diverse as we’ve wanted it to be. We now use blind recruitment. This has helped with the diversity of our appointments, and recruiting for potential as well as experience. Our Equity, Diversity and Inclusion journey has developed, with a learning pathway, staff group and new policies and resources in place to support an inclusive culture.

Each of these puzzle pieces comes together to power the impact each one of us has. We support each other and work together. This is what empowers us to achieve our best and enables us to put children and young people at the centre of all we do.



> **“Magic Breakfast is a compassionate organisation you're allowed to bring your whole self to work. We are incredibly collaborative, valuing input from everyone. The training here is excellent and there are so many inspirational people to learn from. I feel that I'm constantly learning, evolving and developing, both professionally and personally.”**

Gill McLuckie,
Magic Breakfast Area Manager

Thank you to our
amazing supporters...

As we look back over the year, we want to start by thanking the community of people and organisations who have powered our work. We are grateful to all our supporters, a few of which are listed here, and every one of which helps us to deliver life-changing breakfasts to children.

Corporate partners

- Amazon
- Ardian Foundation
- Arla Foods UK
- Aspect Capital Ltd
- Beauty Pie
- CABWI Awarding Body
- Connex Education
- Counter Editions
- D&D London Limited
- Dishoom
- Eversheds Sutherland
- FactSet
- Fora
- Grupo Bimbo UK Ltd
- Hawksmoor
- High Speed Training
- Jane Hodson, Lucas Hollweg, Clerkenwell Boy and all who contributed to the These Delicious Things cookbook
- Kellanova
- Kraft Heinz
- Manchester Airports Group
- Marriott International
- Morgan Stanley
- Noble Foods
- Quaker Oats UK
- Reynolds
- Squire Patton Boggs
- Taylor Wimpey Plc
- The Access Foundation
- The Access Group
- The Barratt Foundation
- The Grant Thornton Foundation
- The Permira Foundation
- Universal Music UK's Task Force for Meaningful Change
- Warburtons
- Weetabix Food Company
- Zurich Community Trust (UK) Limited

Development advisors

- Lily Silverton
- Nick Lawson
- Priyan Shah
- Saloni Thakrar
- Sharzad Atai
- Simon Woods

Major donors

- Erica Wax and Andrew Balls
- Nabeel Bhanji and Sahar Meghani
- Phil Davies and family
- Victoria and Eoin Walsh

Local authorities

- Camden Schools and Camden Council
- London Borough of Hammersmith and Fulham
- North Somerset Council
- Wandsworth Schools and Wandsworth Council

Trusts and foundations

- Allan & Gill Gray Philanthropies
- Bel Foundation
- Clara E Burgess Charity
- David Family Foundation
- DVS Foundation
- Familia Charitable Trust
- Jean and Hélène Peters Fund
- 'Peace Train' by The Yusuf Islam Foundation
- Players of People's Postcode Lottery
- Sainsbury's Helping Everyone Eat Better Community Grant
- The Childhood Trust
- The Jectus Charitable Foundation
- The John Armitage Charitable Trust
- The John Horseman Trust
- The Lord Mayor's Appeal
- The RCRT Foundation
- The Swire Charitable Trust
- The Taylor Family Foundation
- The Thompson Family Charitable Trust
- The Windfall Foundation
- Westminster Foundation
- William Kessler Charitable Trust
- Wilmington Trust, on behalf of numerous discretionary charitable trusts
- WPA Foundation

Thank you...

A big thank you to you! Together we are making a difference.







Magic Breakfast Annual Report 2024

FINANCIAL REVIEW

Financial update

Having negotiated a year of change during 2022/23 we have focused on growth and sustainability in 2023/24. We increased the number of children and young people getting access to breakfast, while ensuring growth of the charity's cost base was sustainable and we were preparing for the future.

With more breakfasts delivered, the direct cost of food increased £262,920 (+14%) to £2,150,532 (2023: £1,887,612) with this being covered by donated (gift in kind) food while we saw paid for food expenditure reduce by £22,961 (-1.7%) to £1,358,167 (2023: £1,381,128).

Following a review of logistics partners the charity made the decision to move warehousing and distribution to Oakland International. This change positioned us for growth and provided greater cost certainty following a period of significant fuel and other inflationary increases.

Income reduced by -1.7% to £10,329,745 (2023: £10,506,654) which was anticipated due to the impact of the Times and Sunday Times Christmas appeal in 2022/23. The generosity from individual donors, corporate partners and other supporters, some of which are mentioned on page 25 contributed to fundraising income and donated goods, facilities and services of £9,203,220 (2023: £9,536,669).

Membership income declined by -7% to £593,572 (2023: £638,190) however this was offset by increased income from local authority contracts. Local authority contract income increased by +54.1% to £429,316 (2023: £278,534) as some schools in North Somerset began support, whilst Camden and Wandsworth authorities, recruited in 2023, were supported for the full year and we continued support for schools in Hammersmith and Fulham.

Across the charity, total costs increased by 18.3% to £9,074,516 (2023: £7,667,958) with food aid contributing £6,162,622. We invested in initiatives that will enable us to scale efficiently and increase our impact. These included the launch of our new website, additional data analytics and reporting capabilities, and the introduction of a schools' portal to manage support materials and communications with partner schools more efficiently.

Unrestricted reserves (excluding fixed assets) increased to £6,145,298 (2023: £4,924,394) which equates to 7.0 months of future cost coverage which sits outside of the policy range of 3.5 to 5.5 months.

With the accumulated reserves the charity plans to increase its support to children and young people with plans to grow our reach to 330,000 children and young people by the end of 2024/25. This growth will be achieved primarily through schools supported by charitable funds, which will reduce reserves sustainably, as well as through local authority contracts. Magic Breakfast will seek to increase provision for pupils in England who attend secondary, SEND, and alternative provision schools as well as schools across Scotland.

The charity is also exploring opportunities to leverage high interest savings accounts to improve returns on cash reserves whilst ensuring sufficient working capital to support planned growth.

Expanding into Wales

In 2024/25 we will be working with partners, schools, and policy makers to explore how we can best support children and young people in Wales. We have had an increased number of schools expressing interest in our support and we hope to bring value and build our learning and understanding of the work being done in Wales.

Investing in agility and effectiveness

Given the uncertainty and change that we continue to see in our operating environment, the charity is ensuring flexibility to respond in England to the new Government's policy. We will continue to ensure that systems and processes can improve our productivity and enable us to scale up our operations through automation of processes and reporting. This will sit alongside our learning and development plans for 2024/25, which will focus on effectiveness, business partnering, and further embedding EDI into our work.











Principal risks and uncertainties

Principal risks

The Board of Trustees fully accepts its responsibilities for ensuring that the major risks to which the charity is exposed are identified, particularly those related to the operations and finances of the charitable company. The trustees also fully accept their responsibilities to ensure systems and procedures are in place to mitigate those risks. Major risks are those that have a high probability of occurring and would, if they occurred, have a severe impact on operational performance and/or achievement of the charity's objectives.

How we manage risk

The charity has a risk management policy that outlines its approach to risk management and processes. To support the identification, management and mitigation of risks in a timely manner, the leadership team maintains a risk register for the charity. Board committees review risks relevant to their areas of oversight, and the CEO presents the full register to the Governance, Nominations and Risk Committee and an overview at quarterly Board meetings.

Financial risks

The financial performance of the charity is monitored against an annual budget and monthly management information on the charity's financial position is produced to inform any decisions. This management information is reviewed monthly by the leadership team and a quarterly review is undertaken by the Finance and Audit Committee.

In addition, forecasting is updated throughout the year to reflect changes that impact on income and expenditure. Magic Breakfast continues to maintain strong stewardship with current donors to mitigate risk to our income, particularly as we navigate the introduction of a new national policy in England.

Although inflation has slowed compared to the prior years, we have planned for and experienced inflationary price increases from suppliers.

We maintain close relationships with suppliers and delivery partners to mitigate risks in our supply chain. We are also exploring partnerships that increase our buying power and improve customer service to our partner schools. As part of the financial review cost increases from the Government budget announcement will be managed along with other financial risks and opportunities that arise during the year.

Operational risks

We have made greater use of improved data and reporting with new systems being introduced to enable collaboration (project management tool) and automate processes. Solutions are being chosen that enable agility and our ability to respond to the uncertainty of our operating environment.

Having launched our portal for partner schools we will seek to leverage this to improve our service and communication with schools. The restructuring of our service delivery teams has also positioned us better to scale and contract as needed and in a targeted way. This will enable us to better respond to school breakfast policy and commissioning nationally and in a localised way.

Brand and reputational risks

We have developed our brand and analytics to monitor trust, support, and awareness of our organisation and our work. This will give us insight to better advocate for change and campaign for support of our cause as well as identifying potential risks to our fundraising.

Our ethical fundraising policy and robust due diligence processes are applied fairly and consistently across our partnerships – whether funders, partners, or celebrity influencers.

The Board of Trustees are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Reserves policy and going concern

Reserves policy

At the year end, the charity held £6,145,298 (2023: £4,924,394) in unrestricted reserves (excluding fixed assets), the equivalent to 7.0 months of future running costs. The increase in reserves will minimise the financial risk exposure to the charity, enable the planned growth as well as working capital required to ensure sustainability of our support to schools.

Acknowledging the uncertainty in the current climate the Board of Trustees aims to have a level of unrestricted reserves which equates to between 3.5 to 5.5 months of future running costs. Our plans might see our forecast being outside of this range at a point in time, as we seek to set accurate and balanced plans. The current plans for growth will see the levels of reserves reduce during the next two financial years but remain within the range as set out in the policy.

The costs are based on the charity being able to cover all liabilities should all income cease.

The charity may choose to build up a level of reserves above 5.5 months to effectively plan for and implement changes in line with long-term strategic plans and to enable us to respond to the new Government's school breakfast policy.

Material investment policy

Due to the nature of Magic Breakfast's charitable work, historically it has been considered that the most appropriate policy is to hold surplus funds in a bank deposit, with the exception of £38,001 allotted as shares in the subsidiary organisation, Magic Outcomes Limited. The management and trustees of the charity are reviewing fixed saving options to leverage cash reserves during 2024/25.

Going concern

Given forward business planning and forecasts, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. This includes considering the financial and organisational challenges created by the rising cost of living and the new Government's school breakfast policy in England. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Accounting Policies, in Note 1 to these accounts.







06. GOVERNANCE & MANAGEMENT

Structure governance and management

The organisation is a charitable company limited by guarantee, incorporated in November 2003 and registered as a charity in March 2004.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 6 to the accounts.

The charitable company is registered as a charitable company limited by guarantee and is constituted under a Memorandum of Association dated 26/11/2003 with the registered charity numbers 1102510 and SC048202

Governance

The decision-making body of the charity is the Board of Trustees, who are responsible for the governance and ensuring it pursues its charitable purpose. The trustees, who are also directors of the company for company law purposes, are recorded on page 2.

The trustees meet quarterly and regularly within committees to ensure good governance and provide guidance. We have three board committees: Finance and Audit, Governance, Nominations and Risk, and People and Culture. Their purpose is set out in their terms of reference. Committees meet between board meetings, and as required, and are made up of at least two trustees supported by at least one executive team member. The CEO attends all committee meetings.

Day to day management

The trustees delegate the day-to-day management of the charity to the CEO who provides the strategic direction and works with the Senior Leadership Team (SLT).

Magic Outcomes

Magic Breakfast wholly owns Magic Outcomes Limited which is presently used by the charity for licensing our brand. Magic Outcomes did trade during the year under review and transactions totalled £171,624 (2023: £112,264). See Note 9 for more information on Magic Outcomes trading activities.

We have three board committees:

1



Finance and Audit

2



Governance, Nominations and Risk

3



People and Culture

Trustee appointment, training and remuneration

Appointment of trustees

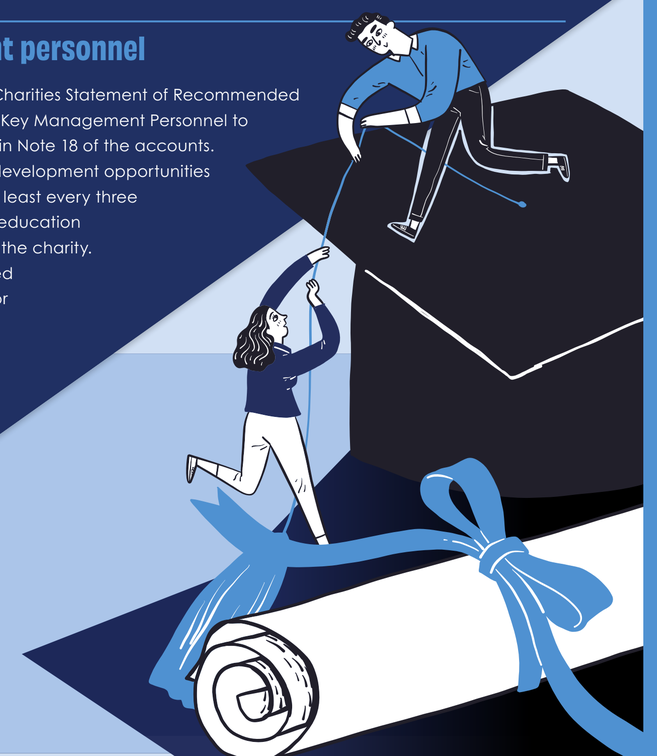
The management of the charitable company is the responsibility of the Magic Breakfast trustees who are elected and co-opted under the terms of the Articles of Association. Reviews are held periodically to identify any expertise gaps and appointments are made, where required, to strengthen the board. The most recent full review was in August 2023, undertaken in line with the UK Governance Code (using the DSC Governance App) and agreed actions are reviewed quarterly. This sits alongside regular skills and diversity audits. These assessments support forward planning of the Governance, Nominations and Risk Committee. During the financial year there were three appointments, detailed on page 2.

Trustee induction and training

The charity provides guidance to all newly appointed trustees on the responsibilities and requirements of the role. To make the Board as effective as possible, induction processes, training and review are in place; this includes trustee training, school breakfast visits, meetings with key staff and an annual performance and development review.

Remuneration policy for key management personnel

The charity has considered the disclosure requirements of the Charities Statement of Recommended Practice (SORP) for related party relationships and considers its Key Management Personnel to be the trustees and SLT. Related party disclosures are included in Note 18 of the accounts. The Pay and Benefits Policy ensures equity, transparency, and development opportunities for staff. It sets out that we will perform salary benchmarking at least every three years to ensure all salaries are in line with similar sized national education charities. This is carried out by the human resources function of the charity. The results of this benchmarking process and any recommended changes are provided to the People and Culture Committee for review and recommendation to the Finance and Audit Committee. Where the changes are significant or include Key Management Personnel, the Committees will make recommendations to the full board. In this instance, changes will only be made upon approval from the full board and will be minuted at the board meeting. Trustees are not remunerated for their roles as trustees but Key Management Personnel that make up the SLT received a salary for these roles.



Statement of Responsibilities of Trustees

The trustees (who are also directors of Magic Breakfast for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In preparing these financial statements, the trustees are required to:

- **Select suitable accounting policies and then apply them consistently**
- **Observe the methods and principles in the Charities SORP**
- **Make judgements and estimates that are reasonable and prudent**
- **State whether applicable UK Accounting Standards and statements of recommended practice 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 disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the *Companies Act 2006*. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- **There is no relevant audit information of which the charitable company's auditor is unaware**
- **The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.**

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 August 2024 was 12 (2023: 9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

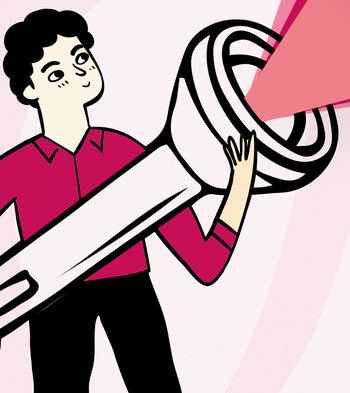
The trustees' annual report which includes the strategic report has been approved by the trustees on 5 December 2024 and signed on their behalf by

Aniela Shuckburgh

Chair



07.



PLANS FOR THE FUTURE

Looking ahead:

Plans for 2024/25

This year has been a time of growth, learning, and exciting developments. We're expanding as an organisation, increasing the number of children and young people we're reaching, shining a light on those who still aren't having breakfast and finding ways to fill those gaps. We've brought in new menus and new insights, and we're developing ways to spread information on the significance of breakfast for everyone in the school community and at home.

Maximising impact

The evidence is clear. Breakfast transforms access to education and future prospects. It boosts the economy. When we can overcome the barriers, we can transform lives. We are working together across departments and across teams to maximise the impact of the work we do, becoming more efficient and more targeted.

We've created a new Impact and Insights team who will be developing our social impact strategy and evaluation framework, to enable us to better understand and direct our efforts towards the systemic issues that keep child morning hunger alive. This team will manage our research programme, evaluation of our delivery work and dissemination of evidence and best practice. In addition to building the evidence on uptake at secondary school, we are also focusing on the evidence of cumulative attainment, and the impact of breakfast on physical and mental health.

We have restructured our service delivery teams to organise our work more effectively. We will spend more time on whole school community engagement, removing barriers and stigma, and explaining the educational benefits of good nutrition. We'll prioritise our current schools and communities while recruiting new ones.

Powered by the collective

One focus in the coming year will be to bring school leaders together, connecting schools who face similar challenges and sharing our expertise and the expertise of our partner schools. We can discuss good practice, ideas and innovation. There is so much we can all learn when we work collectively.

We are also focused on developing multi-year strategic partnerships to sustain our income into the future. We have a series of new propositions that package our work in interesting new ways.

Success in 2024/25 will be achieved by...

1



Growing our reach, profile and impact through meaningful engagement.

2



Embedding and reinforcing our existing systems and ways of working to help us operate with agility.

3



Developing new systems and tools to help us learn, increase understanding and identify new ways to improve and be more effective.

Legislative change

There is still so much work for us to do. In 2024/25, we will build on strong foundations to create and seize opportunities to the benefit of children and young people. This will need our partners – current and new – to work strategically with us toward a shared aim.

We will be analysing the legislation to see who is included and who is excluded from government plans. We will advise on how breakfasts will be implemented and funded, to protect the most vulnerable and those at risk of missing out.

Alongside this, we have started to explore working in Wales, where we are getting enquiries from schools in spite of legislation being in place, due to gaps in provision and implementation of the policy. We are already advisors as well as providers, and that role will continue.

Hunger doesn't end at age 11, nor does it avoid those in different establishments. We also know that the disadvantage gap is already prevalent before children start Reception, and the crucial role that early years education plays.

Equity, diversity and inclusion action plan 2024/25

Reflect the communities and people we exist to support

- Bring diverse voices of lived experience into all aspects of our work
- Continue to ensure our staff and trustees are diverse
- Ensure our services are accessible, equitable and inclusive

Empower our workforce

- Embed policies and processes
- Educate and inspire colleagues to play an enabling role

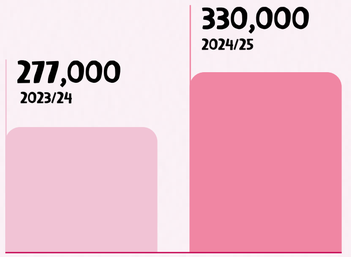
Learn and develop

- Develop systems to collect and report on data

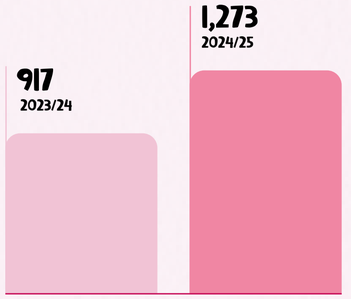


Achieved in 2023/24 to aims for 2024/25

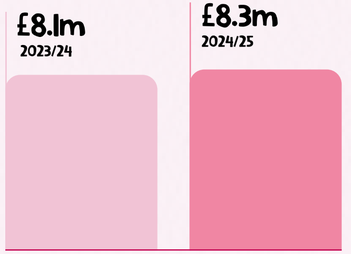
Number of children and young people reached daily



Number of schools



Cash fundraising (million)







FINANCIAL STATEMENTS

Independent auditor's report

Opinion

We have audited the financial statements of Magic Breakfast (the 'charitable company') for the year ended 31 August 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 August 2024 and of its 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**
- **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 charitable company 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 Magic Breakfast'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. We maintain close relationships with suppliers and delivery partners to mitigate risks in our supply chain. We are also exploring partnerships that increase our buying power and improve customer service to our partner schools.

Other Information

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

We have nothing to report in this regard.

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' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and**
- **The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements.**

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report continued...

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- **We enquired of management and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:**
- **Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;**
- **Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;**
- **The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.**
- **We inspected the minutes of meetings of those charged with governance.**
- **We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.**
- **We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.**
- **We reviewed any reports made to regulators.**
- **We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.**
- **We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.**
- **In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.**

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.

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

Joanna Pittman (Senior statutory auditor)

17 December 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor, 110 Golden Lane, LONDON, EC1Y 0TG

Statement of financial activities

Statement of financial activities incorporating income and expenditure account for the year ended 31 August 2024

		Unrestricted funds 2024	Restricted funds 2024	Total funds 2024	Total funds 2023
Income from	**Note**	**£**	**£**	**£**	**£**
Donations and grants	2	8,617,565	1,267,570	9,885,135	10,223,029
Charitable activities	3	429,316	-	429,316	278,534
Investments	4	15,294	-	15,294	5,091
Total income		**9,062,175**	**1,267,570**	**10,329,745**	**10,506,654**
Expenditure on		**£**	**£**	**£**	**£**
Raising funds	5	1,569,656	-	1,569,656	1,270,526
Food aid	5	4,969,462	1,193,160	6,162,622	5,225,389
Making the case for change	5	1,304,068	38,170	1,342,238	1,172,043
Total expenditure		**7,843,186**	**1,231,330**	**9,074,516**	**7,667,958**
Net income for the year		1,218,989	36,240	1,255,229	2,838,695
Transfer between funds	13	-	-	-	-
Net movement in funds		1,218,989	36,240	1,255,229	2,838,695
Reconciliation of funds					
Total funds brought forward	14	5,102,864	325,126	5,427,990	2,589,295
Total funds carried forward		**6,321,853**	**361,366**	**6,683,219**	**5,427,990**

All income and expenditure derive from continuing activities. The Statement of Financial Activities includes all gains and losses recognised during the year. The prior year Statement of Financial Activities is detailed in Note 19.

Balance sheet

Balance sheet as at 31 August 2024

			2024		2023
Fixed assets	**Note**	**£**	**£**	**£**	**£**
Intangible assets	8		138,554		140,469
Investments	9		38,001		38,001
Total fixed assets			**176,555**		**178,470**
Current assets		**£**	**£**	**£**	**£**
Stock	10	156,958		56,569	
Debtors	11	627,974		648,722	
Cash at bank and in hand		6,419,624		5,219,761	
Total current assets		**7,204,556**		**5,925,052**	
Creditors		**£**	**£**	**£**	**£**
Amounts falling due within one year	12	(697,892)		(675,532)	
Net current assets			**6,506,664**		**5,249,520**
Net assets			**6,683,219**		**5,427,990**
Charity funds		**£**	**£**	**£**	**£**
Restricted funds	13		361,366		325,126
Unrestricted funds	13		6,321,853		5,102,864
Total funds			**6,683,219**		**5,427,990**

The financial statements were approved and authorised for issue by the Trustees on 5 December 2024 and signed on their behalf by:

Aniela Shuckburgh, Chair
Company registration number: 04977015

Statement of cash flows

Statement of cash flows for the year ended 31 August 2024

		2024	2023
Cash flows from operating activities	**Note**	**£**	**£**
Net cash provided by operating activities	15	1,184,569	2,870,072
Cash flows from investing activities		**£**	**£**
Interest from investments	4	15,294	5,091
Net cash provided by investment activities		**15,294**	**5,091**
Change in cash and cash equivalents in the year		1,199,863	2,875,162
Cash and cash equivalents brought forward	16	5,219,761	2,344,599
Cash and cash equivalents carried forward		**6,419,624**	**5,219,761**

1. Accounting policies

Basis of preparation

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) – (Charities SORP (FRS 102)) and the *Companies Act 2006*.

The charity also owns a wholly owned subsidiary company, Magic Outcomes Limited, a company limited by shares and registered in England and Wales (company registration 04621084). The investment has not been consolidated and group accounts have not been prepared because the subsidiary is considered immaterial to the accounts of the charity.

Magic Breakfast 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 financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The financial statements 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 expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure are sufficient with the level of reserves for the charity to be able to continue as a going concern.

Funds

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.

Investment income, gains and losses are allocated to the appropriate fund.

Income recognition

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.

For donations to be recognised, the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated goods, 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 item is probable and that economic benefit can be measured reliably.

On receipt, donated goods, services or 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 goods, facilities or services of equivalent economic benefit on the open market. A corresponding amount is then recognised in expenditure in the period of receipt.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest paid or payable by the bank.

1. Accounting policies continued...

School membership income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Grant income is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is categorised under the following headings:

- **Costs of raising funds includes costs incurred seeking voluntary contributions through donations and the running of fundraising events during the year;**
- **Expenditure on charitable activities includes all costs incurred on furthering the objects of the charity; and**
- **Other expenditure represents those items not falling into the categories above.**

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings, they have been allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Governance costs are those incurred in connection with the running of the charity and compliance with constitutional and statutory requirements.

Costs of raising funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in Note 5.

Intangible fixed assets and amortisation

Identifiable development expenditure is capitalised to the extent that:

- **The technical, commercial and financial feasibility can be demonstrated;**
- **The total cost of the individual asset is greater than £10,000, or the asset is purchased as part of a larger project which is to be capitalised; and**
- **The asset is likely to be used over a period of time that is longer than one year.**

Provision is made for any impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following basis:

Software - 33.3% straight line

Investments

Investments in subsidiaries are measured at cost less impairment.

Stock

Stock represents donated and purchased breakfast ingredients and is recorded at fair value less impairment.

Debtors or creditors receivable/payable within one year

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

Creditors are recognised when the charity has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. The financial assets and financial liabilities of the charity are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 11. Prepayments are not considered to be basic financial instruments and are measured at the amount prepaid, net of any trade discounts due.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Note 12. Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

Tax

The charity is an exempt charity within the meaning of Schedule 3 of the *Charities Act 2011* and 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. It therefore does not suffer tax on income or gains applied for charitable purposes.

Employee benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- **Allocation of support costs**
- **Amortisation rates for intangible fixed assets**
- **Income recognition of grants**
- **Donated goods, facilities and services valuation**

2. Income from donations and grants

a)

Current year	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024	Total funds 2023
	£	£	£	£
Donations	6,290,304	724,448	7,014,752	7,168,763
Membership income	593,572	-	593,572	638,190
Grants	529,862	543,122	1,072,984	1,567,036
Donated goods, facilities and services	1,115,484	-	1,115,484	800,870
Other	88,343	-	88,343	48,170
Total 2024	**8,617,565**	**1,267,570**	**9,885,135**	**10,223,029**
Total 2023	**9,211,919**	**1,011,110**	**10,223,029**	

Total donated goods, facilities and services for the year were £1,115,484 (2023: £800,870) and comprise of the following:

- £888,201 (2023: £543,471) of breakfast foods;
- £131,100 (2023: £156,060) of office facilities;
- £73,723 (2023: £60,871) of delivery services;
- £13,229 (2023: £23,035) of professional services;
- £NIL (2023: £9,000) of staff training;
- £8,832 (2023: £7,125) of software licenses; and
- £400 (2023: £1,308) of other miscellaneous goods and services.

b)

Prior year	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£	£
Donations	6,469,983	698,780	7,168,763	3,611,758
Membership income	638,190	-	638,190	820,834
Grants	1,254,706	312,330	1,567,036	1,804,149
Donated goods, facilities and services	800,870	-	800,870	1,163,921
Other	48,170	-	48,170	6
Total 2023	**9,211,919**	**1,011,110**	**10,223,029**	**7,400,668**
Total 2022	**6,293,682**	**1,106,986**	**7,400,668**	

3. Income from charitable activities

a)

Current year	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024	Total funds 2023
	£	£	£	£
Contract income (Hammersmith & Fulham)	126,548	-	126,548	100,694
Contract income (Camden)	121,708	-	121,708	76,303
Contract income (Wandsworth)	161,060	-	161,060	101,537
Contract income (North Somerset)	20,000	-	20,000	-
Total 2024	**429,316**	**-**	**429,316**	**278,534**
Total 2023	**278,534**	**-**	**278,534**	

There are no unfulfilled conditions or other contingencies attached to the contract income above.

b)

Prior year	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£	£
Contract income (Hammersmith & Fulham)	100,694	-	100,694	90,509
Contract income (Camden)	76,303	-	76,303	-
Contract income (Wandsworth)	101,537	-	101,537	-
Total 2023	**278,534**	**-**	**278,534**	**90,509**
Total 2022	**90,509**	**-**	**90,509**	

4. Income from investments

a)

Current year	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024	Total funds 2023
	£	£	£	£
Bank interest receivable	15,294	-	15,294	5,091
Total 2024	**15,294**	**-**	**15,294**	**5,091**
Total 2023	**5,091**	**-**	**5,091**	

b)

Prior year	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£	£
Bank interest receivable	5,091	-	5,091	793
Total 2023	**5,091**	**-**	**5,091**	**793**
Total 2022	**793**	**-**	**793**	

5. Analysis of expenditure

a)

	Charitable activities						
Current year	Raising funds	Food aid	Making the case for change	Governance costs	Support costs	Total 2024	Total 2023
	£	£	£	£	£	£	£
Staff costs	956,617	1,528,181	785,317	64,775	649,265	3,984,155	3,445,264
Temporary staff costs	-	-	4,758	-	-	4,758	52,449
Other staff costs	7,518	4,642	3,621	867	92,087	108,735	75,073
Contractors and consultants	49,428	10,780	1,510		133,341	195,059	117,373
Direct food costs	-	3,562,516	8,931	-	-	3,571,447	3,032,102
Administrative costs	30,000	89,569	74,801	8,759	209,922	413,051	325,741
Premises costs	31,690	56,456	26,628	1,746	20,414	136,934	160,805
Legal and professional fees	4,534	-	-	-	1,200	5,734	50,884
Publicity, marketing and fundraising	251,580	7,897	243,987	695	7,384	511,543	307,608
Governance costs	-	-	-	49,765	-	49,765	29,879
Bad debts	-	3,458	-	-	-	3,458	1
Amortisation	21,234	46,947	7,078	-	14,618	89,877	70,780
	1,352,601	**5,310,446**	**1,156,631**	**126,607**	**1,128,231**	**9,074,516**	**7,667,958**
Support costs	195,155	766,196	166,880			1,128,231	837,242
Governance costs	21,900	85,980	18,727			126,607	99,316
Total 2024	**1,569,656**	**6,162,622**	**1,342,238**			**9,074,516**	**7,667,958**
Total 2023	**1,270,526**	**5,225,389**	**1,172,043**			**7,667,958**	

The fee payable to Sayer Vincent for the audit of Magic Breakfast's accounts was £23,280 (2023: £21,720). There were no other services provided by Sayer Vincent other than the statutory audit this year (2023: £NIL)

5. Analysis of expenditure continued...

b)

Prior year	Raising funds	Charitable activities: Food aid	Charitable activities: Making the case for change	Governance costs	Support costs	Total 2023	Total 2022
	£	£	£	£	£	£	£
Staff costs	840,746	1,316,024	686,614	60,425	541,454	3,445,264	2,836,111
Temporary staff costs	-	-	51,262	-	1,187	52,449	159,169
Other staff costs	5,991	8,975	16,231	475	43,400	75,073	150,395
Contractors and consultants	25,617	376	19,841	-	71,538	117,373	143,518
Direct food costs	-	3,032,102	-	-	-	3,032,102	4,858,697
Administrative costs	29,676	89,417	50,689	6,280	149,679	325,741	240,188
Premises costs	34,177	72,545	30,952	2,257	20,874	160,805	197,987
Legal and professional fees	5,394	-	44,890	-	600	50,884	55,606
Publicity, marketing and fundraising	152,510	25,256	121,333	-	8,508	307,608	243,522
Governance costs	-	-	-	29,879	-	29,879	23,360
Bad debts	-	1	-	-	-	1	1,159
Amortisation	21,234	42,468	7,078	-	-	70,780	29,492
	1,115,345	**4,587,164**	**1,028,891**	**99,316**	**837,242**	**7,667,958**	**8,939,204**
Support costs	138,725	570,545	127,972			837,242	863,809
Governance costs	16,456	67,680	15,180			99,316	117,248
Total 2023	**1,270,526**	**5,225,389**	**1,172,043**			**7,667,958**	**8,939,204**
Total 2022	**1,026,251**	**7,054,655**	**858,298**			**8,939,204**	

6. Trustee remuneration, benefits and expenses

Trustees give their time freely and during the year, Trustees have not received any remuneration (2023: £NIL) or benefits of any kind (2023: £NIL) for the work they have undertaken.

The charity does however permit Trustees to claim expenses to reimburse them for costs that they incur in fulfilling their duties. Expenses incurred by Trustees, or otherwise met by the charity, are detailed below, and these were wholly in fulfilment of charity business:

	2024	2023
	£	£
Disclosure Barring Service checks	53	202
Training	-	25
Printing and stationery	-	9
Travel and subsistence	238	780
Total	**291**	**1,016**
Total number of trustees paid expenses	**5**	**9**

7. Staff costs

Staff costs were as follows:	2024	2023
	£	£
Wages and salaries	3,465,116	3,032,439
Social security costs	320,826	292,899
Pension costs	146,038	117,701
Termination and redundancy costs	52,175	2,225
Total	**3,984,155**	**3,445,264**

7. Staff costs continued...

The average number of persons employed by the charity during the year was as follows:	2024	2023
	No.	No.
Food aid	39	38
Making the case for change	18	17
Fundraising	22	18
Support	14	11
Governance	1	1
Total	**94**	**85**

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:	2024	2023
	No.	No.
£60,000-£69,999	5	3
£70,000-£79,999	3	1
£80,000-£89,999	-	-
£90,000-£99,999	1	1
Total	**9**	**5**

The total amount of employee benefits received by Key Management Personnel, including employers' national insurance, is £477,816 (2023: £465,111). The charity considers its Key Management Personnel to comprise the Trustees and the members of the Senior Leadership Team listed in the Reference and Administrative details on page 2.

The Trustees of the charity, other than detailed in Note 6, did not receive any remuneration in the year.

8. Intangible fixed assets

Cost	ERP system	School portal	Website	Data warehouse	Total
	£	£	£	£	£
At 1 September 2023	212,340	15,805	12,596	-	240,741
Additions	-	11,068	62,581	14,313	87,962
At 31 August 2024	**212,340**	**26,873**	**75,177**	**14,313**	**328,703**
Amortisation					
At 1 September 2023	(100,272)	-	-	-	(100,272)
Charge for the period	(70,780)	(4,479)	(14,618)	-	(89,877)
At 31 August 2024	**(171,052)**	**(4,479)**	**(14,618)**	-	**(190,149)**
Carrying amount					
At 31 August 2024	**41,288**	**22,394**	**60,559**	**14,313**	**138,554**
At 31 August 2023	112,068	15,805	12,596	-	140,469

During the year, the charity finalised redevelopment of the website and development of the school portal. These went live in February 2024 and March 2024 respectively.

During the year, the charity began developing a data warehouse and this is an asset that is currently under construction.

9. Fixed asset investment

Shares in group undertakings	£
Cost	
Magic Outcomes Limited - £1 ordinary shares	**38,001**

The charity owns the whole of the issued share capital of Magic Outcomes Limited, a company registered in England. The company number is 04621084. The registered office address is 42-46 Princelet Street, London, E1 5LP.

The subsidiary is used for non-primary purpose trading activities. Available profits for 2024 will be distributed under Gift Aid to the parent charity. The investment has not been consolidated and group accounts have not been prepared because the subsidiary is considered immaterial to the accounts of the charity.

The directors of the subsidiary are Lindsey MacDonald (CEO), Emily Wilkie (Director of Fundraising and Development), Anthony Eckersley (Head of Finance and Performance), Elizabeth Little (Partnership Development Lead) and Michael Honan (Magic Breakfast Trustee).

A summary of the results of the subsidiary is shown below.

The charity charges a management fee charge to Magic Outcomes payable to the parent charity, Magic Breakfast, which is based on a proportion of income across the group entity. The management fee for the year ending 31 August 2024 was £88,342 + VAT (2023: £48,165).

	2024	2023
	£	£
Turnover	171,624	112,264
Gross profit/(loss)	**171,624**	**112,264**
Administrative expenses	(90,335)	(50,915)
Profit/(loss) on ordinary activities before taxation	**81,289**	**61,349**
Taxation on profit on ordinary activities	-	-
Profit/(loss) for the financial year	**81,289**	**61,349**

9. Fixed asset investment continued...

Retained earnings		
Total retained earnings brought forward	64,256	82,932
Ordinary share capital	38,001	38,001
Profit/(loss) for the financial year	81,289	61,349
Distribution under Gift Aid to parent charity	(61,349)	(80,025)
Total retained earnings carried forward	**122,197**	**102,257**

The aggregate of the assets, liabilities and reserves was:		
Assets	247,560	226,024
Liabilities	(125,363)	(123,767)
Reserves	**122,197**	**102,257**

10. Stock

	2024	2023
	£	£
Undistributed breakfast ingredients	**156,958**	**56,569**

Stock recognised as an expense during the year was £2,173,679 (2023: £1,894,519).

11. Debtors

	2024	2023
	£	£
Trade debtors	424,747	522,566
Other debtors	90	1,740
Accrued income	86,386	77,922
Prepayments	116,751	46,494
Total	**627,974**	**648,722**

12. Creditors

Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	258,473	123,918
Other taxation and social security	132,625	155,498
Other creditors	46,302	3,739
Accruals	81,141	59,699
Deferred school membership income	179,351	329,042
Amounts owed to group undertakings	-	3,636
Total	**697,892**	**675,532**

School membership income is deferred as it is recognised over the entirety of the membership period.

Grant income is deferred when there are performance obligations which have yet to have been satisfied and therefore there is no entitlement to the income.

Deferred income	Balance brought forward at 1 September 2023	Income released	Income deferred	Balance carried forward at 31 August 2024
	£	£	£	£
School membership income	**329,042**	**329,042**	**179,351**	**179,351**

13. Statement of funds

a)

Current year	Balance at 1 September 2023	Income	Expenditure	Transfers	Balance at 31 August 2024
Unrestricted funds	£	£	£	£	£
General funds	**5,102,864**	**9,062,175**	**(7,843,186)**	**-**	**6,321,853**
Restricted funds					
The Access Foundation	-	400,237	(400,237)	-	-
The Big Give	13,090	172,149	(185,239)	-	-
Erica Wax and Andrew Balls	-	130,000	(3,994)	-	126,006
Zurich Community Trust (UK) Limited	112,490	108,000	(112,490)	-	108,000
Westminster Foundation	-	82,685	(62,540)	-	20,145
Universal Music	-	85,000	(30,473)	-	54,527
The Davies Family Charitable Fund	-	60,000	(60,000)	-	-
Nabeel Bhanji and Sahar Meghani	-	50,000	(50,000)	-	-
Other restricted funds	199,546	179,499	(326,357)	-	52,688
Total restricted funds	**325,126**	**1,267,570**	**(1,231,330)**	**-**	**361,366**
Total funds	**5,427,990**	**10,329,745**	**(9,074,516)**	**-**	**6,683,219**

The General fund is an unrestricted fund which is 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.

The Access Foundation, The Davies Family Charitable Fund and **Nabeel Bhanji and Sahar Meghani** restricted funds are used to provide food aid to schools in the UK.

The Big Give restricted fund is used to provide food aid to schools in London.

The **Erica Wax** and **Andrew Balls** restricted fund is used to fund our investment in data and technology to support the integration and utilisation of data and insights into service delivery.

The **Zurich Community Trust** restricted fund is used provide food aid to schools and to support our policy and campaigning work in the UK.

The **Westminster Foundation** restricted fund is used to provide food aid to schools in Westminster, Cheshire and Lancashire.

Universal Music's Taskforce for Meaningful Change restricted fund is used to provide food aid to schools in the UK with a high proportion of black ethnic pupils.

Other restricted funds are made up of restricted funds which are subject to varying restrictions regarding their use, however no single fund is material in nature.

13. Statement of funds continued...

b)

Prior year	Balance at 1 September 2022	Income	Expenditure	Transfers	Balance at 31 August 2023
Unrestricted funds	£	£	£	£	£
General funds	**2,008,394**	**9,495,544**	**(6,424,134)**	**23,061**	**5,102,864**
Restricted funds					
Kraft Heinz	-	309,201	(309,201)	-	-
Zurich Community Trust (UK) Limited	120,000	120,000	(127,510)	-	112,490
The Big Give	42,872	98,236	(128,017)	-	13,090
Guy's and St Thomas' Foundation	99,389	-	(99,389)	-	-
ScottishPower Foundation	-	80,000	(35,781)	-	44,219
Central England Co-Operative Limited	33,900	30,300	(25,083)	-	39,117
Masonic Charitable Foundation	-	51,000	(32,220)	-	18,780
Tesco Community Grants	1,191	50,875	(52,066)	-	-
The Davies Family Charitable Fund	-	50,000	(50,000)	-	-
Crucible Foundation	50,000	-	(26,939)	(23,061)	-
Other restricted funds	233,549	221,498	(357,617)	-	97,430
Total restricted funds	**580,901**	**1,011,110**	**(1,243,824)**	**(23,061)**	**325,126**
Total funds	**2,589,295**	**10,506,654**	**(7,667,958)**	**-**	**5,427,990**

14. Analysis of net assets between funds

a)

Current year	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024
	£	£	£
Intangible fixed assets	138,554	-	138,554
Fixed asset investments	38,001	-	38,001
Current assets	6,843,190	361,366	7,204,556
Creditors due within one year	(697,892)	-	(697,892)
Total	**6,321,853**	**361,366**	**6,683,219**

b)

Prior year	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023
	£	£	£
Intangible fixed assets	140,469	-	140,469
Fixed asset investments	38,001	-	38,001
Current assets	5,596,290	325,126	5,921,416
Creditors due within one year	(671,896)	-	(671,896)
Total	**5,102,864**	**325,126**	**5,427,990**

15. Reconciliation of net movement in funds to net cash flow from operating activities

	2024	2023
	£	£
Net movement in funds for the year (as per Statement of Financial Activities)	**1,255,229**	**2,838,695**
Adjustment for	£	£
Decrease in intangible assets	1,915	42,379
Interest from investments	(15,294)	(5,091)
Increase in stock	(100,389)	(20,753)
Increase in debtors	20,748	(224,341)
Increase in creditors	22,360	239,181
Net cash provided by operating activities	**1,184,569**	**2,870,072**

16. Analysis of cash and cash equivalents

	2024	2023
	£	£
Cash in hand	**6,419,624**	**5,219,761**

17. Operating lease commitments

The charity is in receipt of donated office premises therefore there are no further lease payments owing. During the year, the charity leased a storage facility however there are no future minimum lease payments owing under non-cancellable operating leases.

During the year, the lease expenditure for office premises totalled £NIL (2023: £NIL). During the year, the lease expenditure for the storage facility totalled £5,834 (2023: £4,745) which is recognised in the Statement of Financial Activities.

18. Related party transactions

During the financial year, the charity engaged in a transaction with DataKind UK, a charity in which Lindsey MacDonald, our Chief Executive Officer, serves as a trustee. The transaction was valued at £5,000 and involved providing pro bono support to analyse our uptake data in schools and how this compared with local demographic and community data. The value of this donation is also disclosed in Note 4 under donated professional fees. The only other trustee related party transactions are those detailed in Note 6.

During the year, the charity received unrestricted donations of £6,025 (2023: £102,300) and restricted donations of £75,000 (2023: £50,000) from trustees. Of the total restricted donations, two donations totalling £60,000 were given by The Davies Family Charitable Fund and the remaining £15,000 was made up of three donations which were given during the Big Give Christmas Appeal. The purposes of these restricted funds are outlined under Note 13.

19. Prior year statement of financial activities

	Note	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
Income from		£	£	£	£
Donations and grants	2	9,211,919	1,011,110	10,223,029	7,400,668
Charitable activities	3	278,534	-	278,534	90,509
Investments	4	5,091	-	5,091	793
Total income		**9,495,544**	**1,011,110**	**10,506,654**	**7,491,970**
Expenditure on		£	£	£	£
Raising funds	5	1,267,050	3,476	1,270,526	1,026,251
Food aid	5	4,021,594	1,203,795	5,225,389	7,054,655
Making the case for change	5	1,135,490	36,553	1,172,043	858,298
Total income		**6,424,134**	**1,243,824**	**7,667,958**	**8,939,204**
Net income for the year		3,071,410	(232,714)	2,838,695	(1,447,234)
Transfer between funds	13	23,061	(23,061)	-	-
Net movement in funds		3,094,470	(255,775)	2,838,695	(1,447,234)
Reconciliation of funds					
Total funds brought forward	14	2,008,394	580,901	2,589,295	4,036,529
Total funds carried forward		**5,102,864**	**325,126**	**5,427,990**	**2,589,295**

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MAGIC BREAKFAST

England & Wales - Charity number 1102510

Accounts

magic breakfast
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2022-2023

ANNUAL REPORT

Embracing change for a brighter future



Reference and administrative details

Charity registration numbers	1102510 (England and Wales) and SC048202 (Scotland)
Company registration number	04977015
Registered and principal operating office	Fora 42-46 Princelet Street London E1 5LP

Board of trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Chair and vice chair	Aniela Shuckburgh, Chair	Alison Inglis-Jones, Vice Chair
Board members and trustees	Andrienne d'Arenberg Emma West Jackie Newell (resigned 6 March 2023) Joanne Thompson (resigned 16 March 2023) Julie Harkness	Michael Honan Phil Davies Richard Lackmann Varsha Venugopal
Senior leadership team	Chief Executive Officer - Lindsey MacDonald Director of Fundraising and Development – Emily Wilkie Director of Policy and Engagement – Jacquie Bance de Vasquez	Director of Service Delivery – Sam Boulton Head of Finance and Performance – Anthony Eckersley Head of People and Culture – Alan Mustafa (from 1 December 2022)

Professional advisers:

Bankers

The Royal Bank of Scotland
London Drummonds
49 Charing Cross
Admiralty Arch
London
SW1A 2DX

Independent auditors

Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
London EC1Y 0TL

Insurance brokers

Surrey Insurance Limited
PO Box 1533
Woking
GU22 2RY

Legal advisers

Bates Wells
10 Queen Street Place
London
EC4R 1BE

The trustees present their report and the audited financial statements for the year ended 31 August 2023.

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

WELCOME TO OUR ANNUAL REPORT 2022–2023



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WELCOME from the Chair

I am honoured to welcome you to the Magic Breakfast 2022-23 Annual Report. As the Chair of Magic Breakfast, I am proud to share with you the journey we have embarked upon over the past year. This report serves as a testament to the dedication, commitment, and unwavering support of our team, supporters, and schools who have joined us in our mission to remove hunger as a barrier to learning and unlock the potential of every child and young person through a healthy breakfast.

In these pages, you will find a comprehensive overview of our achievements, challenges, our learning, and the impact we've had on the lives of countless pupils across the country. Together, we have faced obstacles and unprecedented circumstances, yet our collective determination has allowed us to adapt, innovate, and continue our vital work.

I would like to take this opportunity to acknowledge and thank my colleagues on the board. Navigating a year of rising costs, change, and consolidation was never going to be straightforward but the organisation ended the year in a much stronger position thanks to their commitment and leadership. We collectively wish to thank Joanne Thompson who stepped down from the board this year for her service and lasting contributions to Magic Breakfast.

We were extremely saddened by the passing of Jackie Newell. Jackie joined the board in June 2022 and was the head teacher of Hollybrook School in Glasgow, a Magic Breakfast partner school. She brought compassion and insight to every discussion and shared her school's and pupils' experiences with our friends and supporters in a speech at our annual thank you drinks. Jackie is sorely missed, and we are grateful for the time and expertise she gave to the charity.

Thank you for your unwavering support and dedication to Magic Breakfast.

With gratitude,

Aniela Shuckburgh
Magic Breakfast Chair

TOGETHER, WE ARE MAKING A PROFOUND DIFFERENCE IN THE LIVES OF CHILDREN, ONE NUTRITIOUS BREAKFAST AT A TIME.



CEO report

It is a privilege to open Magic Breakfast's 2022-23 Annual Report as it is to experience the magic of Magic Breakfast every day. This past year has been one of significant change, achievements, and challenge for our organisation, as we continued to evolve while navigating the burden of the cost of living crisis.

We recognise in the pages that follow the impact that record-breaking inflation levels had on the children and young people we support, their families, our partner schools, and our charity. It is important to call out though, that a cost of living crisis has existed for families who depend on free school breakfasts for many years.

With our paid for food costs rising by 19% and a deficit reported at the end of 2021-22, we had to find ways to make our operations more sustainable and prioritise our support for communities with highest levels of need.

We took several difficult decisions as we transformed our services, including increasing our schools' membership fees, reviewing and reducing the schools we support to ensure they align to our eligibility criteria so we support schools with the greatest need, and limiting the order of some food products.

In the pages that follow we want to be open and share with you the difficulties we encountered, lessons we learned, and transformation we achieved. Most of all, in line with our people-centric mission, we want to share stories and experiences of children and young people, schools, staff, and partners.

A COST OF LIVING CRISIS HAS EXISTED FOR FAMILIES WHO DEPEND ON FREE SCHOOL BREAKFASTS FOR MANY YEARS.



"Rough seas make stronger sailors. Tough times build greater people" – Robin Sharma

CEO report

Mission and impact

Magic Breakfast remains steadfast in its commitment to ensuring that no child or young person starts their school day too hungry to learn. Our impact in the past year has been nothing short of inspiring. We have continued to serve nutritious breakfasts to vulnerable children and young people, contributing to their overall wellbeing and academic success.

We have a well-established evidence base of the impact school breakfasts have in our partner schools and the way the Magic Breakfast model enables these positive outcomes. We were able to build on this with our 'What's for Breakfast?' report, an opportunity to truly put the voices and experiences of pupils, parents and caregivers at the heart of our decision-making. This identified a variety of root causes for child morning hunger and emphasised the impact school breakfasts have on learning and development. It also highlighted to us where we have room to improve, particularly in reaching some communities and cohorts.

View our what's breakfast report: https://www.magicbreakfast.com/blog/whats-for-breakfast

Data and systems

To understand and measure our impact we have worked to put in place systems that help us monitor this through the year. This saw us introduce a monthly calculation of children and young people being provided breakfasts supported by the portions of food being delivered to schools every day.

Financial performance

We started the year with a greater deficit than planned in September. Subsequently we reviewed and made changes to our operating model to ensure our service delivery could be more sustainable and stable. With rising costs and growing demand in our schools we had a challenging cashflow forecast for the first half of the year that we needed to navigate.

Thanks to the collective efforts of our team – to manage cost, improve efficiency, raise vital funds, and leverage gift in kind donations – our financial performance in the year has been strong. We were able to make the changes to our systems and service delivery that were required thanks to the unwavering support of our donors, partners, and the dedication of our team.



CEO report

Here are some key financial highlights, which are given in more detail from page 13:

Revenue

We are pleased to report that our total revenue for the year amounted to £10,506,654 (2022: £7,491,970), a 40% increase from the previous year. This increase can be attributed to the generosity of individual donors (particularly those who supported us through The Times and Sunday Times Christmas appeal), corporate partners, and several long-term supporters and foundations increasing their support to match rising costs. We have further diversified our income and started to bring together our advocacy and service delivery activities by securing contracts to deliver free school breakfasts for three local authorities.

Expenses

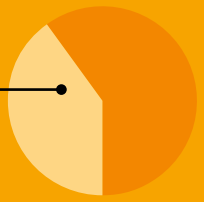
Most expenditure, 73.2%, (2022: 78.8%) was directly allocated to delivering social impact – 59.8% (2022: 70.3%) toward tackling child morning hunger today and 13.4% (2022: 8.6%) toward making the case for change. This includes the cost of providing nutritious breakfasts to schools and the logistical support required for efficient delivery.

As noted in last year's report, we needed to invest in our core services to improve our productivity and ensure we have the infrastructure in place to deliver quality and impact at scale. While increasing spend in this area, we maintained strict financial discipline, ensuring that only 26.7% (2022: 21.2%) of our revenue was allocated to administrative and fundraising expenses with plans to reduce this again in 2023-24. This efficiency allowed us to maximise the impact of every pound donated and will see us further improve our productivity and reduce our cost per breakfast.

Surplus and reserves

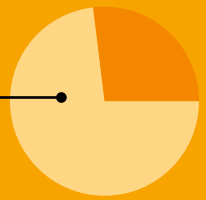
Having entered the year with 3.0 months' reserves, we are finishing 2022-23 with 6.4 months' reserves having achieved a surplus of £2,838,695 (2022: deficit of -£1,447,234) (against a planned deficit of -£353,989 2022-23, to maximise our impact within our financial constraints). The surplus will be reinvested to increase the number of children and young people we support and to ensure the sustainability of that support into future years. With an election year ahead of us, we will also continue to invest in on our advocacy work to ensure that free school breakfasts are part of all political parties' commitments.

40%
INCREASE



from the previous year's revenue to ***£10,506,654*** *(2022: £7,491,970)*

73.2%
TO SOCIAL IMPACT



Most expenditure, directly allocated to delivering **social impact** *(2022: 78.8%)*

£2,838,695

Amount ***surplus ending the year***
2022: deficit of -£1,447,234)

CEO report

Partnerships and innovation

Our success in 2022-23 would not have been possible without the invaluable partnerships we have cultivated. Thanks to the generosity of players of People's Postcode Lottery, we established an Innovation team to review and improve delivery of breakfasts and services to schools and enhance the nutrition and choice available to children. They make use of our emerging data, expertise, and contributions of corporate partners to evolve our approach, leveraging technology to improve the efficiency of our breakfast delivery and monitoring systems.

People

We continued to develop our approach to people and shape an enabling culture. Magic Breakfast is working with CapCo to develop our strategy and supporting action plan to deliver meaningfully on our Equity, Diversity, and Inclusion mission statement. The mission statement was developed by a group of committed staff members with input from trustees. This is described on page 28.

Environmental sustainability

On Earth Day 2023 we were proud to share our environmental mission statement, which sets out three aims. On page 25 we share some of the key activities and progress made already as well as some things we've learned and will take forward.

Looking ahead

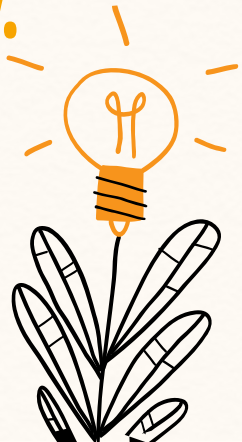
As we move into the next financial year, Magic Breakfast remains committed to our core mission and to supporting a greater number of children and young people. We are setting ambitious goals to reach even more children, expand our geographical footprint, and continue to innovate in the fight against child morning hunger. Our plans and ambitions are set out on page 39 and reflect the need for ambition, bravery, and ensuring the sustainability of our support to children and young people.

We also have some exciting initiatives planned, including a brand refresh, introduction of a new website, and improved business intelligence reporting.

In closing, I would like to express my heartfelt gratitude to everyone who has supported Magic Breakfast in the past year. Your generosity and dedication have transformed the lives of countless children and young people.

TOGETHER, WE CAN CREATE A FUTURE WHERE NO CHILD IN THE UK STARTS THEIR SCHOOL DAY HUNGRY.

Lindsey MacDonald
Magic Breakfast CEO



WORDS FROM a trustee

Children who are hungry can't focus; they can't listen. Hunger takes away their ability to communicate, which detracts from their ability to make appropriate choices around behaviour. Our school uses as many resources as we can to ensure these barriers to learning are reduced.

That's what Magic Breakfast does, in a climate where the resources we have are narrower, and the need is greater. It ensures that children who are hungry have the offer of breakfast and this offer is for all families, so there's dignity there as well.

Magic Breakfast is especially critical for children who are at risk of not being fed or clothed properly because families can't afford to do this. They start the day with a healthy breakfast that our school knows we can sustain over time.

The impact of breakfast can be huge. One primary child has a situation at home where the mum has disabilities and poor mental health. He had complex needs from a young age and his attendance was poor.

There wasn't money at home, and he often came in late and hungry. As part of a package of interventions the school placed around him, we told his mum we'd supervise him with a free place at breakfast club. We said, 'Drop him off in whatever state you want to bring him.' So he was on time and had breakfast and a positive start to the day. If he arrived late, he was also given breakfast. He's doing well now, with an improvement in attendance and has moved from a child achieving below his age to achieving some cracking results.

Ours is a 'through school' which means we have pupils from four to 16 years of age. It's easier to provide breakfast for primary children. Secondary students have different body clocks and are more self-conscious. We often invite older children to volunteer at breakfast club. It gets them into school and involved with something useful, allowing them to eat and to talk to staff if they need support. The impact has been so positive, even enabling some families to stay together and some children to remain in foster care.

Families with children who qualify for free school meals are guaranteed to receive some benefits. But the cost of living pressures also squeeze a group of families just above that financial level, who don't get benefits, but their fuel bills are going up, and mortgages and rents have risen. Their children are at risk of going hungry, but they aren't eligible for a free school meal and probably not buying lunch because there isn't money to do it. Breakfast for them becomes a bit of a lifeline.

Breakfast club gives us the chance to build a community around the children. There are broader outcomes, such as children not stealing from shops in the morning because they know they'll have breakfast. It doesn't help anyone to see a 14-year-old with a criminal record for being hungry. Breakfast can create better citizens and helps education do what it should do – benefit children academically, as well as their mental health and wellbeing.

Julie Harkness
Vice Principal Carr Manor Community School, Leeds, Magic Breakfast Trustee

02. A YEAR OF change



RESPONDING TO rising need and costs

Our work is vital and making a difference. We know this from pupils, parents and schools. Through the pandemic, we had grown significantly. We wanted to spend this year increasing the number of breakfasts we served and doing more for more families. But economic circumstances were against us.

We started this financial year with a planned deficit. Inflation and fuel price increases meant higher bills, which also impacted the businesses who support us in different ways. We had to supplement this by buying more food ourselves. However, with costs continuing to rise this was not a sustainable level of expenditure.

On top of this, more and more children and young people needed our breakfasts. More families were experiencing poverty and food insecurity and increasing numbers of children faced starting the school day too hungry to learn. Just this year the number of children at risk of going hungry each morning rose to 4 million, that's one in four children, every day.

We found ourselves in the middle of these pressures, knowing we had to make significant structural changes to build a long term and healthy future for our charity.

We carried out a comprehensive review of our service delivery model and cost base, to see how we could operate as efficiently as possible. We knew tough decisions had to be made. We also had confidence that our newly established Innovation team, expert help with supply chain management and our committed, experienced employees could all help us find ways to turn our financial bottom line around. All of this while maintaining our core principle of being hunger-focused, and barrier free as an organisation.

We had other goals too – to become more powerful advocates for change in the political sphere; and to build a sustainable way to fund ourselves as a charity and reduce food waste. We needed more partnerships, more advocacy, more work with local authorities, more expert input. Astonishingly, despite the harsh economic environment we and the rest of the country found ourselves in, we have worked our way towards achieving a great many of our goals, **ending the year with a surplus and sustainable plans for growth.**

We matched a year of difficult decisions with a year of innovative solutions. We're approaching the coming months with new and inspiring plans. Watch this space!



1 in 4 CHILDREN EVERY DAY

The number of children at risk of going hungry each morning rose to 4 million*, that's one in four children, every day.

** Food Foundation*

A YEAR OF difficult decisions



Q&A with Sam Boulton, Director of Service Delivery

Q: Magic Breakfast began the year knowing we needed to be more sustainable in how we worked because of extra pressure due to inflation, fuel costs and increasing demand for our services caused by the country's financial difficulties. How did you deal with this?

A: Some of the food we were buying was costing us 20% more, and although our gift in kind value of donated food remained the same, due to the unit costs increasing this resulted in our quantities of donated food decreasing. At the same time fuel prices were rising and demand for our services was getting bigger. We made the difficult decision to shrink our services temporarily to enable our organisation to make changes and grow in the longer term.

Q: What decisions did you have to make?

A: The hardest decision was to review the schools we were supporting and whether they still met our eligibility criteria – the percentage of pupils qualifying for free school meals. We disengaged with those that were not and signposted these schools to other organisations so we could focus our services on those who most needed our help. For three months we had to give less food to the schools we were still working with, and this had an impact on children and young people.

We also increased the annual fee we charge schools, for the first time in nine years. For schools that are charged, our membership fee had cost between £500 and £1,500 depending on the size of school, and we increased this by 25%. The cost of supporting a school planned in 2023-24 is £11,000 per school so they are paying a small subsidy towards this, but schools are finding these times hard financially as well.

Q: What did you do to make changes to your systems?

A: Instead of schools estimating how much food they needed, we asked them to give us precise numbers of children they were feeding, and we calculated how many portions they needed, ensuring there was no food wastage. We still made sure breakfast was barrier free – it was available to anyone who wanted it – but the teachers targeted those in need, and we continued to support teachers with information on identifying hunger among their pupils. If we found out a school needed more food, we always provided more, as much as we could. These changes also improved our ability to accurately measure how many children and young people we are feeding throughout the year.

Q: Did you get support from outside?

A: When we explained our situation, a lot of our partner organisations increased their food donations, and many funders stepped in with additional support. We established a supply chain panel, comprised of experts in logistics and procurement to advise us where needed. This has been a huge help and unlocked new opportunities.

We've made other changes at Magic Breakfast and have had some great feedback in the last few months, particularly about our new Magic Menu. Short term pain has led to long term gain, and we now have the best foundations to move forwards. We are proud to have built a new, more sustainable model and are planning to increase the number of children and young people we support next year and commit to them for the long term.

FINANCIAL review

Following the significant inflation growth during financial year 2022-23 which peaked at 11.1% in October 2022 (UK Parliament Source, n.d.) it was imperative that Magic Breakfast managed its cost base to ensure the charity maintained sufficient reserves following the deficit of -£1,447,234 in 2021-22.

As set-out in our plans for 2022-23, we reviewed our service delivery model and implemented changes.

A combination of these changes reduced the number of children and young people supported to 164,000 at the end of 2022-23 (210,000 at end of 2021-22) which was a greater reduction than anticipated.

As well as additional cost management, the charity grew its income to £10,506,654 (2022: £7,491,970). This included fundraising income growth as a charity of the year for The Times and other supporters mentioned on page 42 as well as significant gift in kind (GIK) breakfast product donations from existing and new partners which contributed towards a higher mix of GIK utilisation within schools (2021-22 included £336,000 GIK for home delivery costs to support children during the covid pandemic).

As schools remained open during 2022-23 the charity only delivered directly to schools and no home delivery income has been recognised.

The combination of increased income and cost reduction combined in a surplus of £2,838,695.

With the surplus generated during the year, unrestricted reserves of £4,924,394 (2022: £1,787,545) which equates to 6.4 months of future cost coverage, which sits outside the higher range of the policy of 3.5 to 5.5 months.

This accumulation of reserves will enable the charity to increase the number of children and young people we support in a stable and sustainable way. The charity is budgeting for inflation to remain high and it is recognised that the UK is still in turbulent economic times and maintaining reserves towards the upper end of the policy is a prudent approach.

Fundraising income increased to £9,584,839 (2022: £6,579,834)and we renewed delivery of the Hammersmith and Fulham Local Education Authority contract. We were also commissioned by Camden and Wandsworth authorities to provide stigma free breakfast provision to schools, seeing commissioned income grow to £278,534 (2022: £90,509), which was a key aim of our 2022-25 business plan.

With the reduction in schools supported, each school that was no longer supported by Magic Breakfast received a pro-rata membership refund which contributed towards membership income reducing to £638,190 (2022: £820,834) this was offset in part by the fee increase of 25%.

Following the review of the service delivery model and reduction in schools supported the cost of food aid reduced to £5,225,389 (2022: £7,054,655) as the charity reacted to the need to reduce costs following the deficit reported in 2021-22.

With the planned growth in 2023-24 the charity has reviewed plans to ensure that the increased number of children and young people benefiting from a Magic Breakfast is sustainable into 2024-25 and allows the charity to use the accumulated reserves to support this growth.

There will be various milestones throughout the year where the charity will review financial performance to enable the charity to make proactive decisions to increase or slow growth plans based on financial performance.

03. A YEAR OF achievement



A YEAR OF achievement

MAKING THE HEADLINES

Magic Breakfast was one of three charities featured in The Times and Sunday Times for the annual Christmas Appeal. This was a tremendous success for us in many ways, raising more than £1 million – enough for 3.8 million breakfasts! The Times donations were generously match-funded by Kaizen, CVC, the Barratt Foundation, and two anonymous donors.

The much-needed financial boost allowed us to increase the amount of food we were delivering to schools more quickly than we had anticipated. The coverage in the newspaper was a wonderful opportunity to tell readers about the difference that school breakfast makes to children and families. We took reporters on school visits during breakfast times; and were able to feature our celebrity supporters, including Gavin and Stacey actor Larry Lamb, broadcaster Steph McGovern and comedian Lucy Beaumont who visited local schools. And James Corden also added his support. Magic Breakfast alumni told their story and we gave a welcome public shout out to some of our heroic volunteers who get up early to butter toast.

Support from The Times readers was one reason behind our hugely successful fundraising year.

THE TIMES

Having started the year needing to scale back and better manage our cost base, we ended it with the financial stability needed to put in place exciting plans. Additional funds raised allowed us to invest in more efficient working systems and plans to grow again, sustainably, next year.



After scaling back, we have found financial stability – for exciting plans.

A YEAR OF achievement

A GREAT RESPONSE FROM OUR SUPPORTERS

The growing needs of vulnerable children meant that existing supporters were keen to ensure the charity could continue its vital work. Many increased their donations or gave additional gifts in kind, wanting to have as big an impact on as many young lives as they could.

We welcomed new funding relationships, with the Access Group choosing Magic Breakfast as its charity of the year and the Westminster Foundation supporting us for the next five years.

Others contributed to our coffers in a different way: energetic supporters have climbed Kilimanjaro, tackled an Ironman and taken on the Three Peaks challenge – a welcome return to individual fundraising events after a pause caused by covid and lockdowns. Our Great Big Breakfast and Fuel for Success campaigns also met their fundraising goals raising £33,403.82 and £94,015.13 respectively.

Our Magic Morning information webinars for high level and corporate sponsors have been very well received. While long-term existing funders like players of People's Postcode Lottery gave us tremendous support and Quaker and Weetabix diversified the range of breakfast cereals they donated.

A special mention must go to Amazon, who increased their financial contribution when we were facing difficulties and helped us with their delivery networks and logistics supply capability, taking on more deliveries to schools. And a special mention to Kraft Heinz who has continued to play a substantial role in our success, supporting us in so many ways. One new donor told us they learnt about Magic Breakfast from the back of a baked beans tin!

Everyone who has contributed has enabled Magic Breakfast to plan for the coming year with confidence and develop our work strategically and carefully, expanding our reach. Our great thanks to them all – we've listed them on page 42.



OUR ENERGETIC SUPPORTERS HAVE CLIMBED KILIMANJARO, TACKLED AN IRONMAN AND TAKEN ON THE THREE PEAKS CHALLENGE!

WHAT THE Stars Say

"MAGIC BREAKFAST IS AN AMAZING CHARITY"



"Magic Breakfast is an amazing charity, tackling an immense need and providing a lifeline for children in some of the most disadvantaged areas."

Lucy Beaumont, Comedian

"THEY HAVE AN ABSOLUTE PURPOSE"



"I think what I love about Magic Breakfast is the absolute simplicity of it. They have an absolute purpose, an absolute vision, and an absolute goal they want to achieve."

James Corden, Actor and Presenter

"ONE OF THE MOST IMPORTANT CHARITIES"



"Magic Breakfast is one of the most important charities working in this country, doing its best to look after children, and one that I am proud to support."

Larry Lamb, Actor

"NO KID SHOULD EVER GO HUNGRY."



"One thing I am passionate about is education. The thought that there are millions of children who are unable to concentrate or enjoy school because they are hungry is unbelievable. It's truly wonderful that Magic Breakfast is there and long may they reign. No kid should ever go hungry."

Russell Tovey, Actor

04. A YEAR OF learning



A YEAR OF learning

Our major piece of research this year, **'What's for Breakfast?'** focused on hearing the voices of those most affected by our work: the pupils, parents and caregivers from the families in our partner schools.

We found that a substantial proportion of children – around one in five – were worried about not having enough food at home. This is a real insight into the impact on mental health of children facing hunger. Food insecurity is increasing among parents, with many concerned about the future. The impact of this on pupils' wellbeing, together with the distraction and difficulties this creates in the classroom, is deeply concerning.

More positively, we found tremendous support for school breakfast and its impact. Four out of every five pupils (4,232 pupils surveyed) agreed it was important to offer children something for breakfast every day at school, with 91% of parents believing a healthy breakfast at school was vital.

Parents agreed with the key Magic Breakfast principle that school breakfast should be open to all, not means tested, so all hungry children can benefit. An overwhelming majority of parents believed eating breakfast has a positive impact on their child's educational attainment, health, concentration levels and behaviour.



4 out of 5 PUPILS AGREED

it was important to offer children something for breakfast every day at school.

"BREAKFAST HELPS YOU GET A POSITIVE START TO THE DAY. YOU HAVE SOME ENERGY IN YOUR BODY... IT KIND OF FUELS YOUR MIND."

Secondary pupil, Yorkshire and Humber.

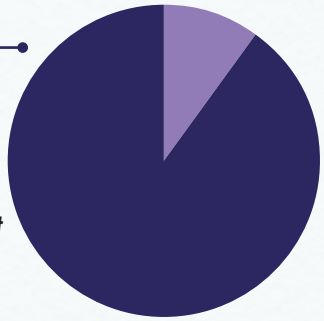
"IT'S IMPORTANT THAT SCHOOL BREAKFAST IS AVAILABLE TO EVERYONE BECAUSE YOU DON'T KNOW WHAT'S GOING ON AT HOME.

Primary pupil at Magic Breakfast partner school, Wolverhampton



91% PARENTS

of 4,651 parents surveyed believed a healthy breakfast at school was vital.



INSIGHTS INTO life at home

One strong message was that morning hunger is not simply about insufficient food at home. There are many reasons why children are hungry at the start of the school day.

Many respondents explained that life in the mornings is rushed and chaotic, with families juggling multiple jobs, or work starting on the dot of the start of the school day. 68% of families said they face barriers or challenges around breakfast time with their children. In addition, families with children with additional needs or disabilities or households with disabilities, noted that school breakfast supported managing these in the morning.

As one primary pupil told the researchers, "Sometimes I don't end up getting breakfast because I've got to look after [my siblings]. By the time I get them dressed I've got no time to have anything to eat."

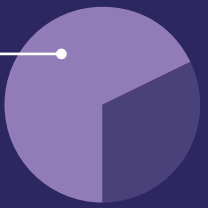
These insights have helped us greatly in discussions with the Government, as we battle for quality breakfasts to be provided universally and nationally. We now have evidence of a clear link between the Government encouraging more parents to work and the need for breakfast at school. More chaotic mornings could result in more children missing their breakfast, so it's a key part of enabling parents to get to work or study on time.

The UK Government has expressed concern about children being absent from school, so the fact that schools with breakfast have 26 fewer half days of absences per year and reduced late arrivals must surely sound enticing*. Plus more than half of pupils (56% of 4,232 respondents) said breakfast made them like school more.

Improving our data has helped pinpoint who we're not as effective at supporting. Our research shows that the uptake of breakfast in secondary schools is lower and that's where our research focus will be next year, looking at how we can improve morning nourishment for this age group.

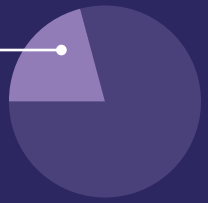
Improving equality, diversity and inclusion is a cornerstone of all our work, and we found that minority ethnic households don't use our school breakfasts at the same rate as other households, even though their needs are sometimes greater. Another area to improve is households where someone has a disability. We're exploring how to improve our work in these areas, and looking at allergens and sensory barriers that we can do our best to overcome in the food we provide.

68% OF FAMILIES*



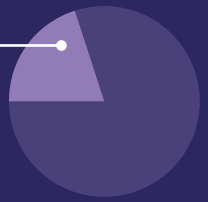
said they face barriers in the morning.

21% OF FAMILIES*



said the morning rush means there isn't always time for breakfast at home.)

20% OF PARENTS*



said the reason they use breakfast clubs is that it helps them to get to work/study on time.

**** 4,651 parents surveyed***

Attendance

"We have a KS2 boy whose attendance was below 50%. As part of the plan to improve, we encouraged him to attend breakfast...

...AS A RESULT, HE ATTENDS EVERY DAY, CHECKS IN WITH ATTENDANCE STAFF IN BREAKFAST CLUB AND IS ABLE TO HAVE A POSITIVE START TO HIS MORNING. HIS ATTENDANCE HAS IMPROVED TO OVER 70% AND IS OVER 95% FOR THE PAST TERM."

Magic Breakfast partner school,
Rotherham



05.
A YEAR OF transformation



DEVELOPING OUR Magic Menu

Welcome to our Magic Menu! Launching fully in the 2023-24 financial year, this provides schools with a greater variety of options than ever, including porridge, beans, milk, eggs, bread, crumpets, and much more.

Our 'What's for Breakfast?' research revealed that children and young people felt what they were eating at school in the mornings could get a bit 'samey'. We decided to address this concern by extending our product range, from 12 to 20 items. We increased products from our current suppliers and brought new food companies on board. Our research showed us the kinds of products young people would like to have available, and as a result we're now progressing at pace to get fruit into schools.

A bigger menu encourages decision-making for children who may not have a choice at home and presents them with a wider variety of food and nutrients.

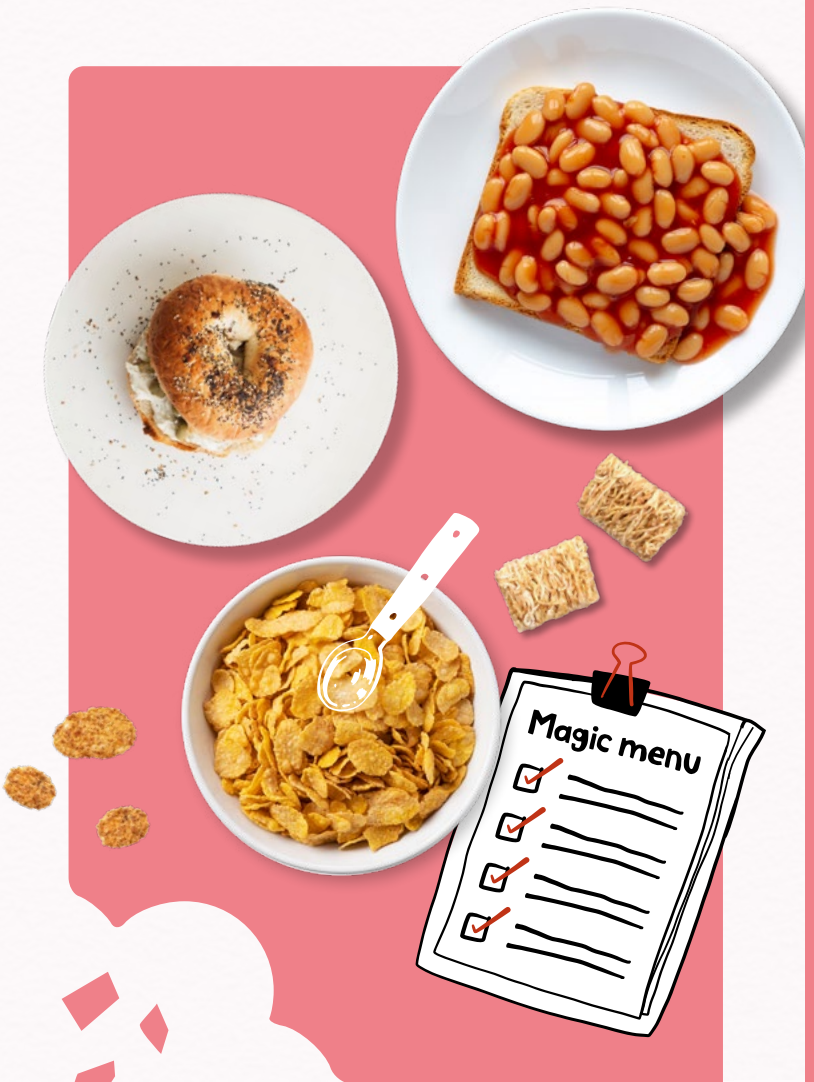
This change has had a second, and profound, impact on us as a charity. The diversity we now offer makes us less prone to risk. Within our bakery category we now have bread and crumpets as well as bagels. Within our cereal category there are nine different products to choose from.

As part of the Magic Menu's introduction, we asked schools to tell us how many portions of each category of food they want instead of asking for numbers of boxes. This has helped us become smarter about ensuring schools receive the exact quantities they need to help fulfil our environmental mission statement aims.

Schools specify how many portions of food categories they want, such as bakery or cereal. This means that if any one product becomes unavailable or too expensive because of price increases or shortages, we can supplement the product with another from the same category, so schools don't miss out.

The change also means we're using far more of our donated food, no longer needing to heavily supplement this with paid-for. We can manage our forecasts in a better way and feed more children.

On top of this, we've run some amazingly successful food trials, including eggs – a great protein source – from Noble Foods, served in a variety of creative ways by different schools, and baguettes from Délifrance, something warm and comforting in the morning.



IMPROVING data and systems

We worked with schools to help decide portion numbers, a figure they can adjust whenever needed. This limits food waste and makes sure the schools have enough food for every child who needs breakfast. We are careful to adjust the portion size for age profile, because teenagers should eat far more than infants. We've worked hard on our data so that we can keep track of forecast to usage. This helps us to feed as many children and young people as possible, whilst staying within our budget. We're developing a system for collecting product feedback from children too, so we keep providing breakfasts they love to eat.

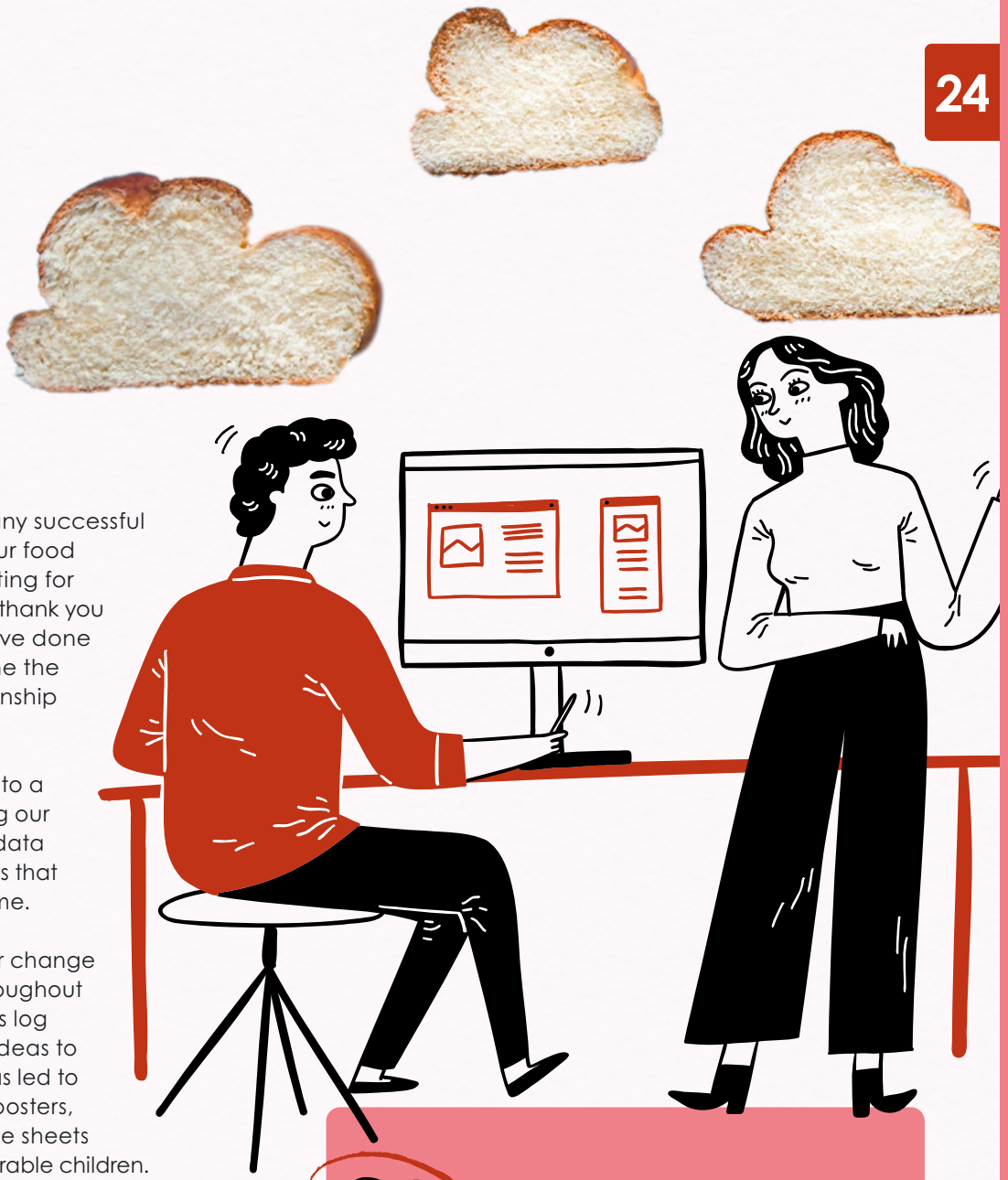
We're investing in internal systems to operate more efficiently and have set up a key performance indicators (KPI) dashboard on Salesforce, allowing us to review and analyse our performance quickly and clearly, helping us achieve our objectives. We can use this data for more accurate forecasts.

All of this means we have more control around how much product we need and when we need it. This helps our donors, and it helps our new business team because we can identify the gaps in what we need in advance, allowing them to find new sources. We can input our plans and see how they compare with what has happened in the past, giving early warnings of changes we might need to make if we're going off track.

One more change. After many successful and supportive years with our food distributor Igloo, we are parting for commercial reasons. A huge thank you to them for the work they have done for us forso long. We welcome the beginning of our new relationship with Oakland International.

All in all, we have responded to a financial crisis by transforming our systems; our operations, our data and distribution system in ways that will benefit us for years to come.

We've extended that push for change and culture of innovation throughout our staff. Our new innovations log allows colleagues to submit ideas to improve how we work and has led to 29 new resources, including posters, assembly material and advice sheets for schools on reaching vulnerable children. We've also put into place procedures to inform schools if a visit by a supporter, celebrity or journalist has had an impact on fundraising.



29 NEW RESOURCES

created from our innovations log which allows colleagues to submit ideas to improve how we work.

ENVIRONMENTAL ambition

In April 2023 we published our environmental mission statement and committed to publishing our progress against our three aims. This work has been led by a group of committed staff members and embedded into all our work through the business plan and annual objectives for 2023-24.

ACHIEVE NET ZERO BY 2030



- We have reviewed and changed our delivery partner to reduce our carbon footprint, which will see us moving to more reusable packaging and green transport methods
- Our procurement processes now consider and prioritise environmental impact

INCREASED INTERNAL AWARENESS & ACTION



- We launched the environmental mission statement with our Green Squad leading 10 internal training and awareness raising sessions to bring it to life
- Environmental mission is included in our quarterly support and supervision process to help individuals understand and consider their contribution to our aims

INCREASED EXTERNAL ACTION & AWARENESS



- We have embedded environmental considerations in an updated partnership due diligence framework
- We are seeking to be open and transparent in our efforts, activities, and journey – including setting out these aims here and publishing an annual update alongside this annual report

TIME to read

Magic Breakfast has brought some additional magic to schools, through our continued partnership with Macmillan's Children's Books and the Marcus Rashford Book Club. We have distributed nearly 60,000 copies of the hugely popular The 13-Storey Treehouse by Andy Griffiths and Terry Denton, and the second exciting instalment in Marcus' and Alex Falase-Koya's series, The Breakfast Club Adventures: The Ghoul in the School.

To help develop a reading culture in partner schools, we have established a Magic Reading Champions Programme. Volunteers from our corporate partners have been going into schools to develop leadership skills and pass on a love of reading to pupils throughout the schools. The volunteers receive training and a programme of activities to carry out with the pupils, including fun reading events, creating a video, and encouraging parents to inspire their children.

Jane Richardson, headteacher of Victoria Lane Primary Academy says she can't recommend the programme highly enough:

> **"This engages pupils in a stimulating initiative to ensure reading for pleasure becomes firmly embedded into school life. Our school selected some of our most challenging and reluctant older readers and the programme has transformed their relationship with reading after just a term. This is a fantastic opportunity for schools that aims to create a generation of enthusiastic, lifelong readers."**



60,000 COPIES DISTRIBUTED

06. A YEAR OF developing our team



A YEAR OF developing our team



Q&A with Alan Mustafa, Head of People and Culture

At the heart of Magic Breakfast is a goal that our people are content, fulfilled, and feel able to bring their whole selves to work, to make a measurable difference to the lives of hungry children and young people. This is what drives our people and culture strategy.

Q: What's happened this year to support the staff?

A: We've made the wellbeing of our staff a priority, kick starting with a 'wellbeing month' in March but then embedding this as an ongoing focus.

We now have an occupational health provider and wellbeing questionnaires to identify any individual support needed. We have added services where staff can receive cash back on health costs, and access GPs and helplines. With their help we've run a seminar series on different topics, and we're putting in place our own mental health first aiders and wellbeing champions.

Our work on equality, diversity and inclusivity began with a focus on uplifting our family friendly policies and related support. Other areas have been scheduled for the year ahead.

Supporting line managers has been a priority and we've provided a raft of training and tools so they can help their teams to thrive. Supportive and effective people management is vital for an inclusive organisation where everyone can work at their best.

The emphases on wellbeing, an inclusive culture and good people management are the fundamentals we need to help everyone to perform and progress.

Q: How do staff get used to new ways of working?

A: Magic Breakfast is evolving rapidly, and we need to make these changes develop in a way that allows our staff to feel heard and involved, and clear about new ways of working. To do this we've created a new section on our intranet. This acts as a pathway for new starters and a re-induction for existing staff, so we have a shared understanding of the way we work. It was a great, collaborative project and happily had a perfect acronym: WOW, Ways of Working, and the feedback has been brilliant.

Q: Any other big developments?

A: We were gifted the Living Leaders programme thanks to the generosity of their Founder Penny Ferguson and a group of passionate and kind trainers who are part of the Living Leaders family. This enables individuals to build their personal leadership skills and develop how they can best communicate and work with others. This is for all staff, not just those in leadership positions. We've taken this programme to heart and we're weaving it into our whole culture.

Q: What about the organisation's values?

A: We see these as so important that they're now part of assessing how well we perform at work. This means 'how' we work is as important as 'what' we do. We've tied this into our objectives and appraisals processes. This makes how we personify our values at work – for instance how helpful we are to our colleagues – more of a focus. This gives a more rounded view of performance and ties back into ensuring people can be their best selves as they carry out our vital work.

EDI
our four areas of focus

To support equity, diversity, and inclusion (EDI), we will work across four areas, which while they give us focus should be seen to work together. These are:

1. Children and young people

Understand why Magic Breakfast exists and whom we serve along with recognising the root cause of the need, to enhance decision making.

2. Delivering our people vision

Increase employee comfort to bring their whole selves to work to make immeasurable difference to children and young people.

3. Thought leadership

Position Magic Breakfast as a thought leader and showcase the impact and learning to become a charity of choice.

4. Governance

Build and leverage a diverse and inclusive board with a clear, agreed and effective approach to supporting EDI across operations and governance.



"THE NEW TRAINING FOR LINE MANAGERS HAS OPENED WAYS FOR US TO LEARN FROM EACH OTHER AND DEVELOP IDEAS ABOUT HOW BEST TO SUPPORT PEOPLE IN OUR TEAMS."

"The best thing about the people and culture team is that they're open to listening to others, a superbly supportive team. We feel valued. Everyone at Magic Breakfast genuinely wants to ensure that no child starts the day too hungry to learn. That's why we're here and that's why the support we receive is so valuable."

Andrea Doughty

Andrea Doughty
Magic Breakfast Area Manager

07. A YEAR OF making ourselves heard



A YEAR OF making ourselves heard

The link between learning and earning

With increased inequality in society, more demand for our services, and limited resources, Magic Breakfast cannot feed everyone in need. This year we have developed our capacity and strength in advocacy to persuade those in positions of power of the importance of breakfast for schoolchildren everywhere.

Government policies are opening up more opportunities for parents to earn, with an announcement in the spring budget of £289 million for wraparound childcare pilots. We know that our breakfast offer can fit significantly into this policy and will continue to work with Department for Education civil servants as they develop plans and guidance.

We recognise the importance of families being able to increase their opportunities, but if increased pressures at home mean children don't eat breakfast, they may still be too hungry to learn. That's why breakfast at school continues to be vital, helping parents get to work on time and helping older children juggle their morning responsibilities.

We organised a parliamentary reception in July, inviting MPs, civil servants and think tanks, with Rt Hon Gillian Keegan MP, Secretary of State for Education, providing the keynote speech. This helped us to emphasise the importance of breakfast with key decision makers and develop significant relationships.

We also built our relationships with the Labour party. At the Labour Party Conference in October 2022, we welcomed the announcement from Bridget Phillipson MP, Shadow Secretary of State for Education, of access to free breakfast in every primary school as party policy. We're working closely to make sure this commitment would be implemented effectively if Labour forms a government. We have seen in our Hidden Hunger report that a similar Welsh Government policy created unintentional barriers and did not reach those children who most need school breakfasts. The Scottish Government too has made a commitment to roll out free school breakfasts to all primary and special schools, but not met their original August 2022 deadline to implement it and have provided no timeline for delivery. Words alone never feed anyone.

"PEOPLE WHO DON'T GET ENOUGH TO EAT IN THE MORNING, MIGHT FIND IT HARD TO LEARN. THEN THEY'LL REALLY STRUGGLE IN TESTS, AND THEN NOT GET THE JOB THEY WANT."

Primary pupil at Magic Breakfast partner school, Wolverhampton



A YEAR OF making ourselves heard

Building coalitions

Magic Breakfast has been building our coalition work, specifically in the education, child poverty and food insecurity sectors, to have a greater impact. The evidence base we can provide promotes our joint objectives while increasing awareness of the importance of breakfast at school, available to all.

Our statistics show that breakfast is a vital part of increasing educational attainment and attendance. In the long term it benefits the economy hugely. The scale of our operations equips us with the expertise and insight to galvanise support for legislative change and public sector investment.

We've developed new relationships with the National Education Union, the National Association of Head Teachers and others, and also formed a breakfast coalition together with School Food Matters, Kellogg's, Greggs, and Family Action, creating a stronger voice. A partnership with the British Nutritional Foundation and its network of academics and industry experts will support us in building nutritional quality.

Meanwhile the Fair Education Alliance endorsed Magic Breakfast as a Scaling Award Winner. We were told, "The panel were excited about the systemic impact [their] work could have on both health and educational outcomes for pupils and is looking forward to supporting them on their journey to achieve this." They are helping us ensure we are targeting need and scale effectively, providing one-to-one strategic and operational support and offering us access to a network of sector leaders, mentors, and peers.

"I THINK YOU NEED BREAKFAST TO BE HEALTHY AND HAVE ENERGY FOR THE DAY. YOU NEED FOOD IN THE MORNINGS TO WORK WELL IN LESSONS AND TO BE MORE ACTIVE."

Primary pupil at Magic Breakfast partner school, Wolverhampton



THE IMPACT OF BREAKFAST CAN BE HUGE.

A YEAR OF creating change

Kathy Voss, Campaigns Manager

Two years ago, the Scottish Government committed to providing breakfast for all primary and special schools. But since that promise, the Scottish Government haven't served a single slice of toast.

This summer Magic Breakfast alongside parents, Braveheart and Highlander actor James Cosmo,and other supporters, campaigned to persuade them to make good on their promise.

Our six-week campaign, **'Breakfast Can't Wait'**, held from May to June, had a goal of creating change in the Scottish Government and making our message heard.

Scotland was clearly behind us. A poll showed nine out of every ten adults believed children should not start the day hungry, and eight out of ten said new First Minister Humza Yousaf should make free breakfasts a priority during his first six months in power.

These figures revealed the feelings of urgency around the issue, the anger in the country surrounding empty words and empty tummies. A press release brought coverage in leading outlets, from the Scottish Sun and Daily Record to The Herald, The Scotsman, Good Morning Scotland, Reporting Scotland and the Nine, all places to catch the eyes and ears of MSPs.

Our campaign mobilised supporters and successfully targeted the media. A young supporter created social media content while parents in the playground whose children were receiving a Magic Breakfast explained on TV why other children needed to benefit too.

James Cosmo went to a school and handed out bagels, then gave a powerful interview. "Breakfast is the most important meal of the day, especially for children. It's vitally important that they are fed to enable them to concentrate in class," he said, adding, "There's a deeper meaning to it all too, which says to them, 'Our society cares about you.'"

Magic Breakfast parents signed a letter demanding change, which we formally handed to the First Minister, and at the end of June, we organised a political protest outside Holyrood. We invited all MSPs to meet with us and were very pleased when seven MSPs from the SNP, Scottish Labour, Scottish Conservatives, and the Scottish Greens left their seats in the chamber to come outside and talk to us.



9 out of 10
ADULTS AGREED
children should not start the day hungry.

8 out of 10
ADULTS AGREED
new First Minister Humza Yousaf should make free breakfasts a priority during his first six months in power.

A YEAR OF creating change

Kathy Voss, Campaigns Manager

On the last day of parliament before recess, one MSP – who told us we were directly responsible for their intervention – raised breakfast directly with the First Minister in First Minister's Questions. Then we wrote to the First Minister telling him the future was in his hands.

When the Scottish Government finally announced its programme for the coming year, free breakfast was not on its priority list. Yes, we were disappointed, but we were not discouraged. We know support from the public hasn't gone away.

We didn't manage to persuade the Scottish Government to change its priorities, so in that way we didn't get the outcome we wanted. On the other hand, we succeeded in demonstrating the level of public support for free breakfast in school. And the media and public attention generated by the campaign forced the Government into a public response reconfirming its commitment to the policy.

We have taken so many positives from everything we achieved. Our team are still working to create the noise for change. That noise will only get louder. We will talk to like-minded organisations to work with us.

Saying 'we don't have the money' is not good enough. The Government has made a commitment and they must follow through."

See more here: https://www.magicbreakfast.com/pages/category/breakfast-cant-wait

"WATCH OUT FOR 'BREAKFAST CAN'T WAIT', PHASE TWO."



EMPTY WORDS + EMPTY BOWLS = EMPTY TUMMIES

THE DIFFERENCE IN THE CHILDREN AND HOW THEY ENGAGE IN THE MORNINGS AFTER RECEIVING FOOD IS INCREDIBLE.

I know this is what research shows, but just seeing them smile, be happy and fed is brilliant. We work in such a deprived area so knowing we can at least feed our children is an achievement and it definitely impacts readiness to learn and engagement in lessons."

Teacher, Magic Breakfast partner school, Scotland



08.
A YEAR OF
success and lessons



A YEAR OF
success and lessons

Our year started with challenges, a time of cutting back and cutting down. We've had to end our relationship with some schools to focus on the communities with highest levels of need. We needed to ensure our systems would allow us to weather the country's continuing financial storms.

The year has ended on huge positives. We've used our research, expertise and experience to boost our advocacy work, reaching decision makers and others in power to press home our message. We've shown precisely how breakfast for children is about a lot more than food. It's also about providing a welcoming and fun space for children to learn and be enriched. It can also help parents study and work; one of the Government's priorities.

Looking back, maybe what we've done best is use a difficult time and challenges to drive transformation and change for the benefit of children and young people. We've built ourselves tighter systems with more flexibility; with more control over food supplies; and new technology to help forecast future needs.

With change always comes learning. We've learnt to act with agility, looking for feedback and listening to the voices of children, young people, and schools for their input. We've developed the muscles that allow us to adapt; vital because of the volatile world around us. There's uncertainty for charities as well as for the children and families that we support, for the schools and communities where we work.

Our key learnings have come through collaboration. We've worked hard to maximise and take full advantage of our brilliant partnerships, our fundraising and development team working with our service delivery team to increase the impact of our donated food items.

We've learnt, too, by collaborating with other organisations. The Scaling Impact Award from the Fair Education Alliance has given us access to a wonderful network of other charities focused on supporting children and young people.

The success of The Times appeal and the level of support and engagement from the public, schools, partners and volunteers in the last year has been hugely appreciated and expanded the Magic Breakfast family further.

Our 'What's for Breakfast?' research, allowing us to hear the voices of thousands of children, young people and their parents and caregivers, to inform and drive our direction of travel for this year and next has been vital.



A YEAR OF success and lessons

Changes to our service delivery ensure food waste is at a minimum and our gifts in kind, so generously donated by some of the country's biggest brands, are used to the full. We've used portion calculations and developments in technology to improve our procedures, and a fantastic new Magic Menu plus additional food trials have increased our offer to children and young people, encouraging more to benefit from what we provide.

Engaging with schools continues to be a strength, with relationships built with senior leadership teams, volunteers, and teachers. We excel at helping schools identify hunger in children and at overcoming stigma and barriers, to reach everyone needing breakfast.

Our work with local authorities has grown, with three contracts now across London. Working with groups of schools helps us create a great base to grow from, as we proactively reach for more councils to work with, asking for contracts of between one and three years to give us continuity. Working with local authorities in this way helps us to share best practice between schools and at regional events, and they sometimes agree to fund existing Magic Breakfast schools in their area as well.

Fundraising has been a tremendous success this year, with huge generosity from donors and supporters, old and new. Our media coverage has grown, with Magic Breakfast becoming a go-to voice during the cost of living crisis. Work with corporate partners including Arla, Zurich Community Trust and Heinz has increased our reach further.

We have put building blocks in place that enable us to grow faster and more robustly, still with children and young people at the heart of all we do.

"THE CLASSROOM HAS A GREATER SENSE OF 'COMMUNITY'. IT IS A PLACE WHERE THE DAY BEGINS POSITIVELY WITH STUDENTS SHOWING THEIR INDEPENDENCE, DEVELOPING THEIR COMMUNICATION SKILLS AND HAVING FANTASTIC SOCIAL INTERACTIONS."

Primary pupil at Magic Breakfast partner school, Wolverhampton

A LOOK INTO the future

We face a future with the increase in poverty and widening attainment gap on all our minds. With our two-pronged approach: advocating for change in the run up to the next general election twinned with building our operations at scale more efficiently and flexibly, we are confident of using our resources in the best possible ways.

Our goal is to increase the number of children and young people we're supporting by more than 25%, and to do this sustainably. We have set milestones along the way to assess whether we're ready to grow, should be more ambitious, and that we have the income and the products to fulfil our mission. Increasing productivity will reduce costs; good news for everyone we work with.

We've adopted the reserves policy to maintain 3.5 – 5.5 months of future costs throughout the year to mitigate cash flow risks and allow for any remedial actions to be adopted in a timely manner, if cash flow was ever to drop significantly. Next year we are aiming to bring our reserves to within the policy range.

As the political parties work on their manifestos, we will be having our say. The Government's focus on childcare suggests that complex and stressful early mornings at home may increase as parents take on additional jobs and breakfast drops down the priority list.

Key operational targets for 2023-24	Target
Children and young people supported each day by end of 2023-24	226,000
Reserves coverage of future months cost (months)	5.1
Commissioned income growth	+40%
Reduce cost per breakfast	-7%



25%

increase in the number of children and young people we're supporting.

A LOOK INTO the future

Our work is fundamental for families making changes in their daily lives, ensuring children don't miss out at a time of rush and chaos.

A strong focus will be on building a more commercial business model that relies less on fundraising income and more on public sector funding. Our structures are in place to push for further success on that front.

Yet the most complete solution for ending child morning hunger is clearly via a long-term funding settlement with the national Governments, requiring significant and sustained investment from each. We will use our advocacy expertise, together with our research and insights, to galvanise support for change in all corners of the UK.

We plan to increase the variety and nutrition available to children. Breakfast can have an impact not just on a child's education but on their wellbeing. We want to increase our understanding so we can support more children and young people by considering age, cultural differences and disabilities. Across our existing schools we have a target to increase uptake by 10%.

Magic Breakfast's history is rooted in primary and special educational needs and disability (SEND) schools. We will research successful approaches that work for young people at risk of hunger at secondary schools. Research with the British Nutrition Foundation will highlight the impact that food early in the morning has on cognitive development, health, and ability to learn.

We want to keep finding ways to reduce our cost per breakfast whilst maintaining quality so that we can reach even more children, despite rising prices. We have set an ambitious target to reduce it by two pence in the year ahead. We want to explore the opportunity to support children and young people in Wales and Northern Ireland and every community in England and Scotland. That is our goal. We hope you will join us.

"School breakfast is a morning beacon of hope that illuminates the path of a child's success. With a nourished body and a fuelled mind, they are armed with the energy and focus needed to excel academically, unleash their creativity, and embrace opportunities for growth."



10% *Increase in our uptake in existing schools.*

BREAKFAST INSTILS CONFIDENCE, REDUCES BARRIERS TO LEARNING, AND CULTIVATES A FOUNDATION OF WELL-BEING THAT SETS THEM ON A TRAJECTORY OF ACHIEVEMENT. THE IMPACT IS PROFOUND, SHAPING NOT JUST THEIR SCHOOL YEARS BUT ALSO THEIR LIFELONG POTENTIAL.

Magic Breakfast partner school, Brent



09. TRUSTEES' annual report

Thank you to our amazing supporters!

Corporate partnerships

Amazon
Ardian Foundation
Arla Foods UK
Aspect Capital
Bryan Cave Leighton Paisner
CABWI Awarding Body
Central Co-op
CVC
D&D London Limited
Daisy Green
Dishoom
Eversheds Sutherland
G-Research
Grupo Bimbo UK Ltd
Hawksmoor
J.P. Morgan's Force for Good program
Kaizen
Kellogg's
Kraft Heinz
Manchester Airports Group
Mesmerise
Noble Foods
Quaker Oats UK
Reynolds
Sainsbury's
Spirax Sarco
The Barratt Foundation
The InfraRed Charitable Foundation
The Office Group
The Permira Foundation
The Times & Sunday Times
TJC
Warburtons
Weetabix Food Company
Wesleyan
Zurich Community Trust (UK) Limited

Development advisors

Lily Silverton-Parker
Nick Lawson
Priyan Shah
Saloni Thakrar
Shahrzad Atai
Simon Woods

Major donors

Aniela and Ed Shuckburgh
David and Janet Thomas
Erica Wax and Andrew Balls
Phil Davies and Family
Victoria and Eoin Walsh

Trusts and foundations

Allan & Gill Gray Philanthropies
DVS Foundation
Masonic Charitable Foundation
'Peace Train' by The Yusuf Islam Foundation
Players of People's Postcode Lottery
The Betty Messenger Foundation
The Childhood Trust
The Danson Foundation
The Gosling Foundation
The Jectus Charitable Foundation
The John Horseman Foundation
The RCRT Foundation
The Taylor Family Foundation
The Thompson Family Charitable Trust
WPA Foundation

Local authorities

Camden Schools and Camden Council
London Borough of Hammersmith and Fulham
Wandsworth Council

Objectives and activities

Objectives and activities

Magic Breakfast's aim is to alleviate child hunger and poverty as a barrier to education through the provision of healthy breakfasts. This is being achieved through two key activities: food aid and capacity building in the school communities to reach each child at risk of hunger and making the case for change to ensure permanent funding for school breakfasts.

The trustees review the aims, objectives and activities of the charity each year. Our annual report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review, complementing our year-round review of our business plan goals and KPI tracking, also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

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

The Board of Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

All activities of the charity, in line with the charitable objectives, are focused on eradicating hunger in the morning and the alleviation of food poverty for schoolchildren in this country. The charity actively takes a non-stigmatising approach in its work to make sure it can be accessed by all who need it.

As described through this report, this is achieved through providing healthy breakfasts and expert support to partner schools. We help them reach the most vulnerable children, engaging the whole school community in understanding the importance of eating a healthy breakfast every day, and putting in place a provision that is sustainable for the future.

Principal risks and uncertainties

Given forward business planning and forecasts, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. This includes considering the financial and organisational challenges created by the rising cost of living. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Accounting Policies, in Note 1 to these accounts.

The Board of Trustees fully accepts its responsibilities for ensuring that the major risks to which the charity is exposed are identified, particularly those related to the operations and finances of the charitable company. The trustees also fully accept their responsibilities to ensure systems and procedures are in place to mitigate those risks. Major risks are those that have a high probability of occurring and would, if they occurred, have a severe impact on operational performance and/or achievement of the charity's objectives.

The charity has a risk management policy that outlines its approach to risk management and processes. To support the identification, management and mitigation of risks in a timely manner, the SLT maintains a risk register for the charity. Board committees review risks relevant to their areas of oversight, and the CEO presents the full register to the Governance, Nominations and Risk Committee and an overview at each Board meeting.

The financial performance of the charity is monitored against an annual budget and monthly management information on the charity's financial position is produced to inform any decisions. This management information is reviewed monthly by the SLT. A quarterly review is held by the Finance and Audit Committee.

In addition, forecasting is undertaken and updated throughout the year to reflect changes that impact on income and expenditure. Magic Breakfast continues to maintain strong stewardship with current donors to mitigate risk to our income.

Although inflation has slowed compared to the prior year we have planned for and experienced inflationary price increases from suppliers.

We maintain close relationships with suppliers and delivery partners to mitigate risks in our supply chain. This is important as we transition to a new logistics partner and manage operational risks through a phased migration.

Cost management has been significantly helped with the implementation of Business Central ERP during 2021-22, which improved forecasting of the charity cost base. Further IT development planned for 2023-24 will drive further efficiencies within the charity.

It is likely that the next United Kingdom General Election will be called in 2024. The charity must react to policy changes and advocate effectively to maximise support for breakfast provisions in schools across the UK.

The Board of Trustees are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Reserves policy

At the year end, the charity held £4,924,394 (2022: £1,787,545) in unrestricted reserves (excluding fixed assets), the equivalent to 6.4 months of future running costs. The increase in reserves will minimise the financial risk exposure to the charity, ensure sustainability of our service delivery, and sufficient working capital to enable our planned growth.

Acknowledging the uncertainty in the current climate the Board of Trustees aims to have a level of unrestricted reserves which equates to between 3.5 to 5.5 months of future running costs. Our plans might see our forecast being outside of this range at a point in time, as we seek to set accurate and balanced plans. The current plans for growth will see the levels of reserves reduce during the next two financial years but remain within the range as set out in the policy.

The costs are based on the charity being able to cover all liabilities should all income cease.

The charity may choose to build up a level of reserves above 5.5 months to effectively plan for and implement changes in line with long-term strategic plans.

Material investment policy

Due to the nature of Magic Breakfast's charitable work, it had been considered that the most appropriate policy is to hold surplus funds in a bank deposit, with the exception of £38,001 allotted as shares in the subsidiary organisation, Magic Outcomes Limited.

Fundraising

During 2022-23, the charity paid due regard to its fundraising practices in line with the guidelines set out by the Fundraising Regulator's Fundraising Code of Practice, the General Data Protection Regulation (GDPR), the *Charities Act 2011* and the *Charities (Protection and Social Investment) Act 2016*. The charity is registered with the Fundraising Regulator and is committed to being an open, fair and respectful fundraiser.

Magic Breakfast establishes commercial participatory agreements with its commercial participators to ensure they comply with the Fundraising Code of Practice, and these are monitored by the charity. The charity does not engage professional fundraisers to raise funds on its behalf and direct marketing and fundraising is only undertaken where prior consent has been obtained and complies with GDPR, the Fundraising Code of Practice, the *Charities Act 2011* and the *Charities (Protection and Social Investment) Act 2016*.

There were no complaints made against the charity or its commercial participators regarding fundraising practices.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated in November 2003 and registered as a charity in March 2004.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 10 to the accounts

The charitable company is registered as a charitable company limited by guarantee and is constituted under a Memorandum of Association dated 26/11/2003 with the registered charity numbers 1102510 and SC048202.

Governance

The decision-making body of the charity is the Board of Trustees, who are responsible for the governance and ensuring it pursues its charitable purpose. The trustees, who are also directors of the company for company law purposes, are recorded on page 2.

The trustees meet quarterly and regularly within committees to ensure good governance and provide guidance. We have three board committees, including: Finance and Audit, Governance, Nominations and Risk, and People and Culture. Their purpose is set out in their terms of reference. Committees meet between board meetings, and as required, and are made up of at least two trustees supported by at least one executive team member. The CEO attends all committee meetings.

Day to day management

The trustees delegate the day-to-day management of the charity to the CEO who provides the strategic direction and works with the Senior Leadership Team (SLT).

Magic Outcomes Limited

Magic Breakfast wholly owns Magic Outcomes Limited which is presently used by the charity for licensing our brand. Magic Outcomes did trade during the year under review and transactions totalled £112,264 (2022: £81,997). See Note 13 for more information on Magic Outcomes trading activities.

Appointment of trustees

The management of the charitable company is the responsibility of the Magic Breakfast trustees who are elected and co-opted under the terms of the Articles of Association. Reviews are held periodically to identify any expertise gaps and appointments are made, where required, to strengthen the board.

The most recent full review was in August 2023, undertaken in line with the UK Governance Code (using the DSC Governance App). These results support forward planning of the Governance, Nominations and Risk Committee.

During the financial year there were two resignations, detailed on page 2.

Trustee induction and training

The charity provides guidance to all newly appointed trustees on the responsibilities and requirements of the role. To make the Board as effective as possible, induction processes, training and review are in place; this includes trustee training, breakfast club visits, meetings with key staff and an annual performance and development review.

Remuneration policy for key management personnel

The charity has considered the disclosure requirements of the Charities Statement of Recommended Practice (SORP) for related party relationships and considers its Key Management Personnel to be the trustees and SLT.

Related party disclosures are included in Note 22 of the accounts.

The Pay and Benefits Policy launched last year continues to ensure equity, transparency, and development opportunities for staff. It sets out that we will perform salary benchmarking at least every three years to ensure all salaries are in line with similar sized national education charities. This is carried out by the human resources function of the charity. The results of this benchmarking process and any recommended changes are provided to the People and Culture Committee for review and recommendation to the Finance and Audit Committee.

Where the changes are significant or include Key Management Personnel, the Committees will make recommendations to the full board. In this instance, changes will only be made upon approval from the full board and will be minuted at the board meeting.

Trustees are not remunerated for their roles as trustees but Key Management Personnel that make up the SLT received a salary for these roles.

Statement of responsibilities of trustees

The trustees (who are also directors of Magic Breakfast for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent**
- **State whether applicable UK Accounting Standards and statements of recommended practice 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 disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the *Companies Act 2006*. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- **There is no relevant audit information of which the charitable company's auditor is unaware**
- **The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.**

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 August 2023 was 9 (2022: 11). The trustees are members of the charity and this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 7 December 2023 and signed on their behalf by

Name **Aniela Shuckburgh,**

Title **Chair**

Independent auditor's report

Opinion

We have audited the financial statements of Magic Breakfast (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 August 2023 and of its 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**
- **Have been prepared in accordance with the requirements of the *Companies Act 2006*, the *Charities and Trustee Investment (Scotland) Act 2005* and regulation 8 of the *Charities Accounts (Scotland) Regulations 2006* (as amended)**

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 Magic Breakfast'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.

Independent auditor's report continued...

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 contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and**
- **The trustees' annual 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the *Companies Act 2006* and the *Charities Accounts (Scotland) Regulations 2006* (as amended) require 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 directors 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' annual report and from the requirement to prepare a strategic report.**

Independent auditor's report continued...

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the *Charities and Trustee Investment (Scotland) Act 2005* and under the *Companies Act 2006* and report in accordance with regulations made under those Acts.

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 are set out below.

Independent auditor's report continued...

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- **We enquired of management, audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:**
- **Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;**
- **Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;**
- **The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.**
- **We inspected the minutes of meetings of those charged with governance.**
- **We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.**
- **We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.**
- **We reviewed any reports made to regulators.**
- **We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.**
- **We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.**
- **In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.**

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.

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

Independent auditor's report continued...

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 section 44(1)(c) of the *Charities and Trustee Investment (Scotland) Act 2005*. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

11 January 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, London, EC1Y 0TL
Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the *Companies Act 2006*.

Statement of financial activities incorporating income and expenditure account for the year ended 31 August 2023

		Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
Income from	**Note**	**£**	**£**	**£**	**£**
Donations and grants	2	9,211,919	1,011,110	10,223,029	7,400,668
Charitable activities	3	278,534	-	278,534	90,509
Investments	4	5,091	-	5,091	793
Total income		**9,495,544**	**1,011,110**	**10,506,654**	**7,491,970**
Expenditure on					
Raising funds	5	1,267,050	3,476	1,270,526	1,026,251
Food aid	6	4,021,594	1,203,795	5,225,389	7,054,655
Making the case for change	6	1,135,490	36,553	1,172,043	858,298
Total expenditure		**6,424,134**	**1,243,824**	**7,667,958**	**8,939,204**
Net income for the year		3,071,410	(232,714)	2,838,695	(1,447,234)
Transfer between funds	17	23,061	(23,061)	-	-
Net movement in funds		3,094,470	(255,775)	2,838,695	(1,447,234)
Reconciliation of funds					
Total funds brought forward	18	2,008,394	580,901	2,589,295	4,036,529
Total funds carried forward		**5,102,864**	**325,126**	**5,427,990**	**2,589,295**

All income and expenditure derive from continuing activities. The Statement of Financial Activities includes all gains and losses recognised during the year. The prior year Statement of Financial Activities is detailed in Note 23.

Balance sheet as at 31 August 2023

			2023		2022
Fixed assets	**Note**	**£**	**£**	**£**	**£**
Intangible assets	12		140,469		182,848
Investments	13		38,001		38,001
Total fixed assets			**178,470**		**220,849**
Current assets					
Stock	14	56,569		35,817	
Debtors	15	648,722		420,745	
Cash at bank and in hand		5,219,761		2,344,599	
Total current assets		**5,925,052**		**2,801,161**	
Creditors					
Amounts falling due within one year	16	(675,532)		(432,715)	
Net current assets			**5,249,520**		**2,368,446**
Net assets			**5,427,990**		**2,589,295**
Charity funds					
Restricted funds	17		325,126		580,901
Unrestricted funds	17		5,102,864		2,008,394
Total funds			**5,427,990**		**2,589,295**

Notes:

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 7 December 2023 and signed on their behalf by:

Aniela Shuckburgh, Chair
Company registration number: 04977015

Statement of cash flows for the year ended 31 August 2023

		2023	2022
Cash flows from operating activities	**Note**	**£**	**£**
Net cash provided by operating activities	19	2,870,072	(1,925,415)
Cash flows from investing activities			
Interest from investments	4	5,091	793
Net cash provided by investment activities		**5,091**	**793**
Change in cash and cash equivalents in the year		2,875,162	(1,924,621)
Cash and cash equivalents brought forward		2,344,599	4,269,220
Cash and cash equivalents carried forward	20	**5,219,761**	**2,344,599**

Notes to the financial statements

1. Accounting policies

Basis of preparation

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) – (Charities SORP (FRS 102)) and the *Companies Act 2006*.

The charity also owns a wholly owned subsidiary company, Magic Outcomes Limited, a company limited by shares and registered in England and Wales (company registration 04621084). The investment has not been consolidated and group accounts have not been prepared because the subsidiary is considered immaterial to the accounts of the charity.

Magic Breakfast 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 financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The financial statements 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 expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure are sufficient with the level of reserves for the charity to be able to continue as a going concern.

Funds

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. Investment income, gains and losses are allocated to the appropriate fund.

Income recognition

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.

For donations to be recognised, the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated goods, 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 item is probable and that economic benefit can be measured reliably.

On receipt, donated goods, services or 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 goods, facilities or services of equivalent economic benefit on the open market. A corresponding amount is then recognised in expenditure in the period of receipt.

Notes to the financial statements continued...

1. Accounting policies

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest paid or payable by the bank.

School membership income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Grant income is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is categorised under the following headings:

- **Costs of raising funds includes costs incurred seeking voluntary contributions through donations and the running of fundraising events during the year;**
- **Expenditure on charitable activities includes all costs incurred on furthering the objects of the charity; and**
- **Other expenditure represents those items not falling into the categories above.**

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings, they have been allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Governance costs are those incurred in connection with the running of the charity and compliance with constitutional and statutory requirements. The analysis of governance costs is included in Note 9.

Costs of raising funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in Note 8.

Intangible fixed assets and amortisation

Identifiable development expenditure is capitalised to the extent that:

- **The technical, commercial and financial feasibility can be demonstrated;**
- **The total cost of the individual asset is greater than £10,000, or the asset is purchased as part of a larger project which is to be capitalised; and**
- **The asset is likely to be used over a period of time that is longer than one year.**

Provision is made for any impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following basis:

- **Software – 33.3% straight line**

Notes to the financial statements continued...

1. Accounting policies

Investments
Investments in subsidiaries are measured at cost less impairment.

Stock
Stock represents donated and purchased breakfast ingredients and is recorded at fair value less impairment.

Debtors or creditors receivable/payable within one year
Debtors are recognised when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Creditors are recognised when the charity has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

Financial instruments
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. The financial assets and financial liabilities of the charity are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 15. Prepayments are not considered to be basic financial instruments and are measured at the amount prepaid, net of any trade discounts due.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Note 16. Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

Tax
The charity is an exempt charity within the meaning of Schedule 3 of the *Charities Act 2011* and 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. It therefore does not suffer tax on income or gains applied for charitable purposes.

Employee benefits
The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Judgements and key sources of estimation uncertainty
The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- **Allocation of support costs**
- **Amortisation rates for intangible fixed assets**
- **Income recognition of grants**
- **Donated goods, facilities and services valuation**

2.Income from donations and grants

Current year	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£	£
Donations	6,469,983	698,780	7,168,763	3,611,758
Membership income	638,190	-	638,190	820,834
Grants	1,254,706	312,330	1,567,036	1,804,149
Donated goods, facilities and services	800,870	-	800,870	1,163,921
Other	48,170	-	48,170	6
Total 2023	**9,211,919**	**1,011,110**	**10,223,029**	**7,400,668**
Total 2022	**6,293,682**	**1,106,986**	**7,400,668**	

Total donated goods, facilities and services for the year were £800,870 (2022: £1,163,921) and comprise of the following:

- £543,471 (2022: £680,731) of breakfast foods;
- £156,060 (2022: £101,461) of office facilities;
- £60,871 (2022: £341,754) of delivery services;
- £23,035 (2022: £10,000) of professional services;
- £9,000 (2022: £NIL) of staff training;
- £7,125 (2022: £NIL) of software licenses; and
- £1,308 (2022: £29,975) of other miscellaneous goods and services.

Prior year	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Donations	3,302,461	309,298	3,611,758	4,006,408
Membership income	820,834	-	820,834	478,962
Grants	1,010,061	794,088	1,804,149	1,465,922
Donated goods, facilities and services	1,160,321	3,600	1,163,921	2,319,476
Other	6	-	6	1
Total 2022	**6,293,682**	**1,106,986**	**7,400,668**	**8,270,769**
Total 2021	**7,430,697**	**840,071**	**8,270,769**	

3. Income from charitable activities

Current year	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£	£
Contract income (Hammersmith & Fulham)	100,694	-	100,694	90,509
Contract income (Camden)	76,303	-	76,303	-
Contract income (Wandsworth)	101,537	-	101,537	-
Total 2023	**278,534**	**-**	**278,534**	**90,509**
Total 2022	**90,509**	**-**	**90,509**	

There are no unfulfilled conditions or other contingencies attached to the contract income above.

Prior year	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Contract income (Department for Education)	-	-	-	540,008
Contract income (Hammersmith & Fulham)	90,509	-	90,509	170,127
Food partner school income	-	-	-	25,882
Total 2022	**90,509**	**-**	**90,509**	**736,017**
Total 2021	**736,107**	**-**	**736,107**	

4. Income from investments

Current year	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£	£
Bank interest receivable	5,091	-	5,091	793
Total 2023	**5,091**	**-**	**5,091**	**793**
Total 2022	**793**	**-**	**793**	

Prior year	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Bank interest receivable	793	-	793	1,093
Investment income	-	-	-	3,992
Total 2022	**793**	**-**	**793**	**5,085**
Total 2021	**5,085**	**-**	**5,085**	

5. Expenditure on raising funds

Current year	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£	£
Direct costs	1,115,345	-	1,115,345	913,622
Support costs	151,705	3,476	155,181	112,629
Total 2023	**1,267,050**	**3,476**	**1,270,526**	**1,026,251**
Total 2022	**1,001,475**	**24,776**	**1,026,251**	

Direct costs are analysed further in Note 7.
Support costs are analysed further in Note 8.

Prior year	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Direct costs	888,847	24,776	913,622	1,016,008
Support costs	112,629	-	112,629	89,277
Total 2022	**1,001,475**	**24,776**	**1,026,251**	**1,105,285**
Total 2021	**1,091,853**	**13,432**	**1,105,285**	

6. Analysis of expenditure on charitable activities

Current year	Activities undertaken directly 2023	Support costs 2023	Total 2023	Total 2022
	£	£	£	£
Food aid	4,587,164	638,224	5,225,389	7,054,655
Making the case for change	1,028,891	143,152	1,172,043	858,298
Total 2023	**5,616,055**	**781,377**	**6,397,432**	**7,912,953**
Total 2022	**7,044,525**	**868,428**	**7,912,953**	

In 2023, of the total expenditure on charitable activities of £6,397,432 (2022: £7,912,953), £5,157,084 (2022: £7,328,254) was from unrestricted funds and £1,240,348 (2022: £584,699) was from restricted funds.

Direct costs are analysed further in Note 7.
Support costs are analysed further in Note 8.

Prior year	Activities undertaken directly 2022	Support costs 2022	Total 2022	Total 2021
	£	£	£	£
Food aid	6,280,423	774,232	7,054,655	6,704,898
Building capacity	-	-	-	109,195
Making the case for change	764,102	94,196	858,298	396,665
Total 2022	**7,044,525**	**868,428**	**7,912,953**	**7,210,759**
Total 2021	**6,628,324**	**582,434**	**7,210,759**	

7. Total direct costs

	2023	2022
	£	£
Staff costs	2,843,385	2,227,860
Temporary staff costs	51,262	96,952
Other staff costs	31,198	73,052
Direct food costs	3,032,102	4,858,697
Contractors and consultants	45,835	110,568
Administration costs	169,782	135,822
Premises costs	137,674	163,933
Legal and professional fees	50,284	17,330
Publicity, marketing and fundraising	299,100	243,282
Bad debts	1	1,159
Amortisation	70,780	29,492
Total	**6,731,400**	**7,958,147**

In 2023, of the total expenditure on direct costs, £1,115,345 (2022: £913,622) is allocated to Expenditure on Raising Funds and £5,616,055 (2022: £7,044,525) is allocated to Expenditure on Charitable Activities.

8. Total support costs

	2023	2022
	£	£
Staff costs	601,880	608,250
Temporary staff costs	1,187	53,443
Other staff costs	43,875	86,117
Contractors and consultants	71,538	32,950
Administration costs	155,959	104,367
Premises costs	23,131	34,054
Legal and professional fees	600	38,276
Publicity, marketing and fundraising	8,508	240
Governance costs	29,879	23,360
Total	**936,558**	**981,057**

In 2023, of the total expenditure on support costs, £155,181 (2022: £112,629) is allocated to Expenditure on Raising Funds and £781,377 (2022: £868,428) is allocated to Expenditure on Charitable Activities.

Included within the total support costs above are £69,437 (2022: £93,887) of governance staff costs, other governance staff costs, administration costs and premises costs which are included within the balance of governance costs in Note 9.

9. Governance costs

	2023	2022
	£	£
Governance staff costs	60,425	50,821
Other governance staff costs	475	227
Administration costs	6,280	4,281
Premises costs	2,257	2,970
Legal and professional fees	-	35,555
Publicity, marketing and fundraising	-	33
Auditors' remuneration - Audit of the financial statements	21,720	18,900
Trustee meetings	5,427	1,484
Other governance expenses	2,732	2,976
Total	**99,316**	**117,248**

The auditors' remuneration for the audit of the financial statements was £18,100 + VAT (2022: £15,750).

10. Trustee remuneration, benefits and expenses

Trustees give their time freely and during the year, trustees have not received any remuneration (2022: £NIL) or benefits of any kind (2022: £NIL) for the work they have undertaken.

The charity does however permit trustees to claim expenses to reimburse them for costs that they incur in fulfilling their duties. Expenses incurred by trustees, or otherwise met by the charity, are detailed below, and these were wholly in fulfilment of charity business:

	2023	2022
	£	£
Disclosure Barring Service checks	202	112
Training	25	-
Printing and stationery	9	-
Travel and subsistence	780	607
Total	**1,016**	**719**
Total number of trustees paid expenses	9	4

11. Staff costs

Staff costs were as follows:	2023	2022
	£	£
Wages and salaries	3,032,439	2,456,433
Social security costs	292,899	240,563
Pension costs	117,701	89,684
Termination and redundancy costs	2,225	49,431
Total	**3,445,264**	**2,836,111**

The average number of persons employed by the charity during the year was as follows:	2023	2022
	No.	No
Food aid	38	34
Making the case for change	17	13
Fundraising	18	17
Support	11	12
Governance	1	1
Total	**85**	**77**

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:	2023	2022
	No.	No.
£60,000-£69,999	3	2
£70,000-£79,999	1	-
£80,000-£89,999	-	-
£90,000-£99,999	1	-
Total	**5**	**2**

The total amount of employee benefits received by Key Management Personnel, including employers' national insurance, is £465,111 (2022: £389,314). The charity considers its Key Management Personnel to comprise the trustees and the members of the Senior Leadership Team listed in the Reference and Administrative details on page 2.

The trustees of the charity, other than detailed in Note 10, did not receive any remuneration in the year.

12. Intangible fixed assets

ERP system	£
Cost	
At 1 September 2022	212,340
Additions	-
At 31 August 2023	**212,340**
Amortisation	
At 1 September 2022	(29,492)
Charge for the period	(70,780)
At 31 August 2023	**(100,272)**
Carrying amount	
At 31 August 2022	182,848
At 31 August 2023	**112,068**

School portal	£
Cost	
At 1 September 2022	-
Additions	15,805
At 31 August 2023	**15,805**
Amortisation	
At 1 September 2022	-
Charge for the period	-
At 31 August 2023	**-**
Carrying amount	
At 31 August 2022	-
At 31 August 2023	**15,805**

During the year, the charity began developing a school portal and this is an asset that is currently under construction.

Website	£
Cost	
At 1 September 2022	-
Additions	12,596
At 31 August 2023	**12,596**
Amortisation	
At 1 September 2022	-
Charge for the period	-
At 31 August 2023	**-**
Carrying amount	
At 31 August 2022	-
At 31 August 2023	**12,596**

During the year, the charity began redeveloping the website and this is an asset that is currently under construction

13. Fixed asset investment

Shares in group undertakings	£
Cost	
Magic Outcomes Limited - £1 ordinary shares	**38,001**

The charity owns the whole of the issued share capital of Magic Outcomes Limited, a company registered in England. The company number is 04621084. The registered office address is 42-46 Princelet Street, London, E1 5LP.

The subsidiary is used for non-primary purpose trading activities. Available profits for 2023 will be distributed under Gift Aid to the parent charity. The investment has not been consolidated and group accounts have not been prepared because the subsidiary is considered immaterial to the accounts of the charity.

The directors of the subsidiary are Lindsey MacDonald (CEO), Emily Wilkie (Director of Fundraising and Development), Anthony Eckersley (Head of Finance and Performance), Elizabeth Little (Partnership Development Lead) and Michael Honan (Magic Breakfast Trustee).

A summary of the results of the subsidiary is shown to the right:

In the year, the charity introduced a management fee charge owed by Magic Outcomes to the parent charity Magic Breakfast which is based on a proportion of income across the group entity. The management fee for the year ending 31 August 2023 was £48,165 + VAT (2022: £NIL).

Amounts owed to/from the parent undertaking are shown in Notes 15 and 16.

	2023	2022
	£	£
Turnover	112,264	81,997
Gross profit/(loss)	**112,264**	**81,997**
Administrative expenses	(50,915)	(1,972)
Profit/(loss) on ordinary activities before taxation	**61,349**	**80,025**
Taxation on profit on ordinary activities	-	-
Profit/(loss) for the financial year	**61,349**	**80,025**

Retained earnings		
Total retained earnings brought forward	82,932	43,929
Ordinary share capital	38,001	38,001
Profit/(loss) for the financial year	61,349	80,025
Distribution under Gift Aid to parent charity	(80,025)	(41,022)
Total retained earnings carried forward	**102,257**	**120,933**

The aggregate of the assets, liabilities and reserves was:		
Assets	226,025	152,101
Liabilities	(123,767)	(31,168)
Reserves	**102,257**	**120,933**

14. Stock

	2023	2022
	£	£
Undistributed breakfast ingredients	**56,569**	**35,817**

Stock recognised as an expense during the year was £1,894,519 (2022: £2,976,494).

15. Debtors

	2023	2022
	£	£
Trade debtors	522,566	185,798
Other debtors	1,740	14,936
Accrued income	77,922	186,780
Prepayments	46,494	30,034
Amounts owed from group undertakings	-	3,198
Total	**648,722**	**420,745**

16. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	123,918	64,986
Other taxation and social security	155,498	96,120
Other creditors	3,739	18,786
Accruals	59,699	62,282
Deferred school membership income	329,042	190,541
Amounts owed to group undertakings	3,636	-
Total	**675,532**	**432,715**

School membership income is deferred as it is recognised over the entirety of the membership period.

Grant income is deferred when there are performance obligations which have yet to have been satisfied and therefore there is no entitlement to the income.

Deferred income	Balance brought forward at 1 September 2022	Income released	Income deferred	Balance carried forward at 31 August 2023
	£	£	£	£
School membership income	**190,541**	**190,541**	**329,042**	**329,042**

17. Statement of funds

Current year	Balance at 1 September 2022	Income	Expenditure	Transfers	Balance at 31 August 2023
Unrestricted funds	£	£	£	£	£
General funds	**2,008,394**	**9,495,544**	**(6,424,134)**	**23,061**	**5,102,864**
Restricted funds					
Kraft Heinz	-	309,201	(309,201)	-	-
Zurich Community Trust (UK) Limited	120,000	120,000	(127,510)	-	112,490
The Big Give	42,872	98,236	(128,017)	-	13,090
Guy's and St Thomas' Foundation	99,389	-	(99,389)	-	-
ScottishPower Foundation	-	80,000	(35,781)	-	44,219
Central England Co-Operative Limited	33,900	30,300	(25,083)	-	39,117
Masonic Charitable Foundation	-	51,000	(32,220)	-	18,780
Tesco Community Grants	1,191	50,875	(52,066)	-	-
The Davies Family Charitable Fund	-	50,000	(50,000)	-	-
Crucible Foundation	50,000	-	(26,939)	(23,061)	-
Other restricted funds	233,549	221,498	(357,617)		97,430
Total restricted funds	**580,901**	**1,011,110**	**(1,243,824)**	**(23,061)**	**325,126**
Total funds	**2,589,295**	**10,506,654**	**(7,667,958)**	-	**5,427,990**

17. Statement of funds

17. Notes

The General fund is an unrestricted fund which is 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.

The **Kraft Heinz, Tesco Community Grants** and **The Davies Family Charitable Fund** restricted funds are used to provide food aid to schools in the UK.

The **Zurich Community Trust (UK) Limited** restricted fund is used provide food aid to schools and our policy and campaigning work in the UK.

The Big Give restricted fund is used to provide food aid to schools in London.

The **Guy's and St Thomas' Foundation** restricted fund is for the purposes of running the Impact on Urban Health programme which aims to pilot the effectiveness, and acceptability, of intervening in the primary school breakfast sector, primarily to improve the nutritional quality of food being provided in existing breakfast clubs.

The **ScottishPower Foundation** restricted fund is used to provide food aid to schools in Scotland.

The **Central England Co-Operative Limited** restricted fund is used to fund the onboarding and food aid costs for six new schools in the Central England region.

The **Masonic Charitable Foundation** restricted fund is used to provide food aid for schools in Tower Hamlets.

The **Crucible Foundation** restricted fund is used to provide food aid for five schools in the UK for the September 2022-August 2023 academic year. The underspend was agreed to be released to unrestricted funds.

Other restricted funds are made up of restricted funds which are subject to varying restrictions regarding their use, however no single fund is material in nature.

17. Statement of funds

Prior year	Balance at 1 September 2021	Income	Expenditure	Transfers	Balance at 31 August 2022
Unrestricted funds	£	£	£	£	£
General funds	**3,740,800**	**6,384,984**	**(8,329,729)**	**212,340**	**2,008,394**
Restricted funds					
Anonymous donor	248,200	-	(25,379)	(212,340)	10,481
Guy's and St Thomas' Foundation	-	297,481	(198,092)	-	99,389
Zurich Community Trust (UK) Limited	-	120,000	-	-	120,000
The Big Give	42,691	111,900	(111,719)	-	42,872
Janus Henderson Foundation	-	63,753	(17,759)	-	45,994
Yusuf Islam Foundation	-	56,072	(34,458)	-	21,614
Crucible Foundation	-	50,000	-	-	50,000
Tesco Community Grants	-	60,500	(59,309)	-	1,191
The Davies Family Charitable Fund	-	50,000	(50,000)	-	-
Hollyhock Charitable Foundation	-	43,750	-	-	43,750
Universities Lodge No. 2352	-	42,405	-	-	42,405
InfraRed Charitable Foundation	-	39,853	(20,019)	-	19,833
DVS Foundation	-	38,170	(33,049)	-	5,121
Central England Co-Operative Limited	-	33,900	-	-	33,900
The WPA Benevolent Foundation	-	30,000	(7,479)	-	22,521
Other restricted funds	4,839	69,203	(52,211)	-	26,831
Total restricted funds	**295,730**	**1,106,986**	**(609,475)**	**(212,340)**	**580,901**
Total funds	**4,036,529**	**7,491,970**	**(8,939,204)**	-	**2,589,295**

18. Analysis of net assets between funds

Current year	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023
	£	£	£
Intangible fixed assets	140,469	-	140,469
Fixed asset investments	38,001	-	38,001
Current assets	5,596,290	325,126	5,921,416
Creditors due within one year	(671,896)	-	(671,896)
Total	**5,102,864**	**325,126**	**5,427,990**

Prior year	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022
	£	£	£
Intangible fixed assets	182,848	-	182,848
Fixed asset investments	38,001	-	38,001
Current assets	2,220,260	580,901	2,801,161
Creditors due within one year	(432,715)	-	(432,715)
Total	**2,008,394**	**580,901**	**2,589,295**

19. Reconciliation of net movement of funds to net cash flow from operating activities

	2023	2022
	£	£
Net movement in funds for the year (as per Statement of Financial Activities)	**2,838,695**	**(1,447,234)**
Adjustment for		
Decrease in intangible assets	42,379	(130,192)
Interest from investments	(5,091)	(793)
Increase in stock	(20,753)	71,908
Increase in debtors	(224,341)	306,056
Increase in creditors	239,181	(725,159)
Net cash provided by operating activities	**2,870,072**	**(1,925,415)**

20. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand	**5,219,761**	**2,344,599**

Lease commitments and Related party transactions

21. Operating lease commitments

The charity is in receipt of donated office premises therefore there are no further lease payments owing. During the year, the charity leased a storage facility however there are no future minimum lease payments owing under non-cancellable operating leases.

During the year, the lease expenditure for office premises totalled £NIL (2022: £94,032). During the year, the lease expenditure for the storage facility totalled £4,745 (2022: £NIL) which is recognised in the Statement of Financial Activities.

22. Related party transactions

Other than trustee and Key Management Personnel transactions detailed in Note 10 and the donations noted here, there were no related party transactions during the period.

During the year, the charity received unrestricted donations of £102,300 (2022: £30,996) and restricted donations of £50,000 (2022: £61,398) from trustees. The two restricted donations of £25,000 each were given by The Davies Family Charitable Fund and the purpose of those donations is to provide food aid to schools in the UK.

23. Prior year statement of financial activities

		Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
Income from	**Note**	**£**	**£**	**£**	**£**
Donations and grants	2	6,293,682	1,106,986	7,400,668	8,270,769
Charitable activities	3	90,509	-	90,509	736,017
Investments	4	793	-	793	5,085
Total income		**6,384,984**	**1,106,986**	**7,491,970**	**9,011,871**
Expenditure on					
Raising funds	5	1,001,475	24,776	1,026,251	1,105,285
Food aid	6	6,478,109	576,547	7,054,655	6,704,898
Building capacity	6	-	-	-	109,195
Making the case for change	6	850,145	8,153	858,298	396,665
Total expenditure		**8,329,729**	**609,475**	**8,939,204**	**8,316,044**
Net income for the year		(1,944,745)	497,511	(1,447,234)	695,827
Transfer between funds	17	212,340	(212,340)	-	-
Net movement in funds		(1,732,405)	285,171	(1,447,234)	695,827
Reconciliation of funds					
Total funds brought forward	18	3,740,800	295,730	4,036,529	3,340,703
Total funds carried forward		**2,008,394**	**580,901**	**2,589,295**	**4,036,529**

MAGIC BREAKFAST

England & Wales - Charity number 1102510

Accounts

magic breakfast
fuel for learning

Building a stronger society

One breakfast at a time...



Annual Report 2021-2022

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Magic Breakfast



Welcome to the Magic Breakfast
Annual Report 2021-22



01
From our CEO

Everyone wants to feel their work is worthwhile and valuable, and when I joined Magic Breakfast in autumn last year it couldn't have been clearer how much we were needed.

The cost of living crisis has been, and continues to be, catastrophic for huge numbers of children and young people. Just as they were emerging from the challenges of covid, with its widening attainment gap particularly for those in under-served communities, they and their families were facing growing and shocking financial hardship.

To start your school day hungry is physically painful and uncomfortable, but the effect can last longer than one day. The impact of morning hunger in a child's early years can continue right through the education system and into the world of work. In this report, we have two young people, Rowan and Fiona, who share the impact of hunger on their lives and explain why no child should be too hungry to learn.

I came to Magic Breakfast having worked for a youth employment charity, which supports 14–30-year-olds who hadn't yet found success at school or work. They hadn't built trusting relationships with teachers to guide them and allow them to learn to their best ability. I immediately saw how the care that's served up alongside a Magic Breakfast can reach the very young and help create relationships that will stand them in good stead for life.

The difference that breakfast can make on children's and young people's education is well evidenced. So is the return on investment for children as well as the wider economy and society. Evidence helps inform our decisions, focuses our priorities and enables us to make the case for change. That's why our Hidden Hunger report has been so vital this year. It's given us and others in the sector a clear understanding of the state of breakfast provision, what we've achieved so far and the journey we have ahead. It gives us a clear insight into how and where we especially need to make a difference and the long-term solutions needed. Our new emphasis on research and insight as a charity will help us tackle morning hunger for good.

Throughout this year, what's struck me time and again is what I call 'the magic of Magic Breakfast'. That magic is in our people, whether that's the staff, volunteers, donors, supporters, partner schools' staff, and the children and the young people we work with. All make Magic Breakfast possible. We've been through a year of significant change here and we've all somehow managed to protect and maintain that magic. We've evolved and grown as an organisation while keeping true to who we are.

The care that's served up alongside a Magic Breakfast can help create relationships that will stand them in good stead for life.



01
From our CEO

I've seen first-hand how we have such a positive impact on so many children. I've seen them shuffle in to school with their hoods up and heads down, not ready to engage with anyone. They've already gone through whatever they've gone through at home. It can be heartbreaking to see – until they slowly find their way to a table, sit down with a bowl of cereal, and speak with their friends, or a teacher or volunteer. Their energy is regulated. They get themselves ready to learn, ready for that school day.

As we celebrate our 20th year as a charity, it's been a tremendous time to look back and appreciate what we've achieved while acknowledging the importance of creating new systems to help our work into the future. We've been redesigning the organisation, making sure the right people are working in the right departments to improve communications and structure, to improve productivity and efficient working, to help us deliver greater and more sustainable social impact.

Magic Breakfast is so much more than a plate of food. It's the emotional connection, the feeling of belonging, a sense of love and care.

Like many charities, we are experiencing the country's financial difficulties in two ways. At the beginning of the year, it was estimated 2.6 million children were at risk of food insecurity at the start of the day. The most recent numbers are 4 million so the need for our services is surging. On the other hand, we pay for food, delivery, and transport, as well as staff and other costs and need to find ways to keep breakfast costs stable. This is why we took the decision to proactively use our reserves to maintain our services as we developed a refreshed strategy and more resilient business model.

Tackling this two-sided challenge would be tougher without all the brilliant people who have been and continue to be part of Magic Breakfast's journey. My appreciation and thanks go to the Board of Trustees who have been incredibly supportive, particularly our out-going chair Joanne Thompson and incoming chair Aniela Shuckburgh. My huge gratitude goes to them and to the staff who inspire me every day, and to the schools, funders, and most of all the youth campaigners, children and young people who've shared their stories as we've broken bread together. My thanks to them all. To create a country that's fairer and more equitable in 10, 20, 30 years, genuinely starts with breakfast today.

Together, we can do it.

Magic Breakfast CEO

That magic is
in our people.



01
From our Chair

The double impact of the legacy of covid and the ongoing cost of living crisis is having a profound effect on a generation of children and young people.

Countless, almost daily, sobering reports, including our own Monitoring and Measurement Survey 2022, highlight how teachers are increasingly concerned by the growing numbers of young people who are experiencing food insecurity, and the consequent detrimental impact on their attainment and future achievements.

This is why Magic Breakfast is needed now more than ever. However, the scale of the problem is growing and Magic Breakfast is determined over the coming years to increase our reach, and utilise our experience and knowledge to end child morning hunger for good.

Each day we provide a nutritious breakfast to over

200,000

children in England and Scotland to ensure that they are not too hungry to learn.

We meet this challenge robustly, thanks to the extraordinary and continuing support of our funders and stakeholders and our wonderful partnerships with schools. Lindsey MacDonald, CEO, joined Magic Breakfast barely a year ago but, her transition into the organisation has been seamless and her indomitable spirit and commitment to ending child morning hunger is matched by an excellent staff team.

I would like to thank all the staff at Magic Breakfast for their diligence and dedication. Whether they're ensuring the daily delivery of breakfast, increasing our fundraising income and growing our partners, as well as ensuring we play a central part in the national conversation about child food poverty. Or implementing a restructure and establishing new systems to improve our efficiency and effectiveness.

I would also like to thank my fellow Trustees for their unswerving commitment and in particular, Joanne Thompson, who stepped down as Chair in June 2022 and remains on the Board. Joanne steered the organisation through a significant period of growth and transformation, making Magic Breakfast even more robust to meet our future ambitions.

Magic Breakfast Chair

Magic Breakfast's mission is simple: no child should be too hungry to learn. I am excited about the year ahead as we seek to make this a reality.



01
Rowan's story

When you're sitting in class and you're hungry, your stomach just hurts. You can't focus all day; you can't think straight. I see it as a form of torture. Anything makes you think of food: textbooks, what people are saying... You're trying to get your work done and all you can think about is that you're not learning because you're hungry.

If you don't get your work done, you have to take it home without the resources to help. It's much harder. So you have to sit there and keep trying to learn.

Probably the hardest thing is when you have to hide how you feel from everyone. Obviously my friends care for me, but you can't always explain to them that you don't have any money, that you just can't afford to eat. You feel anxious, you feel scared, you just feel hungry. If you haven't lived through this, you're extremely lucky.

At home it's me, my mum, my brother and my dog. We all live together. My mum is training to be a student nurse and she's in her second year. Her mum was a nurse and she's always wanted to follow in her footsteps. Sometimes when the parents are working hard, it's still not enough, and it's not their fault. Sometimes the kids are working, both the parents are working, one child is babysitting the youngest, and that's not the parents' fault. It's not the kids' fault. It's their situation and they don't have a choice. That's what I want to change.

At my school they open a canteen in the morning, and we can go and buy something, but if we don't have any money, we can't. Now with Magic Breakfast, I'm able to go and get something to eat.

Me and my friends come in early to school, so we eat and have a good laugh together. A lot of people come for breakfast at the school. It's always crowded in the morning.

There's a lot of people from the local area that come in for their Magic Breakfast. A lot come from my neighbourhood and really everyone in the school uses it. If you're poor or rich, if you're hungry, you're hungry, and it's there.

If you haven't lived through this, you're extremely lucky.



01 Rowan's story

Having breakfast in the morning gives lots of kids who are at a disadvantage the chance they need to go further. They don't really have the same chance as everyone else – look at the statistics – but that's life, that's why I've joined Magic Breakfast as a Youth Campaigner. I want to fight for change for kids like me who have found themselves in a situation that they can't control and are forced to go to school every day hungry.

Magic Breakfast are the people who give me breakfast, and when I campaign with them, I feel amazing. I live in quite a deprived area. There isn't much of anything here, a lot of problems with drugs and crime and it's been hard. I want to help other kids who are going through what I've been through. If that was me, I would want someone to help me – and Magic Breakfast did. So now I'm giving back. I want to change it for others, so they don't have to go through what I had to go through. They shouldn't have to be hungry every day. That's not right. They're kids. They can't control what happens around them. I would like to do my best to make sure they don't have to go through that, maybe by becoming a politician. I want to run as an MP and get into the House of Commons and fight for all these kids from deprived neighbourhoods.

I want to fight for kids who think that they don't have any way out of poverty they're just going to end up back there. I want to show them that they can get out and they can work their way up.

There is a voice fighting for these kids, but it isn't loud enough. We need to make it louder. I want to send a message to all of them who think they don't have any way out of poverty and they're just going to end up back there. I want to show them that they can get out and they can work their way up. With Magic Breakfast we can make a change.

Magic Breakfast are the people who give me breakfast, and when I campaign with them, I feel amazing.





Fuel for learning

02

Our experience

02
Coming out of covid

Schools going back
Amy, Magic Breakfast Engagement Partner

What did you notice about the impact of covid on families?

The stories I heard were about families needing help who had not previously been on the school radar for this. In my schools in Cornwall, this was because so much of the work available for parents was based around tourism, and that collapsed for the best part of two years, leaving massive unemployment. There was often no recourse to any of the support packages as they'd worked a kind of seasonal, gig economy.

Because these families had not needed to access help before, there were difficulties around this in terms of a perceived stigma and feelings of shame. This means there were barriers to them being willing to receive help, and to know where or how to access it.

Of course this new need was having to be dealt with by schools using the same or fewer resources than were available before, from hardship funds to the staff's capacity to offer support. One impact was that there was quick uptake among schools for our services and more children having a Magic Breakfast.

What changes have you seen in the time since covid?

There are much higher staff turnovers in schools and staff are talking about the pressures at work being unprecedented. It's easy to see that the two are linked. I speak to school business managers who tell me that they just can't make the numbers work and have run out of solutions. I speak to admin staff who highlight that they are covering a massive volume of work because of staff cuts, illnesses and staff leaving, and they're anxious that something important will get missed in all the change.

When it comes to families, my colleagues around England and Scotland agree that there's a greater reliance on our breakfast provision from many families, including those who are just about managing. More food is being requested and provided in individual schools. Some schools report that all their families seem to be struggling.

There are much higher staff turnovers in schools and staff are talking about the pressures at work being unprecedented.





02
Coming out of covid

How do you think life has changed for disadvantaged students since covid?

During covid, I honestly thought that we would come out of the other side with a real positive shift, a greater public awareness of food poverty and how it's linked to lower achievement levels. The reality is I think the gains have been subsumed by the cost of living crisis. The general tone seems to be that there isn't enough money in the pot, be that at Government, council or school level, and that non-essentials will have to give. My concern is that breakfast will be one of those. Lots of my schools are running catch up sessions, but it doesn't seem like enough, as disadvantaged children are so far behind academically, and especially when coupled with the extra financial pressures this winter and beyond.

It seems to me that the way Magic Breakfast reacted to covid shows it can find itself in extraordinarily difficult circumstances and develop its way of working accordingly, for instance in the way it delivered food to homes.

The charity demonstrated initiative to create a new model and mobilised fast to make it happen. We heard from so many schools how grateful they were. How grateful the parents were. The phrase that came up time and time again was that it was a 'lifesaver'.

There are definite signs that the longer-term impact will be that the charity is open to building on the success of this fast-paced, responsive approach, and that going forward we'll innovate to reach the hunger need.

Post covid, we're living through a cost of living crisis. How badly is Magic Breakfast needed now?

That's the crunch isn't it – that we're needed more than ever right now, right on the back of covid, and back then we also genuinely thought we were needed more than ever. I know that schools feel a sense of a burden being relieved when they can offer every child breakfast. It's one less thing to worry about in terms of the children's welfare, and the staff can then focus on the other pressing needs they face. I hear a lot of pastoral staff and school leaders saying, 'At least we know that our children have had two key meals here with us at school'.

With so much hardship about, why is something as simple as a breakfast for children who need it every morning not just provided in today's world?

People fail to see the long-term value and the way the economy, society and everyone gains when children are well-nourished. I believe more work must be done on breaking down unhelpful stereotypes around those families who need help. The idea that they are somehow to blame is politicised and used as an excuse not to help.

As colleagues have said, it's not the hungry child's fault. And who can argue with that?



02
The support we give, the support we get

When a breakfast is so much more than food

This year we've heard, more than ever, how vital and valuable our work is. We hear how much a school breakfast benefits disadvantaged children, helping many of them turn up on time, make friends and become more confident.

In England a huge 95% of schools we spoke to (796) reported breakfast helping with concentration in class, with almost the same number telling us that food improved energy levels, alertness, and readiness to learn.

In Scotland, every teacher we surveyed said concentration in class, energy and alertness levels and readiness to learn had all improved. **100 per cent!**

For schools and parents, it's a joy to see children's levels of health and wellbeing rise, all through mixing and eating together at the start of the day. And it's not just anecdotal evidence that supports the need for breakfast provision. Independent research, funded by the Education Endowment Foundation and carried out by the Institute for Fiscal Studies, showed that children from a school that offered Magic Breakfast gained two months' additional progress in key subjects at KS1.

The same study found that pupils' concentration and behaviour improved, which in turn improved outcomes for all children by creating better classroom environments.





In England

95%

reported breakfast helping with concentration in class

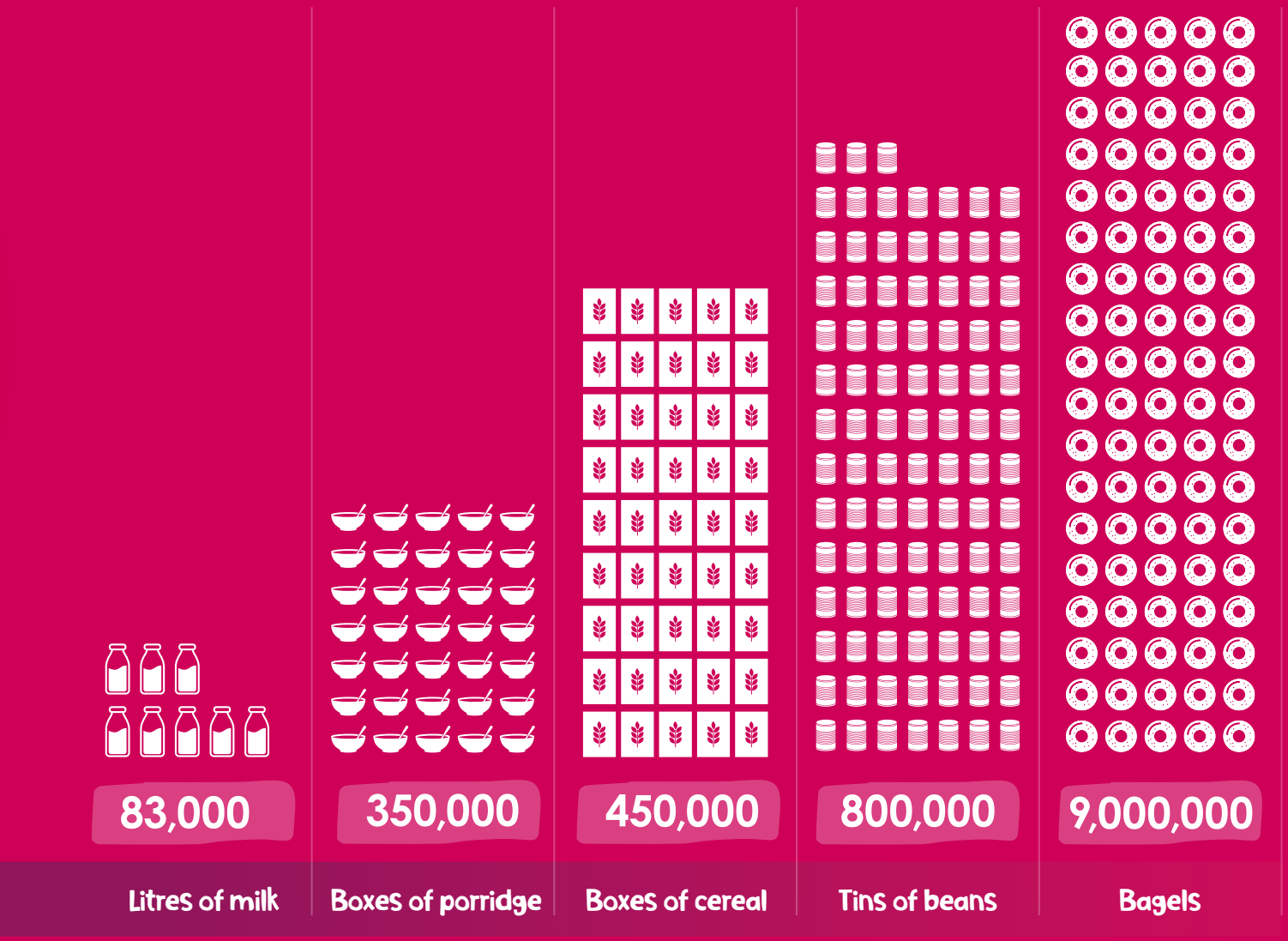


In Scotland

100%

concentration in class, energy and alertness levels and readiness to learn had all improved.

02
Magic Breakfast has provided:



Every meal has its own special value; every child has their own story to tell.

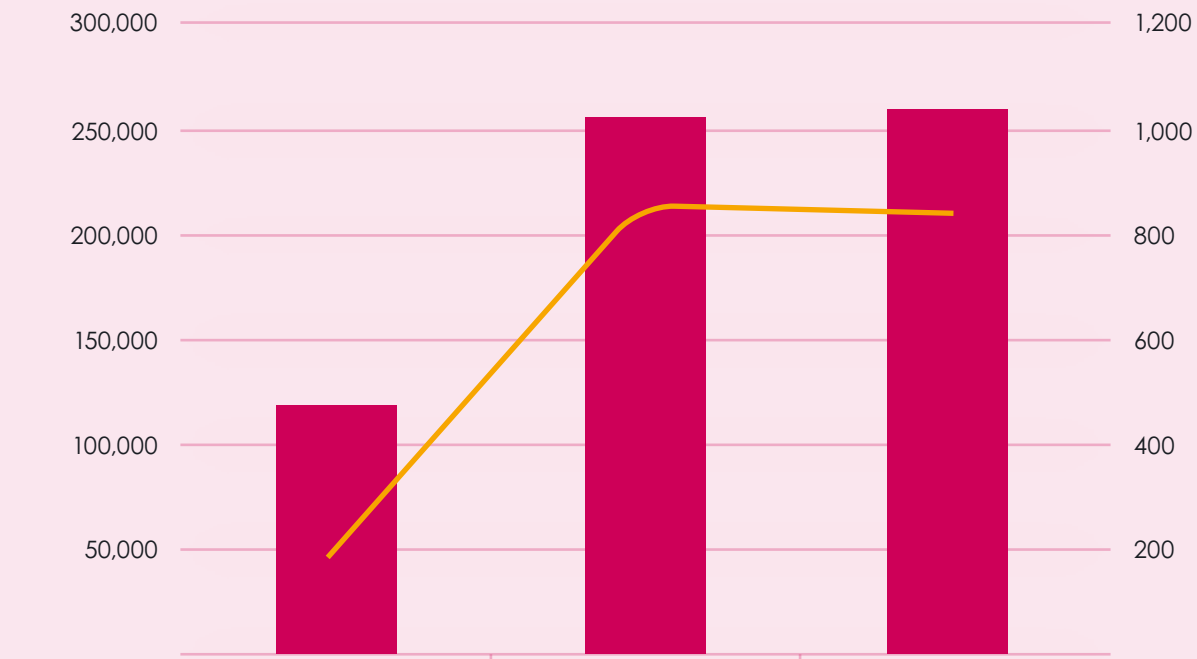
It's with great pride that we announce that this year we delivered 41 million breakfasts. These went to more than 200,000 children at 1,040 schools over the year. On top of this, in conjunction with Amazon, Kraft Heinz & Quaker, we delivered nearly 145,000 home delivery food packs.

On top of this we distributed approaching 50,000 copies of Silas and the Marvellous Misfits, from our friends the Marcus Rashford Book Club, and more than 86,000 copies of Marcus's book The Breakfast Club Adventures, additional boosts of escapism and fun.

For Magic Breakfast, the past 12 months has been a time of reflecting on 20 years of success as a charity and it's also been a time of change and growth. All of this is critical at a time of growing inequality that resulted from the pandemic, an increase in child hunger and a widening attainment gap. We are needed more than ever.

02
The support we give, the support we get

Magic Breakfast's operations (2019 - 22)



	2019-20	2020-21	2021-22
Schools	477	1,011	1,040
Pupils	48,000	215,000	212,160



Breakfasts delivered
41 million



Children accessing breakfasts
212,160



Schools receiving breakfast
1,040



Home delivery food packs
145,000

02
Making our voices heard

The cost of living crisis has placed the work we do right at the top of the agenda. The need for the services we provide is clearer than any of us can remember.

And we've faced a bumpy political ride this year. Three Secretaries of State for Education in just three days; three different Prime Ministers in two months. Amidst political and economic turmoil, the crisis has deepened.

Families living in poverty are making difficult decisions every day on how to spend their limited resources. Meanwhile schools funding is decreasing in real terms, and they face crippling energy costs to keep the lights on and classrooms heated, and soaring food inflation to keep pupils fed.

To support schools, we published a funding paper to explain how **Funding a Better Start** can be employed to support breakfast provision.

In response, we've developed a bold new plan to advocate for change. We've held workshops bringing in external experts to input on food insecurity, child poverty, educational attainment, and health and nutrition. This means, despite the challenges we've faced, we are looking outward, being open and collaborative with a clearer voice. We hope to be a credible, trusted voice with children and young people at its heart. We're clear that breakfast provision must be shifted from something that's 'nice-to-have' to a necessity for those facing hunger, so that all children can achieve to their potential.





of Magic Breakfast partner schools

81%

surveyed believe that child hunger has increased in their school community in the past year (2021: 79%).



of Magic Breakfast partner schools

94%

surveyed believe that poverty has increased in their school community in the past year (2021: 89%). Almost all schools (97%) believed the increase in poverty or child hunger resulted from the cost of living crisis.

02
Making our voices heard

#HungerIsStillHere

Ahead of the 2021 Autumn budget announcement we launched our **#HungerIsStillHere** campaign to extend the National School Breakfast Programme, to reach all schools in disadvantaged areas. At best only a third of the most disadvantaged schools are currently offered any support and this plan isn't sustainable as schools are left to pick up much of the cost. We asked the public to email their MP to let them know how it isn't right that children's education and life chances are restricted by hunger.

#TooHungryToLearn

Then in the spring and summer of 2022 we delivered our **#TooHungryToLearn** campaign, uniting around 2,000 voices from charities, headteachers, brand partners and the public, outlining the need for free universal school breakfast provision. The letter was penned by our Youth Campaigners, who backed this up with media interviews, including a 7-minute feature on Sky News, and delivered it to Downing Street in July.

Hidden Hunger Report

A key part of the campaign was the release of our **Hidden Hunger: The State of UK Breakfast Provision 2022** report, the largest review of breakfast provision across the country to date. It highlighted that a postcode lottery exists and called on governments at all levels to act now to address the disadvantages caused by food insecurity. We supported this with events at Westminster, including a roundtable of MPs and an MP breakfast drop in. All of those at the roundtable wrote personally to the Secretary of State for Education, to call for an immediate £75m investment in school breakfast provision.

Number of voices united for the #TooHungryToLearn 2021 campaign

2,000

Immediate investment called for by roundtable of MPs

£75m

Hunger is still here campaign

Too hungry to learn campaign

Our Hidden Hunger report



02
Making our voices heard

Fueling a Brighter Future

In June we hosted local authorities – elected and unelected officials – from across Scotland to highlight the pressing need for Scottish Government to deliver on their promise to roll out breakfast to primary and special education schools.

Lived experience voices

We learnt a lot from the Too Hungry to Learn campaign, in particular working with our Youth Campaigners, who came together for a weekend residential training in advance of the campaign to support their actions. We know we can draw on the lived experience of young people, our beneficiaries, partner schools and expert front-line staff to illustrate the impact of morning hunger to support our calls for change.

Wraparound childcare

Our work benefits parents as well as children. The Scottish Government and the Labour Party have both stressed the need for 'wraparound childcare'. In July, we **published a briefing jointly with Child Poverty Action Group (CPAG)**, on the economic case for wraparound care, and the benefits this can have on children's futures. This report has been invaluable in our meetings with MPs.

'Delivering Breakfast'

In Scotland, our first **Spring Policy Briefing** Series, included 'Delivering Breakfast', exploring the different ways the Scottish Government could help break down barriers to providing breakfast in schools. We released our report 'Integrating Childcare and Breakfast Provision', that looked at our recommendations for the Scottish Government's plan for wraparound childcare in Scotland and how to ensure it is hunger-focussed.

Hungry children cannot concentrate in class...

A highlight was working with three Scottish Youth Campaigners who delivered a **letter from Scotland's Young People** to local election candidates, telling them, "Hungry children cannot concentrate in class... The attainment gap perpetuates the cycle of poverty." The letter stressed that free breakfasts showed young people how valued they are in their learning environments. The Scotsman ran the letter, with an accompanying news story, while the campaigners received the support of 13 leading organisations representing tens of thousands of young people. Fantastic to see young people fighting for their friends.

Wraparound childcare

"Hungry children cannot concentrate in class... The attainment gap perpetuates the cycle of poverty."



Spring Policy Briefing

Letter from Young People

2021-2022

2021

#HungerIsStillHere

The campaign to reach all schools in disadvantaged areas.

2022

Scottish report series

We released our reports 'Integrating Childcare' and 'Delivering Breakfast'.

2022

Residential training

Youth Campaigners attend a weekend residential training in advance of the campaign to support their actions.

2022

Hidden Hunger report

The largest review of breakfast provision across the country.



2022

Letter from Scotland's Young People

Scottish Youth Campaigners delivered a letter from Scotland's Young People to local election candidates.

2022

Hosted local authorities

Pressing need for Scottish Government to deliver on their promise to roll out breakfast.

2022

#TooHungryToLearn

2,000 voices unite outlining the need for free universal school breakfast provision.

2022

Wraparound care

Published a briefing jointly with CPAG, on the economic case for wraparound care.



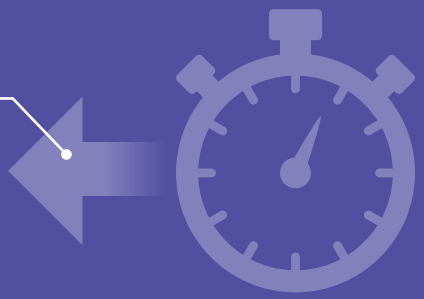
03

Change and growth

03
Key stats

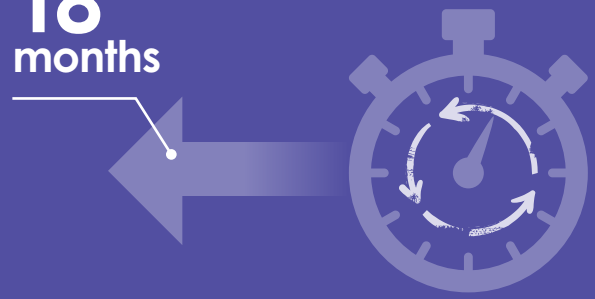
England

9.3 months



In England, by the time they finish primary school, disadvantaged pupils are **9.3 months** behind their wealthier peers.

18 months



By the time pupils finish their GCSEs, this gap has increased to **18 months.**

Scotland

73.2%



73.2% of pupils from the most deprived areas passed Scottish National 5, down from **81.2%** in 2021. This is **14.6** percentage points below pupils from the least deprived area where the pass rate was **87.8%.**

70.2%



70.2% of pupils from the most deprived areas passed Scottish Higher, down from **83.2%** in 2021. This is **14.9** percentage points below pupils from the least deprived areas where the pass rate was **85.1%.**

Education is one of the best routes to social mobility. This is why feeding a hungry child at the start of their day, so they have fuel for learning is so important.

England attainment stats:
Education Policy Institute, Education in England: Annual Report 2020, 25 August 2020, https://epi.org.uk/publications-and-research/education-in-england-annual-report-2020

Scotland attainment stats:
Scottish Qualification Authority, Equalities Monitoring Report 2022, 9 August 2022, https://www.sqa.org.uk/sqa/files_ccc/equalities-monitoring-report-2022.pdf

03
Fundraising and development success

Our fundraising and development team has continued to work with new and existing donors to unlock vital funding and support. This support was crucial as we set ambitious targets to help transition at the end of the National School Breakfast Programme (NSBP) contract. As set out in our last annual report, the charity chose to not apply for the new contract in 2021 and planned use of its surplus reserves to ensure continuity for schools.

After the end of the NSBP contract, as well as the one-off increase in donated goods received during the height of the pandemic, this year saw income reduce from £9,011,871 (2020-21) to £7,491,970 (2021-22). This equated to 97.3% of the budget (£7,696,777) and here is an overview of what we achieved:

New business partnerships

We launched new business partnerships with a focus on multi-year commitments, including £300,000 over two years from the Zurich Community Trust and substantial investments from the Barratt Foundation and asset management company Janus Henderson. We also extended support from organisations including The Peace Train and players of People's Postcode Lottery who have now raised an incredible £2.9million to support our growing need.

New opportunities

We sought opportunities to increase our 'gift in kind' contributions. We rolled out provision of Arla milk across 215 schools, secured new support from companies including Ocado Zoom, and continued to uplift our supply of other donated products.

Fill a Bowl promotion

Porridge oats giant Quaker organised a Fill a Bowl promotion that led to 3.5m branded limited edition packs appearing on shelves across the country. They gifted us half a million bowls of porridge, raised £50,000 towards our work and scored 40m social media hits.

The Make Mornings Magic campaign

New York Bakery Co's Make Mornings Magic campaign included a donation of 500,000 bagels, reached more than 1m people via social media and achieved more than 35 pieces of media coverage. Kraft Heinz who provided baked beans to 300 partner schools, also ran a series of on pack promotions as well as an advertising campaign which led to 46m digital impressions.



Money donated so far from players of People's Postcode Lottery

£2.9m



Schools supplied with Arla milk

215



Raised from Quaker Fill a Bowl promotion

£50,000



Raised from the 'Behind the Magic' dinner event

£113,000

03
Fundraising and development success

'Behind the Magic' dinner

To celebrate our 20th anniversary, we held our first Behind the Magic Gala dinner to celebrate our impact to date, and to raise money for our future ambitions. The evening raised £113,000 and included music, auctions, highly emotional speeches, and the premiere of our film No Child Too Hungry to Learn.

Fundraising mail out

In December, our first fundraising mail out raised over £114,000 in donations, along with some generous direct debits. During exam season we ran our 'Fuel for Success' campaign, which highlighted the impact hunger in the mornings has on educational attainment and raised more than £300,000. Our mass participation event, 'Great Big Breakfast', held on Pancake Day also raised vital funds and attracted nationwide support.

Diversity and sustainability of voluntary income

As we continue to invest in the diversity and sustainability of our voluntary income, we are especially grateful for the commitment of donors to provide unrestricted funding. This has been particularly helpful as we navigate a changing and challenging landscape.

Media coverage

Altogether this year our media coverage achieved a great deal. We featured in a seven minute live segment on Sky News and four other national broadcast slots. Our social media coverage increased, including 49% more engagement on Twitter.

This supports all our fundraising.





First fundraising mail out raised
£114,000

Fuel for Success' campaign raised
£300,000

Live segment on Sky News
7 min

+ four other national broadcast slots.

Increase in social media engagement on Twitter
49%

03
Change and growth

We've harnessed the energy and commitment shown by our teams with a new vision and mission for the charity, together with structural alterations to make us a more effective and efficient team.

We've improved our productivity, largely thanks to new business systems and visibility of key data for decision-making. Information we've been able to access from these changes has been vital especially because of the huge increases in fuel and food costs we've faced this year. These shifts ensure we can continue to reach those in need and manage the risks we face.

We've refreshed our strategy as an organisation, emphasising our focus on the difference that our services make to pupils' education and attainment. We've built our strength in advocacy and policy work to find out what needs to be done to stop children and young people going hungry and how to make that happen. A huge development for the charity.

We are creating systems for innovation and continuous improvement to allow us to achieve all we can with our resources. We have a business plan that's looking several years into the future to help us put the very best foundations in place for building on our efforts to date. We have a new system of values that shines through in the ways we communicate and operate.

Part of this is our philosophy that 'failing is learning' – we're not afraid to challenge ourselves.



We're dedicated to building a stronger society...

One breakfast at a time.





04

Our people and finances

04
Our people and systems

We are a people-centred organisation. We introduced our first People Strategy and set Magic Breakfast's people vision.

As well as updating our vision, mission, and values we undertook an organisational redesign with generous support from Q5 and with input from all staff, Trustees, and key stakeholders. This work identified five areas of activity, which formed the basis of five new departments and helped us to better align activities.

The new structure reflects the significant growth that Magic Breakfast has experienced in recent years and ensures we are fit for purpose and for the future.

The closing headcount of 70.2 is an increase from 65.6 which reflects the increase in schools supported and the strategic focus on making the case for change which is to support the aim of ending child morning hunger for good.

In line with these structural changes, our senior team was repositioned from a Senior Management Team to a Senior Leadership Team. New roles and job descriptions across the charity emphasise the qualities needed to enable an open and collaborative culture. We also moved offices this year, and thanks to generous support from Fora and Pearson have donated office and meeting room spaces.

We have put in place enabling policies and systems to foster a high-performance culture that reflect our values and commitment to equity, diversity, and inclusion (EDI). This has seen focused work to enable a clear and consistent approach to hybrid working that ensures accessibility and recognises the high proportion of staff with carer responsibilities. Our support and supervision conversations highlight the role individuals have in progressing our EDI commitments and ensure we can offer suitable and tailored wellbeing support. These set the foundations for a clear and robust action plan to be developed in 2022-23.

Other work to develop our data and digital infrastructure saw the implementation of an Enterprise Resource Planning (ERP) system in April 2022. This has enabled the integration of food order management within the ERP and additional insight to manage the food costs of the charity. The GIK funding support for the implementation was included with 2020-21 income. The net value of the intangible software asset for the system's implementation is £182,848.

Our People Vision is that our people are happy, fulfilled, and able to bring their whole selves to work **to make a measurable difference to the lives of hungry children and young people.**



04
Financial review

Our finances

We have proactively and strategically used our financial resources to navigate change and growth. In the financial year 2021-22, the charity made a deficit of -£1,447,234 (2020-21: surplus of £695,827). The planned deficit was higher than budgeted, as we chose to maintain our services and absorb the significantly higher cost of food and delivery caused by inflationary pressures in the year.

Magic Breakfast has an accumulated surplus of unrestricted reserves of £1,825,546 (2020-21: £3,688,144). This equates to 3.0 months unrestricted reserves, which falls below the reserves target set out in our reserves policy.

To ensure we do achieve the unrestricted reserves target and more sustainable finances in 2022-23 we will take several actions that are set out in the sections that follow. In setting our plans we included:

- **a comprehensive review of our service delivery model and cost base to ensure we are as efficient as possible while maintaining our core principles of being hunger-focused, stigma and barrier free**
- **phasing digital and transformation initiatives (and accessing pro bono support where possible) to manage staff levels and additional costs.**

Rising costs and need

While the deficit was higher than planned during 2021-22, Magic Breakfast was able to maintain a comprehensive support package for schools throughout the full year. Magic Breakfast also provided holiday food provision throughout the three main school holidays and additional breakfast provision for half-term holidays for schools who were able to support this.

We ended the year supporting 1,033 schools which is an increase of 22 from the end of 2020-21. During the year a combination of rising inflation, children and young people returning to schools and growing need drove a significant increase to the cost base of Magic Breakfast. The reported cost of food aid is made up by support for schools as well as the provision and shipment of food to schools which increased by 5.22% to £7,054,655 (2020-21: £6,704,898).

The increase in cost of food is caused by a combination of factors. More schools being supported, higher pupil uptake and growing demand within schools, a return to school delivery after lockdowns, recruitment of engagement partners as schools were recruited from the NSBP programme, and inflation. As schools returned to more normal operations after lockdown, there has been a shift in breakfast provisions, with more schools



04 Financial review

providing a classroom provision (58%) when compared to 33% in 2019.

Developing a diverse and resilient income model

With more schools supported, the membership income grew to £820,834 (2020-21: £478,962). Although this increase of 71.4% is significant, the membership fees only cover a small proportion of the direct cost of food and delivery provided.

Currently Magic Breakfast has support from Hammersmith and Fulham Local Education Authority who fund breakfast provision for primary schools. As we seek to make the case for policy makers to fund hunger-focused school breakfast provision there has been greater interest from local authorities to explore similar opportunities elsewhere. It is hoped that more partnerships will be launched in 2022-23, increasing revenue through commissioned services.

The breakdown of income and expenditure for the year 2021-22 can be seen to the right.

Income:

Donations, investments and other income	48.2%
Membership income	11.0%
Grants	24.1%
Donated goods, facilities and services	15.5%
Contract income	1.2%

Expenditure:

Food aid	78.9%
Making the case for change	9.6%
Fundraising	11.5%



04
Future plans

Magic Breakfast was set up in 2003 in response to shocking need in the UK. Sadly, despite significant growth, increased national profile, incredible social impact, and successes in the policy space – the need for Magic Breakfast is growing.

2021-22 has been a year of change and growth – building on the success, experience, and impact of the charity's journey to date. We know that Magic Breakfast occupies a unique position and has reached a stage where investment is needed for internal systems to operate more efficiently and build our capacity at scale. Some of this work has begun and we have plans throughout 2022-23 to take this further.

We will invest in our productivity to let us minimise cost while maintaining our focus on being stigma and barrier free. This will see us assess the return on investment in different parts of the charity, review our service delivery model and supply chain and the relative efficiency and impact of different types of breakfast provision. We plan to leverage our strengths and reconcile the tension between our desire to tackle the issue of child morning hunger now (through breakfast provision at scale) and for good (through advocating for policy changes and government investment). This will see us drawing greater insight from our service delivery through our research programme to inform our advocacy.

We also hope this helps us to secure more revenue through public sector funding by working with local and combined authorities as well as national governments to highlight the value and impact of school breakfast provision.

The scale of the challenge means that we cannot do this on our own. We will develop our marketing and insights capability through detailed brand and narrative review alongside improved monitoring and evaluation of key metrics to increase reach and engagement. We want to better understand audiences and continue to put children and young people's voices at the heart of our work and storytelling and there are plans underway for our first research project to engage directly with pupils, parents and caregivers.

Ultimately, we recognise that to achieve our intended social impact, we need to have a sustainable financial model. It will take time to build but we have identified the paths we believe can unlock this in 2022-23. This includes increasing the proportion of earned revenue through membership fees and commissioned services, which will require a continued focus on the quality and consistency of our services. With a strong team and plans in place, we will continue to build revenue across all fundraised income streams with a focus

Strategic objective 1

Ensure a nutritious and filling breakfast is provided to as many pupils at risk of hunger as possible

Strategic objective 2

Build a movement to push for a solution to child morning hunger

Strategic objective 3

Operate efficiently and responsibly with greater internal and external collaboration

04
Future plans

on longer-term partnerships to ensure future sustainability and planning.

We will also continue to focus on our cost per breakfast. We know that through collaboration we can unlock more donated food products, helping us navigate the continued pressure on costs. We have introduced an innovation team to help test and implement these ideas and will recruit a supply chain and logistics advisor to support our board at a strategic level. These expertise help us to diversify our breakfast provision as we push to increase its nutritional value, reduce our carbon footprint, and ensure it is as inclusive as possible.

Our People Strategy will enter its second year and see us focus on employee engagement (with a target of increasing our survey's score from 69% to 75%), developing our EDI strategy and action plan, and progressing our efforts to be an employer of choice. In addition we will have a new and transparent pay structure, enhanced learning and development opportunities, and create pathways for talent development and succession planning.

All of this will help us maximise our impact for children and young people.

We will work strategically with existing and new corporate partners to identify additional ways to create shared value for the ultimate benefit of children and young people.





05

Reflection

05
Fiona's story

Ten years ago, I was at school in one of the most deprived areas of London, from a family of refugees from the Kosovan war. Now I'm at Oxford, the best university in the world. Magic Breakfast is part of that journey.

In my childhood days pretty much everyone I knew in our council estate was on free school meals. A lot of families lived below the poverty line. Me and my sisters all slept in one room. A family near us had seven people sleeping in one room.

It wasn't like we were all receiving charity, which might have felt a bit humiliating. There was no shame or stigma around it, though we knew we weren't the richest kids.

My memories of our Magic Breakfast at school are partly how much fun it was. The school had a big family feel and I think a big part of that was because we shared a meal in the morning.

One thing I remember is how calming it was to have this start for the day. I think especially when you come from a working-class background and your parents are both working full time, it can be quite stressful and hectic for the parents, while the child is bundled up and sent off to school. I think getting there early for Magic Breakfast relieves a burden for the parents. They know their kid is safe before they head off to work and eating breakfast with my friends was such a positive way to start the day.

Having breakfast helped me focus a lot more in school. People underestimate how kids pick up on issues like financial stresses. Even though you can't understand them, you can recognise them early on. A lot of kids in primary school had that on their minds before coming to class. So having this space together before lessons was really important, feeling well fuelled, engaging positively with the teachers. All of this helped me in my academic journey. **Magic Breakfast was crucial.**

Looking back, it's undeniable that being well fed and having a peaceful space before class had a positive impact on me. Even today, if I rush to a lecture without eating breakfast, I start to blank out. You're trying to absorb a lot of information but how can you focus on like algebra or the theory of anything if your body hasn't had something to eat. For kids, they have no choice if they're not given the food. It's more of a helpless hunger, a hunger that is forced upon them.

It's undeniable that being well fed and having a peaceful space before class had a positive impact on me.



05
Fiona's story

My experiences have led me to want to work with charities for younger people, helping them to rise up against difficulties they may face. I'm currently working on a fundraising dinner for Magic Breakfast at my college. It's going to be great! We'll have live music, raise awareness, and raise all the money we can.

My wish for the future is that we see more Government support. They can't take a backseat. We cannot get comfortable with charities doing the work for them. The Government should be footing the bill and Magic Breakfast should maybe work in partnership with local authorities. That's my long-term solution.

In the short term, private companies and individuals must carry on supporting and donating what we can. That's the way that we can carry on feeding children across the country who need our help while we continuing to lobby the Government. We think of the UK as wealthy, but food poverty is a big problem and it's affecting so many. But there are people at university who can't decide between eating and paying for accommodation. The side effects have an impact on our productivity. If people are hungry it's going to bad for industry, for schools, for universities. No one can work well if they're hungry. We need to meet basic needs before we can take a step forward as a country.

I'd like to go on from here to work in the civil service or be a diplomat for the Foreign Office. After that I'd like to work for an intergovernmental organisation like the United Nations, even the United Nations High Commissioner for Refugees because of my family's experiences.

In the meantime, I would say to anyone reading this annual report thank you for your interest – and never underestimate how the smallest things can have an impact.

That food before school: it may just be a bagel, some cereal, some orange juice, but it will make a bigger difference than you think.

My wish for the future is that we see more Government support. They can't take a backseat.



Never underestimate how the smallest things can have an impact.





06

Trustees' annual report

A big **thank you** for your support

Corporate

Amazon UK
Ardian Foundation
Arla Foods UK
Aspect Capital
Avenir Global
Beauty Pie Ltd
CABWI
Central England Co-operative
D&D London Limited
Dishoom
Fora
Grupo Bimbo UK Ltd
Hawksmoor
Hiscox Foundation
Janus Henderson Foundation
Kellogg's
Kraft Heinz
Marsh
Mesmerise
Noble Foods
Pearson
Quaker Oats UK
Reynolds
Spitfire Audio
The Barratt Foundation
The InfraRed Charitable Foundation
The Permira Foundation
TJC
Weetabix Food Company
Wesleyan
Zurich Community Trust

Major Donors

Erica Wax and Andrew Balls
Goldman Sachs Gives (as directed by Luigi Rizzo)
Jane Holbrook
Phil Davies and Family
The Jectus Charitable Foundation
Trevor Norwood

Development Advisers

Nick Lawson
Priyan Shah Saloni Thakrar
Saloni Thakrar
Shahrzad Atai
Simon Woods

Trusts and Foundations and Statutory

Allan & Gill Gray Philanthropies
Clara E Burgess Charity
DVS Foundation
Impact on Urban Health
London Borough of Hammersmith & Fulham
Players of People's Postcode Lottery
Sounouyergon Foundation
Tesco Community Grants managed by Groundwork
The Childhood Trust
The Durham Freemasons
The John Armitage Charitable Trust
The Peace Train Foundation
The Swire Charitable Trust
The Taylor Family Foundation
WPA Foundation

Statement of public benefit and company details

Statement of public benefit

The Board of Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

All activities of the charity, in line with the charitable objectives, are focused on eradicating hunger in the morning and the alleviation of food poverty for schoolchildren in this country. The charity actively takes a non-stigmatising approach in its work to make sure it can be accessed by all who need it.

As described through this report, this is achieved through the provision of healthy breakfasts and expert support to partner schools. We help them reach the most vulnerable children, engaging the whole school community in understanding the importance of eating a healthy breakfast every day, and putting in place a provision that is sustainable for the future.

Company details

Chair and Vice Chair	Aniela Shuckburgh, Chair (from 22 June 2022) Joanne Thompson, Chair (to 22 June 2022) Alison Inglis-Jones, Vice Chair (from 21 September 2021)
Board members	Andrienne d'Arenberg Emma West Jackie Newell (appointed 22 June 2022) Julie Harkness (appointed 22 June 2022) Michael Honan Nicola Noble (resigned 16 January 2022) Phil Davies Richard Lackmann Varsha Venugopal
Company registration number	04977015
Charity registered numbers	1102510 and SC048202
Registered office	190 High Holborn, London, WC1V 7BH
Principal operating office	Fora Brick Lane, Princelet Street, London, E1 5LP

Company details

Senior Leadership Team	Chief Executive - Lindsey MacDonald (from 22 November 2021) Director of Fundraising and Development – Emily Wilkie Director of Policy and Engagement – Jacquie Bance de Vasquez (from 22 February 2022) Director of Service Delivery – Sam Boulton (from 21 March 2022) Head of Finance and Performance – Anthony Eckersley (from 14 February 2022)
Former members of the senior management team	Interim Chief Executive – Anthony Kildare (from 11 January 2021 to 26 November 2021) Chief Operating Officer – Derek Morgan (from 9 May 2018 to 24 November 2021) Head of Communications – Sophia Dettmer (from 5 January 2015 to 13 April 2022) Head of Delivery (Schools) – Rachael Anderson (from 5 May 2014 to 19 November 2021)
Website	www.magicbreakfast.com

Professional advisers

Independent auditors	Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL
Bankers	The Royal Bank of Scotland, 49 Charing Cross, Admiralty Arch, London , SW1A 2DX
Insurance brokers	Surrey Insurance Limited, PO Box 1533, Woking, GU22 2RY
Legal advisers	Bates Wells, 10 Queen Street Place, London, EC4R 1BE

Company information

Governance and leadership

The charitable company is registered as a charitable company limited by guarantee and is constituted under a Memorandum of Association dated 26/11/2003 with the registered charity numbers 1102510 and SC048202. The company incorporated in November 2003 and was awarded charitable status in March 2004.

Magic Breakfast's aim is to alleviate child hunger and poverty as a barrier to education through the provision of healthy breakfasts to children across England and Scotland. This is being achieved through two key activities: food aid and capacity building in the school communities to reach each child at risk of hunger and making the case for change to ensure permanent funding for school breakfasts.

This reflects a change in the charity's objectives since the last annual report as we combined 'food aid' and 'building capacity' into the holistic programme of support provided to schools. These changes were agreed by the Board on 23 March 2022.

Governance

The decision-making body of the charity is the Board of Trustees, who are responsible for the governance and ensuring it pursues its charitable purpose. The Trustees, who are also directors of the company for company law purposes, are recorded on page 32.

The Trustees meet quarterly and regularly within committees to ensure good governance and provide guidance. During the financial year there were three new board committees formed: Finance and Audit, Governance, Nominations and Risk, and People and Culture. Their purpose is set out in their terms of reference. Committees meet between board meetings, and as required, and are made up of at least two Trustees and one staff member.

Changes to the Board

During the financial year there were some changes to the Board, with a new Chair appointed, a resignation and two appointments, detailed on page 32. After our strategic review, we undertook an assessment of our Board to ensure we continue to have an effective mix of skills, experiences, and diversity of thought.

Day to day management

The Trustees delegate the day-to-day management of the charity to the CEO who provides the strategic direction and works with the Senior Leadership Team (SLT).

Company information

Staffing

During this financial year the average number of staff employed by the charity was 77 (2020-21: 64). All teams and roles have been reviewed to reflect the mission and future ambitions of the charity, ensuring we can deliver against our strategic plans efficiently.

Method of appointment or election of Board of Trustees

The management of the charitable company is the responsibility of the Magic Breakfast Board of Trustees who are elected and co-opted under the terms of the Articles of Association. Reviews are held periodically to identify any expertise gaps and appointments are made, where required, to strengthen the Board. The most recent full review was in August 2022. These results support forward planning of the Governance, Nominations and Risk Committee.

Policies adopted for the induction and training of the Board of Trustees

The charity provides guidance to all newly appointed Trustees on the responsibilities and requirements of the role. To make the Board as effective as possible, induction processes, training and review are in place; this includes Trustee training, breakfast club visits, meetings with key staff and an annual performance and development review.

Magic Outcomes Limited

Magic Breakfast wholly owns Magic Outcomes Limited which is presently used by the charity for licensing our brand. Magic Outcomes did trade during the year under review and transactions totalled £81,997 (2020-21: £42,614). See Note 13 for more information on Magic Outcomes trading activities.

Fundraising compliance

During 2021-22, the charity paid due regard to its fundraising practices in line with the guidelines set out by the Fundraising Regulator's Fundraising Code of Practice, the General Data Protection Regulation (GDPR), the *Charities Act 2011* and the *Charities (Protection and Social Investment) Act 2016*. The charity is registered with the Fundraising Regulator and is committed to being an open, fair and respectful fundraiser.

Magic Breakfast establishes Commercial Participatory Agreements with its commercial participators to ensure they comply with the Fundraising Code of Practice, and these are monitored by the charity. The charity does not engage professional fundraisers to raise funds on its behalf and direct marketing and fundraising is only undertaken where prior consent has been obtained and complies with GDPR, the Fundraising Code of Practice, the *Charities Act 2011* and the *Charities (Protection and Social Investment) Act 2016*.

There were no complaints made against the charity or its commercial participators regarding fundraising practices.

Reserves and investment reserves policy

As we navigate the uncertainty of the current climate, we must do so with a continued focus on our strategic objectives through which we seek to remove hunger as a barrier to learning for children and young people across the UK. In doing so, we recognised the balance of ensuring sustainability of our finances and utilising the funding available at a time when it is most needed. To this end we lowered our reserves policy from a fixed 5 months to a fluid 3.5 to 4.5 months (which allows us to better navigate our cashflow through the year).

At the year end, the charity held £1,825,546 (2020-21: £3,688,144) in unrestricted reserves (excluding intangible assets), the equivalent to 3.0 months of future running costs. The decision to use the surplus reserves to support planned growth and absorb the rising costs experienced was set out in last year's annual report. As set out in the Finance Section of the report, a number of actions have been taken to move our reserve position back in line with our policy.

The Board of Trustees aims to have a level of unrestricted reserves which equates to between 3.5 to 4.5 months of future running costs. Our plans might see our forecast being outside of this range at a point in time, as we seek to set accurate and balanced plans. Throughout the year we will work to ensure we hold reserves that allow us to quickly access at least 3.0 months' future running costs to allow remedial actions to be adopted in a timely manner should cash levels begin to drop significantly.

The costs are based on the charity being able to cover all liabilities should all income cease.

The charity may choose to build up a level of reserves above 4.5 months to effectively plan for and implement changes in line with long-term strategic plans. This sees us planning for up to 4.5 months reserves cover at the end of the 2022-23 financial year, but this might be revised down as we continue to make changes to our operating model and seek to diversify revenue over the course of our 2022 – 25 business plan.

Material investment policy

Due to the nature of Magic Breakfast's charitable work, it had been considered that the most appropriate policy is to hold surplus funds in a bank deposit, with the exception of £38,001 allotted as shares in the subsidiary organisation, Magic Outcomes Limited.

Risk control, principal risks and uncertainties

The Board of Trustees fully accepts its responsibilities for ensuring that the major risks to which the charity is exposed are identified, particularly those related to the operations and finances of the charitable company. The Trustees also fully accept their responsibilities to ensure systems and procedures are in place to mitigate those risks. Major risks are those that have a high probability of occurring and would, if they occurred, have a severe impact on operational performance and/or achievement of the charity's objectives. The charity has a risk management policy in place which outlines its approach to risk management and processes. To support the identification, management and mitigation of risks in a timely manner, the SLT maintains a risk register for the charity. Board committees review relevant risks and the CEO presents the full register to the Governance, Nominations and Risk Committee and an overview at each Board meeting.

The financial performance of the charity is monitored against an annual budget and monthly management information on the charity's financial position is produced to inform any decisions. This management information is reviewed monthly by the SLT. A quarterly review is held by the Finance and Audit Committee. In addition, forecasting is undertaken and updated throughout the year to reflect changes that impact on income and expenditure. Magic Breakfast continues to maintain strong stewardship with current donors to mitigate risk to our income.

In the past twelve months we continued to manage the risks presented by the Covid-19 pandemic and its impact on our operations, staff, and supply chain. A principal risk for the charity as it impacts our beneficiaries, partners, finances, supply chain and staff, is the rising cost of living. We have adapted to mitigate growing financial challenges throughout the year, which saw direct costs increase by 19%, and set plans for 2022-23 to develop a more financially sustainable business model. As well as challenging financial performance, the cost of living crisis also impacts the operations of the charity, through increased demand for our services. We have introduced Business Central, an Enterprise Resource Planning tool, which is providing us with more granular detail of our schools, pupil uptake, and breakfast provision needs. These will enable us to continue to put children and young people at the heart of our decision making.

Supply chain issues are an ongoing risk, which are mitigated through close relationships with food suppliers and delivery partners. We maintain close relationships with key partners to ensure supply remains consistent and to mitigate against any future challenges. Magic Breakfast also partnered with new organisations to ensure consistency of supply, meaning the charity was not reliant on any one supplier.

The organisational changes throughout the year have also seen us focus on our people and culture with a People Strategy developed that seeks to help us recruit, retain, and develop our people. A new performance management policy and procedures have been introduced to support the introduction of our new strategy and business plan, aligning objectives and activities to enable greater collaboration.

The Board of Trustees are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Company information

Related parties and Trustee expenses

The charity has considered the disclosure requirements of the Charities Statement of Recommended Practice (SORP) for related party relationships and considers its Key Management Personnel to be the Trustees and SLT.

Related party disclosures are included in Note 22 of the accounts.

Key Management Personnel remuneration

The charity introduced a new Pay and Benefits Policy and pay scale this year. It seeks to ensure equity, transparency, and development opportunities for staff. It sets out that we will perform salary benchmarking at least every three years to ensure all salaries are in line with similar sized national education charities. This is carried out by the human resources function of the charity. The results of this benchmarking process and any recommended changes are provided to the People and Culture Committee for review and recommendation to the Finance and Audit Committee.

Where the changes are significant or include Key Management Personnel, the Committees will make recommendations to the full board. In this instance, changes will only be made upon approval from the full board and will be minuted at the board meeting.

Trustees are not remunerated for their roles as Trustees but Key Management Personnel that make up the SLT received a salary for these roles.

Going concern

After making appropriate enquires, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. This includes taking into account the financial and organisational challenges created by the rising cost of living. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Accounting Policies, in Note 1 to these accounts.

Trustees' responsibilities statement

The Trustees (who are also directors of Magic Breakfast for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent**
- **State whether applicable UK Accounting Standards and statements of recommended practice 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 disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the *Companies Act 2006*. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware:

- **There is no relevant audit information of which the charitable company's auditor is unaware**
- **The Trustees have taken all step that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.**

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

This report was approved by the Trustees on and signed on their behalf by:

Aniela Shuckburgh, Chair

Date: 18/01/2023

Independent auditor's report to the members of Magic Breakfast

Opinion

We have audited the financial statements of Magic Breakfast (the 'charitable company') for the year ended 31 August 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 August 2022 and of its 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**
- **Have been prepared in accordance with the requirements of the *Companies Act 2006*, the *Charities and Trustee Investment (Scotland) Act 2005* and regulation 8 of the *Charities Accounts (Scotland) Regulations 2006* (as amended)**

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 Magic Breakfast's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

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

We have nothing to report in this regard.

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' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and**
- **The trustees' annual 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the *Companies Act 2006* and the *Charities Accounts (Scotland) Regulations 2006* (as amended) require 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 directors 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' annual report and from the requirement to prepare a strategic report.**

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the *Charities and Trustee Investment (Scotland) Act 2005* and under the *Companies Act 2006* and report in accordance with regulations made under those Acts.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- **We enquired of management, audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:**
    - **Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;**
    - **Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;**
    - **The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.**
- **We inspected the minutes of meetings of those charged with governance.**
- **We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.**
- **We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.**
- **We reviewed any reports made to regulators.**
- **We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.**
- **We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.**
- **In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether**

the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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.

A further description of our responsibilities is available 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 charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the *Companies Act 2006* and section 44(1)(c) of the *Charities and Trustee Investment (Scotland) Act 2005*. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

27 February 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL
Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the *Companies Act 2006*

Statement of financial activities incorporating income and expenditure account for the year ended 31 August 2022

		Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
Income from	**Note**	**£**	**£**	**£**	**£**
Donations and grants	2	6,293,682	1,106,986	7,400,668	8,270,769
Charitable activities	3	90,509	-	90,509	736,017
Investments	4	793	-	793	5,085
Total income		**6,384,984**	**1,106,986**	**7,491,970**	**9,011,871**
Expenditure on					
Raising funds	5	1,001,475	24,776	1,026,251	1,105,285
Food aid	6	6,478,109	576,547	7,054,655	6,704,898
Building capacity	6	-	-	-	109,195
Making the case for change	6	850,145	8,153	858,298	396,665
Total expenditure		**8,329,729**	**609,475**	**8,939,204**	**8,316,044**
Net income for the year		(1,944,745)	497,511	(1,447,234)	695,827
Transfer between funds	17	212,340	(212,340)	-	-
Net movement in funds		(1,732,405)	285,171	(1,447,234)	695,827
Reconciliation of funds					
Total funds brought forward	18	3,740,800	295,730	4,036,529	3,340,703
Total funds carried forward		**2,008,394**	**580,901**	**2,589,295**	**4,036,529**

All income and expenditure derive from continuing activities. The Statement of Financial Activities includes all gains and losses recognised during the year.

Balance sheet as at 31 August 2022

		2022	2021
Fixed assets	**Note**	**£**	**£**
Intangible assets	12	182,848	52,656
Investments	13	38,001	38,001
Total fixed assets		**220,849**	**90,657**
Current assets			
Stock	14	35,817	107,725
Debtors	15	420,745	726,802
Cash at bank and in hand		2,344,599	4,269,220
Total current assets		**2,801,161**	**5,103,747**
Creditors			
Amounts falling due within one year	16	(432,715)	(1,157,874)
Net current assets		**2,368,446**	**3,945,873**
Net assets		**2,589,295**	**4,036,529**
Charity funds			
Restricted funds	17	580,901	295,730
Unrestricted funds	17	2,008,394	3,740,800
Total funds		**2,589,295**	**4,036,529**

Notes

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 18/01/2023 and signed on their behalf by:

Aniela Shuckburgh, Chair
Company registration number: 04977015

Statement of cash flows for the year ended 31 August 2022

		2022	2021
Cash flows from operating activities	**Note**	**£**	**£**
Net cash provided by operating activities	19	(1,925,415)	688,589
Cash flows from investing activities			
Interest from investments	4	793	1,093
Net cash provided by investment activities		**793**	**1,093**
Change in cash and cash equivalents in the year		(1,924,621)	689,682
Cash and cash equivalents brought forward		4,269,220	3,579,538
Cash and cash equivalents carried forward	**20**	**2,344,599**	**4,269,220**

1. Accounting policies

1.1. General information and basis of preparation

Magic Breakfast is a charitable company registered with the Charity Commission and OSCR (Charity Registered Numbers 1102510 and SC048202) and Registrar of Companies (Company Registration Number 04977015) in England and Wales. The address of the registered office is given in the charity information on page 32 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees' Annual Report.

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

The charity also owns a wholly owned subsidiary company, Magic Outcomes Limited, a company limited by shares and registered in England and Wales (company registration 04621084). Magic Outcomes Limited operates as the trading subsidiary for the charity and is used primarily for the licensing of the Magic Breakfast brand. The investment has not been consolidated and group accounts have not been prepared because the subsidiary is considered immaterial to the accounts of the charity.

Magic Breakfast 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 financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 32. 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 Funds

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.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Income recognition

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.

For donations to be recognised, the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated goods, 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 item is probable and that economic benefit can be measured reliably.

On receipt, donated goods, services or 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 goods, facilities or services of equivalent economic benefit on the open market. A corresponding amount is then recognised in expenditure in the period of receipt.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest paid or payable by the bank.

School membership income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Grant income is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

1.5 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is categorised under the following headings:

- **Costs of raising funds includes costs incurred seeking voluntary contributions through donations and the running of fundraising events during the year;**
- **Expenditure on charitable activities includes all costs incurred on furthering the objects of the charity; and**
- **Other expenditure represents those items not falling into the categories above.**

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1.6 Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings, they have been allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Governance costs are those incurred in connection with the running of the charity and compliance with constitutional and statutory requirements. The analysis of governance costs is included in Note 9.

Costs of raising funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in Note 8.

1.7 Intangible fixed assets and amortisation

Identifiable development expenditure is capitalised to the extent that:

- **The technical, commercial and financial feasibility can be demonstrated;**
- **The total cost of the individual asset is greater than £10,000, or the asset is purchased as part of a larger project which is to be capitalised; and**
- **The asset is likely to be used over a period of time that is longer than one year.**

Provision is made for any impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following basis:

Software - 33.3% straight line

1.8 Investments

Investments in subsidiaries are measured at cost less impairment.

1.9 Stock

Stock represents donated and purchased breakfast ingredients and is recorded at fair value less impairment.

1.10 Debtors or creditors receivable / payable within one year

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

Creditors are recognised when the charity has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

1.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. The financial assets and financial liabilities of the charity are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 15. Prepayments are not considered to be basic financial instruments and are measured at the amount prepaid, net of any trade discounts due.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Note 16. Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

1.12 Tax

The charity is an exempt charity within the meaning of Schedule 3 of the *Charities Act 2011* and 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. It therefore does not suffer tax on income or gains applied for charitable purposes.

1.13 Going concern

The financial statements 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 expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.14 Employee benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

1.15 Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- **Allocation of support costs**
- **Amortisation rates for intangible fixed assets**
- **Income recognition of grants**
- **Donated goods, facilities and services valuation**

2. Income from donations and grants income

Income from donations and grants – current year	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Donations	3,302,461	309,298	3,611,758	4,006,408
Membership income	820,834	-	820,834	478,962
Grants	1,010,061	794,088	1,804,149	1,465,922
Donated goods, facilities and services	1,160,321	3,600	1,163,921	2,319,476
Other	6	-	6	1
Total income 2022	**6,293,682**	**1,106,986**	**7,400,668**	**8,270,769**
Total income 2021	**7,430,697**	**840,071**	**8,270,769**	

Notes:

Total donated goods, facilities and services for the year were £1,163,921 (2021: £2,319,476) and comprise of the following:

- **£680,731 (2021: £1,384,526) of breakfast foods;**
- **£341,754 (2021: £901,072) of delivery services;**
- **£101,461 (2021: £24,960) of office facilities;**
- **£NIL (2021: £6,272) of software licenses;**
- **£10,000 (2021: £2,646) of professional services; and**
- **£29,975 (2021: £NIL) of other miscellaneous goods and services.**

Income from donations and grants – prior year	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021	Total funds 2020
	£	£	£	£
Donations	3,542,677	463,731	4,006,408	2,518,349
Membership income	478,962	-	478,962	108,417
Grants	1,089,582	376,340	1,465,922	1,068,708
Donated goods, facilities and services	2,319,476	-	2,319,476	1,413,594
Other	1	-	1	104
Total income 2021	**7,430,697**	**840,071**	**8,270,769**	**5,109,171**
Total income 2020	**4,455,039**	**654,132**	**5,109,171**	

3. Income from charitable activities

Income from charitable activities – current year	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Contract income (Department for Education)	-	-	-	540,008
Contract income (Hammersmith & Fulham)	90,509	-	90,509	170,127
Food partner school income	-	-	-	25,882
Total income 2022	**90,509**	**-**	**90,509**	**736,017**
Total income 2021	**736,107**	**-**	**736,107**	

Notes:

There are no unfulfilled conditions or other contingencies attached to the contract income above.

Income from charitable activities – prior year	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021	Total funds 2020
	£	£	£	£
Contract income (Department for Education)	540,008	-	540,008	632,645
Contract income (Hammersmith & Fulham)	170,127	-	170,127	-
Food partner school income	25,882	-	25,882	-
Total income 2021	**736,017**	**-**	**736,017**	**632,645**
Total income 2020	**632,645**	**-**	**632,645**	

4. Income from investments

Income from investments – current year	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Bank interest receivable	793	-	793	1,093
Investment income	-	-	-	3,992
Total income 2022	**793**	**-**	**793**	**5,085**
Total income 2021	**5,085**	**-**	**5,085**	

Income from investments – prior year	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021	Total funds 2020
	£	£	£	£
Bank interest receivable	1,093	-	1,093	1,004
Investment income	3,992	-	3,992	-
Total income 2021	**5,085**	**-**	**5,085**	**1,004**
Total income 2020	**1,004**	**-**	**1,004**	

5. Expenditure on raising funds

Expenditure on raising funds – current year	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Direct costs	888,847	24,776	913,622	1,016,008
Support costs	112,629	-	112,629	89,277
Total cost 2022	**1,001,475**	**24,776**	**1,026,251**	**1,105,285**
Total cost 2021	**1,091,853**	**13,432**	**1,105,285**	

Notes:

Direct costs are analysed further in Note 7. Support costs are analysed further in Note 8.

Expenditure on raising funds – prior year	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021	Total funds 2020
	£	£	£	£
Direct costs	1,002,576	13,432	1,016,008	700,208
Support costs	89,277	-	89,277	122,985
Total cost 2021	**1,091,853**	**13,432**	**1,105,285**	**823,193**
Total cost 2020	**774,838**	**48,355**	**823,193**	

6. Analysis of expenditure on charitable activities

Analysis of expenditure on charitable activities – current year	Activities undertaken directly 2022	Support costs 2022	Total 2022	Total 2021
	£	£	£	£
Food aid	6,280,423	774,232	7,054,655	6,704,898
Building capacity	-	-	-	109,195
Making the case for change	764,102	94,196	858,298	396,665
Total cost 2022	**7,044,525**	**868,428**	**7,912,953**	**7,210,759**
Total cost 2021	**6,628,324**	**582,434**	**7,210,759**	

Notes:

In 2022, of the total expenditure on charitable activities of £7,912,953 (2021: £7,210,759), £7,328,254 (2021: £6,852,975) was from unrestricted funds and £584,699 (2021: £357,784) was from restricted funds. Direct costs are analysed further in Note 7. Support costs are analysed further in Note 8.

Analysis of expenditure on charitable activities – prior year	Activities undertaken directly 2021	Support costs 2021	Total 2021	Total 2020
	£	£	£	£
Food aid	6,163,324	541,574	6,704,898	3,636,496
Building capacity	100,375	8,820	109,195	90,006
Making the case for change	364,626	32,040	396,665	269,040
Total cost 2021	**6,628,324**	**582,434**	**7,210,759**	**3,995,542**
Total cost 2020	**3,784,710**	**210,832**	**3,995,542**	

7. Total direct costs

	2022	2021
	£	£
Staff costs	2,227,860	1,836,622
Temporary staff costs	96,952	115,590
Other staff costs	73,052	82,592
Direct food costs	4,858,697	5,250,201
Contractors and consultants	110,568	7,700
Administration costs	135,822	23,361
Premises costs	163,933	83,854
Legal and professional fees	17,330	45,420
Publicity, marketing and fundraising	243,282	192,831
School event costs	-	6,162
Bad debts	1,159	-
Amortisation	29,492	-
Total	**7,958,147**	**7,644,333**

Notes:

In 2022, of the total expenditure on direct costs, £913,622 (2021: £1,016,008) is allocated to Expenditure on Raising Funds and £7,044,525 (2021: £6,628,324) is allocated to Expenditure on Charitable Activities.

8. Total support costs

	2022	2021
	£	£
Staff costs	608,250	325,622
Temporary staff costs	53,443	69,665
Other staff costs	86,117	38,492
Contractors and consultants	32,950	12,927
Administration costs	104,367	96,497
Premises costs	34,054	19,730
Legal and professional fees	38,276	55,515
Publicity, marketing and fundraising	240	29,055
Governance costs	23,360	24,209
Bad debts	-	-
Total	**981,057**	**671,711**

Notes:

In 2022, of the total expenditure on support costs, £112,629 (2021: £89,277) is allocated to Expenditure on Raising Funds and £868,428 (2021: £582,434) is allocated to Expenditure on Charitable Activities.

Included within the total support costs above are £93,887 (2021: £97,543) of governance staff costs, other governance staff costs, administration costs, premises costs, legal and professional fees and publicity, marketing and fundraising costs which are included within the balance of governance costs in Note 9.

9. Governance costs

	2022	2021
	£	£
Governance staff costs	50,821	34,539
Other governance staff costs	227	4,480
Administration costs	4,281	1,743
Premises costs	2,970	2,466
Legal and professional fees	35,555	54,315
Publicity, marketing and fundraising	33	-
Auditors' remuneration - Audit of the financial statements	18,900	18,000
Auditors' remuneration - Other services	-	-
Auditors' remuneration - Under accrual of prior year audit and accounts fee	-	5,100
Trustee meetings	1,484	-
Other governance expenses	2,976	1,109
Total	**117,248**	**121,752**

Notes:

The auditors' remuneration for the audit of the financial statements was £15,750 + VAT (2021: £15,000).

10. Trustee remuneration, benefits and expenses

Trustees give their time freely and during the year, Trustees have not received any remuneration (2021: £NIL) or benefits of any kind (2021: £NIL) for the work they have undertaken. The charity does however permit Trustees to claim expenses to reimburse them for costs that they incur in fulfilling their duties. Expenses were incurred by Trustees as detailed below, and these were wholly in fulfilment of charity business:

	2022	2021
	£	£
IT equipment, software and consumables	-	158
Travel and subsistence	316	-
Total number of Trustees paid expenses	**1**	**1**

11. Staff costs

Staff costs were as follows:	2022	2021
	£	£
Wages and salaries	2,456,433	1,892,847
Social security costs	240,563	174,515
Pension costs	89,684	64,881
Termination and redundancy costs	49,431	30,000
Total	**2,836,111**	**2,162,243**

The average number of persons employed by the charity during the year was as follows:	2022	2021
	No.	No.
Food aid	34	27
Building capacity	-	2
Making the case for change	13	13 7
Fundraising	17	20
Support	12	7
Governance	1	1
Total	**77**	**64**

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:	2022	2021
	No.	No.
£60,000-£69,999	2	-
£70,000-£79,999	-	-
£80,000-£89,999	-	-
£90,000-£99,999	-	-
Total	**2**	**-**

Notes:

The total amount of employee benefits received by Key Management Personnel, including employers' national insurance, is £389,314 (2021: £353,993). The charity considers its Key Management Personnel to comprise the Trustees and the members of the Senior Leadership Team listed in the company details on page 32 and 33.

In addition to the Key Management Personnel costs above, there is £61,667 (2021: £132,998) of temporary staff costs which were incurred in relation to the employment of Antony Kildare, the charity's interim CEO, who also formed part of the Key Management Personnel. These costs are included in Notes 7 and 8 with detailed total temporary staff costs incurred during the year. The Trustees of the charity, other than detailed in Note 10, did not receive any remuneration in the year.

12. Intangible fixed assets - ERP system

	ERP
Cost	**£**
At 1 September 2021	52,656
Additions	159,684
At 31 August 2022	**212,340**
Amortisation	
At 1 September 2021	-
Charge for the period	(29,492)
At 31 August 2022	**(29,492)**
Carrying amount	
At 31 August 2022	182,848
At 31 August 2021	**52,656**

Notes:

During the year, the charity finalised development of an Enterprise Resource Planning system. This went live in April 2022.

13. Fixed asset investment

Cost	Shares in group undertakings £
Magic Outcomes Limited - £1 ordinary shares	38,001

Notes:

The charity owns the whole of the issued share capital of Magic Outcomes Limited, a company registered in England. The company number is 04621084. The registered office address is 190 High Holborn, London, WC1V 7BH.

The subsidiary is used for non-primary purpose trading activities. Available profits for 2022 will be distributed under Gift Aid to the parent charity. The investment has not been consolidated and group accounts have not been prepared because the subsidiary is considered immaterial to the accounts of the charity.

The directors of the subsidiary are Lindsey MacDonald (CEO), Emily Wilkie (Director of Fundraising and Development) and Anthony Eckersley (Head of Finance and Performance).

A summary of the results of the subsidiary is shown below:	2022	2021
	£	£
Turnover	81,997	42,614
Gross profit/(Loss)	81,997	42,614
Administrative expenses	(1,972)	(1,592)
Profit/(Loss) on ordinary activities before taxation	80,025	41,022
Taxation on profit on ordinary activities	-	-
Profit/(loss) for the financial year	**80,025**	**41,022**

Retained earnings:		
Total retained earnings brought forward	43,929	2,907
Ordinary share capital	38,001	38,001
Profit/(loss) for the financial year	80,025	41,022
Distribution under Gift Aid to parent charity	(41,022)	-
Total retained earnings carried forward	**120,933**	**81,930**

The aggregate of the assets, liabilities and reserves was:		
Assets	152,101	102,872
Liabilities	(31,168)	(20,942)
Reserves	**120,933**	**81,930**

Notes: Amounts owed to/from the parent undertaking are shown in Note 15.

14. Stock

	2022	2021
	£	£
Undistributed breakfast ingredients	35,817	107,725

Notes:

Stock recognised as an expense during the year was £2,967,928 (2021: £3,050,689).

15. Debtors

	2022	2021
	£	£
Trade debtors	185,798	488,441
Other debtors	14,936	19,916
Grants receivable	-	-
Accrued income	186,780	112,354
Prepayments	30,034	45,966
Amounts owed by group undertakings	3,198	60,124
Total	**420,745**	**726,802**

16. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	64,986	118,267
Other taxation and social security	96,120	192,574
Other creditors	18,786	2,615
Accruals	62,282	102,543
Deferred school membership income	190,541	608,542
Deferred grant income	-	133,334
Total	**432,715**	**1,157,874**

Notes:

School membership income is deferred as it is recognised over the entirety of the membership period. Grant income is deferred when there are performance obligations which have yet to have been satisfied and therefore there is no entitlement to the income.

	Balance brought forward at 1 September 2021	Income released	Income deferred	Balance carries forward at 31 August 2022
	£	£	£	£
Deferred income				
School membership income	608,542	608,542	190,541	190,541
Grant income	133,334	133,334	-	-

17. Statement of funds

Statement of funds - current year	Balance at 1 September 2021	Income	Expenditure	Transfers	Balance at 31 August 2022
	£	£	£	£	£
Unrestricted funds					
General funds	3,740,800	6,384,984	(8,329,729)	212,340	2,008,394
Restricted funds					
Anonymous donor	248,200	-	(25,379)	(212,340)	10,481
Guy's and St Thomas' Foundation	-	297,481	(198,092)	-	99,389
Zurich Community Trust	-	120,000	-	-	120,000
The Big Give	42,691	111,900	(111,719)	-	42,872
Janus Henderson Foundation	-	63,753	(17,759)	-	45,994
Yusuf Islam Foundation	-	56,072	(34,458)	-	21,614
Crucible Foundation	-	50,000	-	-	50,000
Groundwork UK/Tesco	-	60,500	(59,309)	-	1,191
The Davies Family Charitable Fund	-	50,000	(50,000)	-	-
Hollyhock Charitable Foundation	-	43,750	-	-	43,750
Universities Lodge No. 2352	-	42,405	-	-	42,405
InfraRed Charitable Foundation	-	39,853	(20,019)	-	19,833
DVS Foundation	-	38,170	(33,049)	-	5,121
Central England Co-Operative Limited	-	33,900	-	-	33,900
The WPA Benevolent Foundation	-	30,000	(7,479)	-	22,521
Other restricted funds	4,839	69,203	(52,211)	-	26,831
	295,730	**1,106,986**	**(609,475)**	**(212,340)**	**580,901**
Total funds	**4,036,529**	**7,491,970**	**(8,939,204)**	**-**	**2,589,295**

Notes:

The General fund is an unrestricted fund which is 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.

An **anonymous donor's** restricted fund is used to cover the expenditure with respect to the development and implementation of our new Enterprise Resource Planning (ERP) system. The transfer out of restricted funds to unrestricted funds represents the capital expenditure of the ERP system now that the system has gone live in April 2022 as shown in Note 12.

The **Guy's and St Thomas' Foundation** restricted fund is for the purposes of running the Impact on Urban Health programme which aims to pilot the effectiveness, and acceptability, of intervening in the primary school breakfast sector, primarily to improve the nutritional quality of food being provided in existing breakfast clubs.

The **Zurich Community Trust** and the **InfraRed Charitable Foundation** restricted funds are used to fund food aid for schools and our policy and campaigning work in the UK.

The Big Give restricted fund is used to provide food aid to 19 or more schools in London.

The **Yusuf Islam Foundation** restricted fund is to provide term time and holiday hunger support to eight schools in the UK.

The **Janus Henderson Foundation, Groundwork UK/Tesco, Davies Family Charitable Fund** and **WPA Benevolent Foundation** restricted funds are used to provide food aid to schools in the UK.

The **Crucible Foundation** restricted fund is used to provide food aid for five schools in the UK for the September 2022-August 2023 academic year.

The **Hollyhock Charitable Foundation** restricted fund is used to provide food aid for schools in the North East region for the September 2022-August 2023 academic year.

The **Universities Lodge No. 2352** restricted fund is used to provide food aid for schools in Durham for the September 2022-August 2023 academic year.

The **DVS Foundation** restricted fund is used to provide food aid for schools in Harrow and Brent.

The **Central England Co-Operative Limited** restricted fund is used to fund the onboarding and food aid costs for six new schools in the Central England region for the September 2022-August 2023 academic year.

Other restricted funds are made up of restricted funds which are subject to varying restrictions regarding their use, however no single fund is material in nature.

Statement of funds - prior year	Balance at 1 September 2020	Income	Expenditure	Balance at 31 August 2021
	£	£	£	£
Unrestricted funds				
General funds	3,513,827	8,171,799	(7,944,827)	3,740,800
Restricted funds				
Amazon Data Services UK Limited	(211,750)	211,750	-	-
The Big Give	-	127,942	(85,251)	42,691
Yusuf Islam Foundation	-	52,000	(52,000)	-
The Davies Family Charitable Fund	-	50,000	(50,000)	-
TP ICAP	-	50,000	(50,000)	-
The Social Bite Fund	-	40,000	(40,000)	-
Anonymous Donor	-	248,200	-	248,200
Other restricted funds	38,625	60,179	(93,965)	4,839
	(173,125)	**840,071**	**(371,217)**	**295,730**
Total funds	**3,340,703**	**9,011,871**	**(8,316,044)**	**4,036,529**

18. Analysis of net assets between funds

Analysis of net assets between funds - current year	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022
	£	£	£
Intangible fixed assets	182,848	-	182,848
Fixed asset investments	38,001	-	38,001
Current assets	2,220,260	580,901	2,801,161
Creditors due within one year	(432,715)	-	(432,715)
	2,008,394	**580,901**	**2,589,295**

Analysis of net assets between funds - prior year	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£	£	£
Intangible fixed assets	52,656	-	52,656
Fixed asset investments	38,001	-	38,001
Current assets	4,808,017	295,730	5,103,747
Creditors due within one year	(1,157,874)	-	(1,157,874)
	3,740,800	**295,730**	**4,036,529**

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2022	2021
	£	£
Net movement in funds for the year (as per Statement of Financial Activities)	(1,447,234)	695,827
Adjustment for		
Increase in intangible fixed assets	(130,192)	(52,656)
Interest from investments	(793)	(1,093)
Income from investments	-	(3,992)
Decrease in stocks	71,908	3,709
Decrease in debtors	306,056	(296,057)
Decrease in creditors	(725,159)	342,850
Net cash provided by operating activities	**(1,925,415)**	**688,589**

20. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	2,344,599	4,269,220

21. Operating lease commitments

At 31 August 2022, the total of the charity's future minimum lease payments for office premises under non-cancellable operating leases was:	2022	2021
	£	£
Amounts payable		
Within 1 year	-	83,042

Notes:

During the year the charity terminated one of its operating leases as of February 2022 and its only other operating lease as of 31 August 2022, therefore there are no further lease payments owing. The charity is now in receipt of donated office premises.

During the year, the lease expenditure for the year totalled £94,032 (2021: £78,624) which is recognised in the Statement of Financial Activities.

22. Related party transactions

Other than Trustee and Key Management Personnel transactions detailed in Note 10 and the donations noted below, there were no related party transactions during the period.

During the year, the charity received unrestricted donations of £30,996 (2021: £3,183) and restricted donations of £61,398 (2021: £75,213) from Trustees, Key Management Personnel and their related parties. The restrictions imposed were not significant.

magic
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Annual Report 2021-22



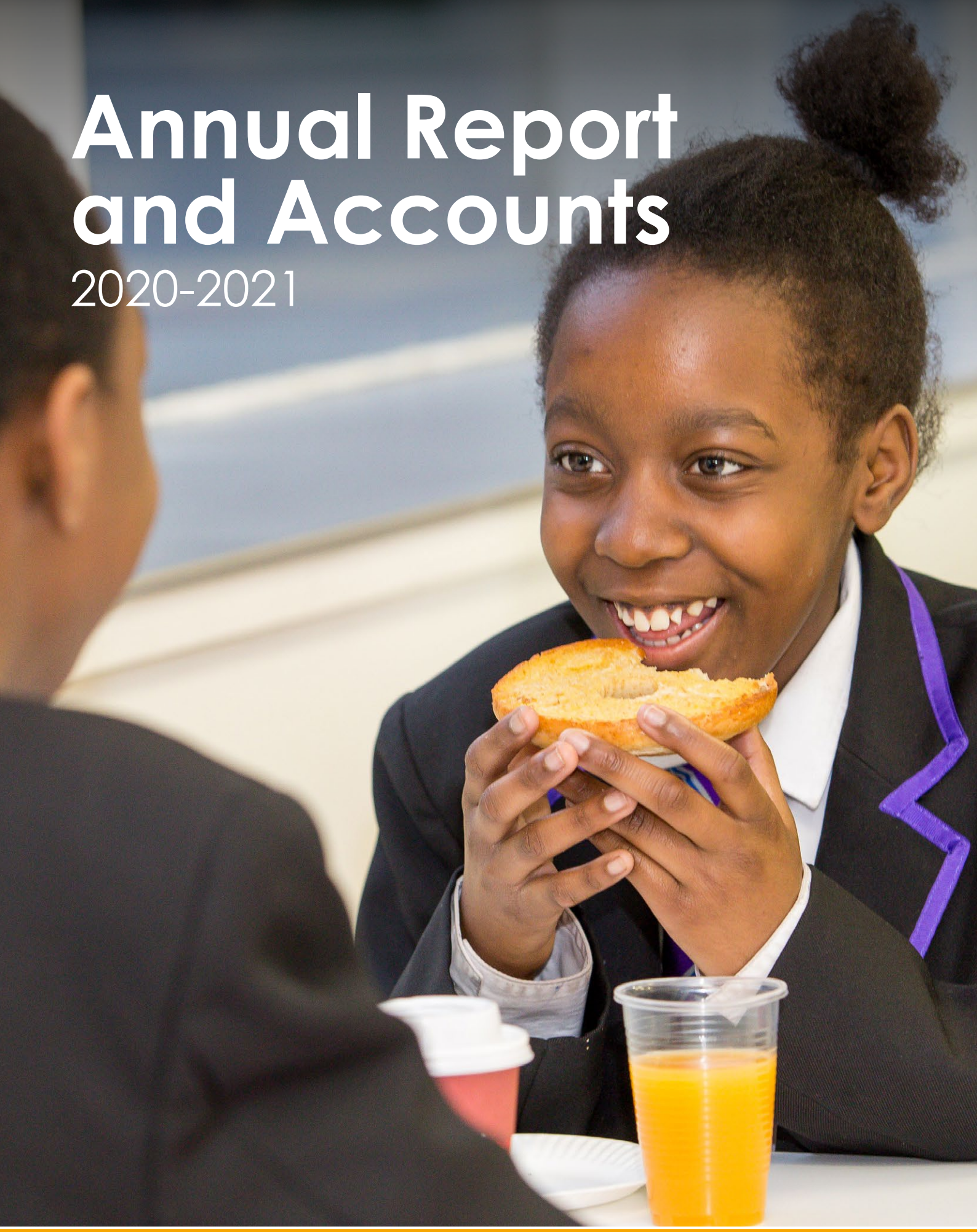
MAGIC BREAKFAST

England & Wales - Charity number 1102510

Accounts

Annual Report and Accounts

2020-2021



magic breakfast
fuel for learning

Company registered number: 04977015
Registered charity number England: 1102510
Registered charity number Scotland: SC048202



“Hunger prevents children from achieving their aspiration and fulfilling their capabilities.”

Jo-Anne Angel, Headteacher St Bride’s RC Primary

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From our Chair



It is a privilege to welcome you to our 2020-21 annual report, which sees us reflect on a year like none other for Magic Breakfast and the children we support. Like so many charities, we have faced unprecedent challenges as we continued to adapt our ways of working in response to the pandemic. We can also look back and celebrate some incredible achievements, growth and financial sustainability.

Eating a healthy 'Magic' breakfast in the morning has proven to be an effective way of improving a child's educational attainment. Sadly, the pandemic has exacerbated the educational attainment gap between disadvantaged pupils and their wealthier peers. To ensure that children did not fall further behind in their educational development, it was crucial that we kept our charitable activities going.

Our focus was to continue to provide our schools with breakfast provision and expert support from our School Partners. This was made possible thanks to the incredible hard work of our staff. They ensured that both during the partial school closure and when pupils were welcomed back to school, children were fuelled for learning.

These achievements have only been made possible thanks to generous help from our supporters. They have ensured that this year, we could make important investments to grow the Magic Breakfast team and develop our systems.

These investments enabled us to more than double the number of schools we now support and help even more children overcome hunger as a barrier to learning. Alongside our commitment to tackling the current crisis, we redoubled our efforts and commitment to making the case for permanent change. There is a lot more to be done, with the need for our work now being even greater; but we find hope and optimism in the potential of children and young people.

Given the charity's growth and the changing world around us, the trustees and I agreed that the time was right to pause and reflect on our strategy, structure, and leadership. Following the departure of our CEO Alex Cunningham, who had served the charity for more than 11 years, we saw the appointment of an interim CEO, Anthony Kildare from February 2021. The trustees and I would like to thank and acknowledge them both for their contributions to Magic Breakfast's journey. In August 2021, we were delighted to announce the appointment of Lindsey MacDonald as our new CEO, who joins me in opening this report.

It just remains for me to again express my thanks to everyone who has played a part this year at Magic Breakfast. In particular, to my fellow trustees and our wonderful staff who continued to go above and beyond in our mission to ensure that no child is too hungry to learn. I am excited about the year ahead, as we build on our success, scale, and impact.



Joanne Thompson
Chair of Trustees

Magic Breakfast Annual Report 2020-2021

From our CEO



It has been a joy and privilege to join Magic Breakfast. What has stood out since my first day is the passion, kindness, and talent of our staff. These qualities and values are reflected in the achievements last year, all of which show creativity, a desire to collaborate, and steadfast commitment to helping hungry children.

It is an exceptional time to be joining a new organisation. The world around us has changed so much in the past two years. Poverty, inequality, and hunger have worsened, and children's social and academic education and learning have been disrupted. We don't fully understand the long-term implications of the pandemic on children's wellbeing, health and attainment but we can see those children living with poverty are being hardest hit. Magic Breakfast is committed to playing a part in supporting children, schools, and communities to recover and thrive. We share an outrage and unwillingness to accept that children in the UK could arrive at school each day too hungry to learn.

I'm keen that in 2021-22, we take time to reflect on the changed external environment and build on our evidence, experience, and track record. It is a national disgrace that children face food insecurity in communities across the UK and we will continue to campaign with partners, young people, and communities for a national response from the Government. We have learned through innovative approaches taken in response to lockdown measures and we want to better understand local contexts to identify good practice and localised and sustainable solutions that can be evaluated and shared.

While it was a challenging year, we also saw what can be achieved with political will, effective investment, and dedicated people, organisations and communities working together. To enable us to better collaborate – across Magic Breakfast and with partners – and ultimately to increase our social impact, we will be reviewing our organisational structure. After a year of unprecedented growth, we are taking the opportunity to review and refresh our strategic objectives, ensuring our resources, capability, processes, and systems align to support them. We also recognise that our culture and values will play a key part in our mission to end child morning hunger, now and for good. We will continue to have open and honest conversations that encourage curiosity and continuous improvement.

It is exciting to be joining Magic Breakfast at such a critical time – for the organisation and the children we seek to help. I look forward to working with our Trustees, the team, policy makers, partners, educators, and supporters in the years ahead.



Lindsey MacDonald
CEO

Thank you

In a year filled with challenges and uncertainties for children at risk of going hungry in the morning, we are incredibly proud of what we have achieved. This would not have been possible without the generosity of our amazing supporters. Both new funders and our longstanding partners have enabled Magic Breakfast to maintain and expand our reach, ensuring thousands of children at risk of morning hunger can start their school day with a healthy breakfast. Thank you so much for joining us in our mission to ensure no child is too hungry to learn!

Alex Iwobi and Project 17
AlixPartners
Allan & Gill Gray Philanthropy
Amazon UK
Ardian Foundation
Arla Foods UK
Bert, Aase, Kevin and Jane Trust
Burger King UK
Cereal Partners UK
Feeding Coventry
CVC
Dishoom
Erica Wax and Andrew Balls
Flora
Gary Willcox and Jo Malone CBE
Grupo Bimbo UK Ltd
István Szőke
Kellogg's
Kraft Heinz
London Borough of Hammersmith & Fulham
Morgan Stanley International Foundation
Morrisons
Partners Group
Pearson
Phil Davies and Family
Players of People's Postcode Lottery
Quaker Oats UK
Reynolds
Rothschild & Co
Sarwar Foundation
Sounouyergon Foundation
Spitfire Audio
TP ICAP via ICAP Charity Day
The Angus Lawson Memorial Trust
The Childhood Trust
The Jectus Charitable Foundation
The John Armitage Charitable Trust
The Swire Charitable Trust
The Peace Train Foundation
The Permira Foundation
The Taylor Family Foundation
TJC
Trevor Norwood
Tropicana
Weetabix Food Company

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Our aim

Magic Breakfast's aim is to alleviate hunger as a barrier to education through the provision of healthy breakfasts to vulnerable schoolchildren across the UK.

This is being achieved through three key activities: **food aid**, **building capacity** in school communities to reach every child at risk of hunger and **making the case for change** to ensure permanent funding for school breakfasts.

1.7 million children were at risk of hunger in the UK **prior to the pandemic**[1]

2.4 million children in the UK have directly experienced **food insecurity during the pandemic**[2]

31% of children are **living in poverty** in the UK[3]

2.5 million children in the UK are registered for **Free School Meals**, an **increase of 300,000** children compared to the beginning of the 2020/21 academic year[4]

A hungry child cannot concentrate, they are more likely to be:

- **restless**
- **unhappy**
- **lethargic**
- **distracted**
- **disruptive**

This puts them at risk of **missing out on vital hours of lesson time each morning**

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In **England**, by the time they **finish primary school**, disadvantaged pupils are **9.3 months behind** their wealthier peers[5]

By the time pupils **finish their GCSEs**, this gap has **increased to 18 months**

In **Scotland**, between pupils aged five from the **least and most deprived** areas, there was an **attainment gap**[6] of:

16% in reading

13% in numeracy

We know that **education** is one of the **best tools to enable social mobility**.

Providing a **healthy breakfast** to a child who would otherwise go hungry, **unlocks hours of learning** and that child's potential

Magic Breakfast's provision at key stage 1 can lead to **2 months additional progress** for pupils over the course of an academic year[7]

During the pandemic, all pupils have fallen behind academically by two to three months, with **disadvantaged pupils having fallen behind even further** and **catching up at a slower rate** compared to their peers[8]

CHARITABLE OBJECTIVE ONE

Food aid

The provision of healthy breakfasts to schools where children arrive too hungry or malnourished to learn.

200,000
pupils reached on a typical school day

36,000
pupils reached over the summer holidays

During the 2020/21 academic year, pupils in Magic Breakfast partner schools received:

800k+
boxes of cereal

9m
bagels

1m
servings of juice

4.5m
servings of porridge

4.6m
servings of beans

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CHARITABLE OBJECTIVE TWO

Building capacity

Building capacity within the school communities we work with to ensure that every child in need of a healthy breakfast has access to one, and to ensure the long-term sustainability of the breakfast provision within each of our partner schools.

Each school community is unique, so at Magic Breakfast we tailor support to our partner schools based on their individual environments and challenges. Integral to this bespoke approach are our School Partners, who are Magic Breakfast staff members located across the UK so that that each school has a local Magic Breakfast contact to advise them.

An important aspect of a School Partner's role is removing barriers to attendance at breakfast provision and reducing stigma associated with free school meals. During the pandemic, this remained an integral part of their role, even when breakfast was not served in school.

Context of Covid-19

During the pandemic, partner schools have faced unprecedented challenges, with pupils separated in "bubbles" and by staggered starts, schools closed or only open to children of essential workers and vulnerable pupils. In order to still reach all children at risk of hunger, Magic Breakfast developed a variety of methods to continue providing healthy breakfasts regardless of whether pupils were in school or not.

During the partial school closures, schools were offered take-home breakfast packs for pupils to eat at home during lockdown, which were available for families to collect directly from school. We also offered schools the option of home deliveries, made possible by our partnership with Amazon.

School Partners were in close contact with schools to assist them with adapting food orders and provided advice on distributing breakfast provision in a barrier and stigma-free way.

"Most schools were extremely proactive in making sure their children had access to food but would need support and reminders to prioritise food order deadlines and communicating with families about need. During the pandemic, we also had to keep in close contact with schools to help them with adapting their breakfast models according to the changing environment, in order to reach all children at risk of hunger."

School Partner, Magic Breakfast

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"When we went into lockdown, this was at extremely short notice. With the support of Magic Breakfast, we were fortunate to be able to offer breakfast packs to our families. These were collected from our playground with strict time slots and social distancing. This enabled the children to see staff and share any concerns. The provision proved a significant source of support to our families and children during a very uncertain time."

Teacher, Magic Breakfast partner school

At the beginning of the Autumn term 2020 and when all pupils were welcomed back to school in March 2021, most of our partner schools reverted to in-school breakfast provision. However, schools struggled to operate large scale breakfast clubs whilst adhering to social distancing rules. Consequently, many schools followed our School Partners' support and guidance opting for classroom provision. The classroom provision model became particularly popular as breakfast could be offered to children without mixing "bubbles", with breakfast foods served and eaten in the classroom.

Number of pupils accessing classroom provision:

Pre-pandemic: 33%

20/21 academic year: 65%

The flexibility of our approach to breakfast provision and the support provided by School Partners meant we were able, throughout the pandemic, to continue reaching all children at risk of hunger in our partner schools with a healthy breakfast.



CHARITABLE OBJECTIVE THREE

Making the case for change

We campaign for sustainable long-term funding to support school breakfasts in the most deprived areas, including educating the public at large about the importance of a healthy breakfast.

Magic Breakfast cannot solve the issue of child morning hunger alone. We have continued to campaign and build public and political support to ensure no child is too hungry to learn.

Magic Breakfast developed a School Breakfast Bill in England, in partnership with Feeding Britain and Member of Parliament (MP) Emma Lewell-Buck. It was designed to guarantee that all schools with high levels of disadvantage would be given support to offer free breakfast to their pupils. The Bill was due to be read in Parliament in April 2020, but due to the outbreak of Covid-19 the reading was postponed. The Bill eventually passed its first reading in Parliament on 13 October 2020. The School Breakfast Bill, which was supported by over 70 MPs, was intended to have had a second reading, however, this was postponed indefinitely due to a reduced parliamentary calendar during lockdown.

As the future of the School Breakfast Bill was uncertain, we called for the Government to implement the contents of the Bill through the #BreakfastInTheBudget campaign in the lead up to the Chancellor's Budget in March 2021. This campaign urged the Government to scale up school breakfast funding for 8,700 schools with high levels of disadvantage and to make this support long-term, sustainable, and targeted at all children at risk of hunger. Over 30 food insecurity, education, and anti-poverty organisations, including FareShare, School Food Matters, Children's Right2Food Campaign and Chefs in Schools joined Magic Breakfast by co-signing a letter sent to the Minister for Children and Families in support of this campaign. We continue to work with all political parties in England pushing for sustainable, long-term government investment in school breakfast provision.

In the lead-up to the Scottish elections in May 2021, we compiled an in-depth policy brief for each of the parties to try to secure manifesto commitments to school breakfast provision. This policy brief urged all political parties to extend their commitment to free school breakfast provision for all Scottish primary schools to include special schools and secondary schools and our recommendations were taken on board by the Scottish Conservatives and Scottish National Party. These commitments laid the foundations for a future Scotland where every child has an equal chance to reach their academic potential no matter what their start in life is.

In February, we were proud to publish 'The Cost Effectiveness of School Breakfast Provision' report. This research, carried out by Pro Bono Economics in partnership with Magic Breakfast and Heinz, found that:

- Providing disadvantaged pupils completing key stage 1 with just one year's supply of school breakfast provision could generate long-term economic benefits in excess of £9,000 per child.
- In England, with an estimated 298,000 pupils aged between 6 and 7 completing key stage 1 at schools with high levels of disadvantage, this figure amounts to a staggering £2.7bn in benefits.
- In Scotland, there are 22,100 children in the equivalent year group at schools with high levels of disadvantage. If all these pupils received the Magic Breakfast model of school breakfast provision it could generate further long-term economic benefits of around £200 million.

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- Every £1 spent on the Magic Breakfast programme could generate more than £50 in benefits, making it a highly cost-effective intervention.

These findings demonstrate the cost effectiveness of our model and were released as Magic Breakfast and Heinz called on the Government to increase its school breakfast provision funding in the spring 2021 Budget.

Magic Breakfast strives to put the child at the centre of all our activities. We were delighted to introduce ten Youth Campaigners who are working alongside us campaigning for change. These passionate and creative young people, five of whom have lived experience of food insecurity, are now central to our campaigns. Empowered and upskilled through training, they will help us ensure young voices are at the heart of everything we do.

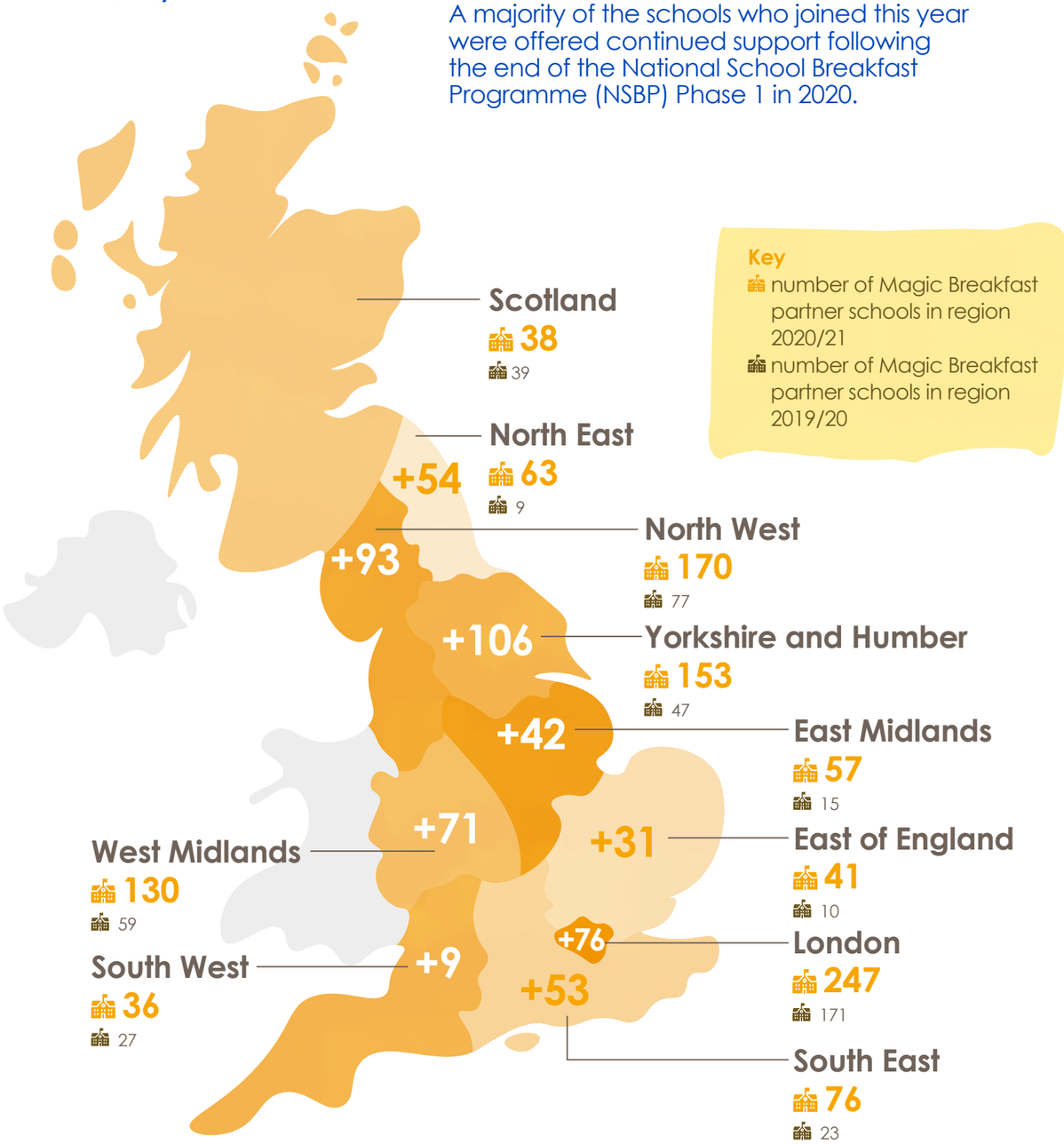
To launch their campaigning work, they wrote an open letter to all members of Parliament in England, asking them to meet, listen to their voices, and work with them to end child morning hunger. This open letter was delivered by two of the Youth Campaigners to MPs outside Westminster on 13 July 2021.

Magic Breakfast continues to spread awareness through our campaigning work alongside our supporters. This year, in partnership with Heinz, we launched our 'Silence the Rumble' campaign to raise awareness of the growing crisis of child hunger. The campaign looked at the issue of child hunger from a child's perspective and was a huge success, raising both awareness and £80,000 in public donations. We were also delighted to be chosen by the *i* Newspaper to benefit from their 2020 Christmas Charity Appeal. Throughout this campaign we shared stories, interviews and data regarding child morning hunger, and raised over £600,000 (including gift aid) in donations while spreading awareness of our work amongst their 9 million annual readers.

Achievements

We have more than doubled the number of schools we support this year, growing from 477 in 2019/20 to 1,011 in 2020/21.

A majority of the schools who joined this year were offered continued support following the end of the National School Breakfast Programme (NSBP) Phase 1 in 2020.



Barrow Hill Primary Academy

Barrow Hill Primary Academy is located in a village in Derbyshire which is within the top 5% of deprived areas nationally. As a consequence of this high level of deprivation, many pupils begin their formal education at a lower starting point than their peers from more affluent areas. The school leadership has acknowledged this reality and put in place measures to make sure their pupils can reach their educational potential despite this disadvantage that persists from early years.

One of these measures is partnering with Magic Breakfast to ensure children start their day with a healthy breakfast. Prior to the outbreak of Covid-19, breakfast was provided through a breakfast club model where children were seated in the school hall and able to socialise with their peers. This was very popular with the school community, as the breakfast provision was opened up to both pupils and families who used the opportunity to help settle their children into the school day and speak with teachers about their children's needs.

When schools had to close during the pandemic and were only open to children of key workers and vulnerable pupils, Rebecca Vodden-Page, Headteacher at Barrow Hill Primary Academy, understood the urgent need to keep breakfast going. In order to continue to provide their pupils with breakfast in the morning, the school staff organised food packs that families could collect from the school three times a week. As many people in the community experienced the financial impact of the pandemic, Magic Breakfast became a lifeline for families who struggled to afford enough food for their children.

When lockdown ended and pupils returned from home-learning, the school reverted to in-school provision. However, due to strict social distancing rules, the school was no longer able to operate a traditional breakfast club. The school staff took time to consult with the pupils about what breakfast items they would like to eat in the morning and provided breakfast in the classroom before the first lesson started.

We know that our breakfast provision goes beyond the food that we provide to our partner schools, which is echoed by Rebecca Vodden-Page: "*Our support from Magic Breakfast is about more than the actual food we receive. Along with the breakfast our children receive in the morning, they are also able to develop their social skills, such as the art of conversation and table manners. They also learn about responsibility as they help with preparing the breakfast and tidying up before the lesson starts*".

We are immensely proud that we have been able to continue our support to children at risk of hunger throughout the pandemic and particularly during the partial school closures. The experience of Barrow Hill Primary Academy highlights the importance of returning to our in-school breakfast provision, as it provides an invaluable space for children to socialise and learn from their peers, as well as an opportunity for teachers to check in on the most vulnerable pupils.

"When children are being fed, learning starts."

Rebecca Vodden-Page, Headteacher of Barrow Hill Primary Academy

Reflections

Magic Breakfast is very proud of everything we have been able to achieve for children at risk of hunger this year despite the unprecedented environment.

As poverty and food insecurity increased during the pandemic, we expanded our network of partner schools to ensure that as many children as possible have the fuel they need to access learning at the start of the school day. In January 2021, we increased the number of schools we partner with from around 480 to over 1,000. We now support around 200,000 children each school day. These schools came across to Magic Breakfast from the National School Breakfast Programme (NSBP) when their government funding ended in December 2020, and all have more than 50% of pupils on roll living in areas with high levels of deprivation.

The NSBP, delivered in partnership with Family Action and funded by the Department for Education (DfE), provided breakfast over three years to as many as 375,000 pupils at the Programme's peak. The NSBP was the first large-scale delivery programme that Magic Breakfast had been involved in, and it allowed us to demonstrate how our approach to breakfast provision successfully worked at scale. An evaluation, carried out by the Behavioural Insights Team and published by the Educational Endowment Foundation, highlights the effectiveness of the Magic Breakfast model in reaching children. Schools on the Programme increased uptake of breakfast provision in their school from 6.5% on roll, on average prior to implementation, to 38.6% after. The report also highlighted the importance of the School Partners' work in supporting schools to establish a hunger focused provision, referring to them as the 'lynchpin' of the Programme. The NSBP that Magic Breakfast co-delivered came to an end in July 2021, and we are very proud of all that was achieved for children at risk of hunger through this programme.

In March 2021, the DfE announced a new tender for school breakfast clubs in England, with £24 million made available for a government funded breakfast provision over the following two years. While Magic Breakfast welcomes any new funding for school breakfast provision, this DfE tender fell short of

"In a just about managing (JAM) family, with seven children, the main breadwinner lost their job during lockdown. Mum was the first person in the queue for breakfast parcels during the national lockdown and has been extremely grateful for the Amazon summer holiday offer. Without the support of Magic Breakfast this family would have been in grave danger of going hungry."

Teacher, Magic Breakfast partner school

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the proposed School Breakfast Bill which we were campaigning for. Our priority continues to be to ensure that a government funded school breakfast programme is sustainable, long-term and includes expert support for schools to ensure breakfast is reaching children at risk of hunger. This has never been more important in this pandemic environment with the subsequent challenges faced by schools and vulnerable children.

The consequences of Covid-19 on our beneficiaries have highlighted the need to support children at risk of hunger both during term time and over school holidays. This year we continued to provide breakfast to pupils in partner schools during holiday periods. This was via two primary means: home deliveries provided through our partnership with Amazon, where food was delivered directly to families' homes, or via our take-home packs where schools sent food home with children. The response from schools has been positive, with school staff reporting that during the pandemic there has been a higher need for our breakfast food.

Environment

It is clear, in the environment that we are operating in, that now, more than ever, we must deliver on our mission: to end child morning hunger in the UK now and for good.

Throughout the year, the pandemic has continued to disrupt pupils' education, and this is particularly true for disadvantaged children. As well as having a negative impact on our beneficiaries, the Covid-19 pandemic has also created challenges for Magic Breakfast as a charity.

This year, we have continued to receive feedback from our partner schools regarding the financial difficulties they are facing due to the pandemic. Many of our partner schools were already under significant financial pressure before the pandemic. This has been exacerbated by Covid-19, as more money has been spent on teaching staff to provide a safe environment for both pupils and school staff.

Moreover, we know that the pandemic has had a negative impact on the families we support, with many families having reported that they are struggling financially. This has partly been due to higher living costs including increases in the price for goods such as food and fuel, all factors that can affect our beneficiaries' access to food at home and have a detrimental impact on their mental health. With the Job Retention Scheme having come to an end and the withdrawal of the £20 a week uplift to Universal Credit, food insecurity is likely to continue to be a prevalent factor to many people's lives.

Current Government plans in England will ensure an additional £4.7bn in core school funding by 2024/25, including £1.6bn in 2022/23 on top of already planned increases from the 2019 Spending Review. Although this will mean a total cash increase of £1,500 per pupil between 2019/20 and 2024/25, the Education Policy Institute claim that this is not enough to address the significant learning loss pupils experienced during the pandemic. In Scotland, the Government has committed £1bn to tackle the poverty related attainment gap and support education recovery over the current parliamentary cycle. We will continue to advocate for school breakfast provision as part of the solution to addressing this gap. We will also scrutinise the performance of the new DfE contract in reaching the children most at risk of starting the school day too hungry to learn.

We are conscious of the potential long-term impact of the pandemic on the current fundraising climate. There have undoubtedly been changes to the funding of the charity sector as a result of Covid-19, including a shift towards digital funding and increased competition for grants. Thanks to a diverse pipeline and the generosity of our funders, however, Magic Breakfast remains financially resilient during this challenging time.

"Hunger affects the pupil's behaviour and their relationships in school. The detriment to their life outcomes from poverty and the effects of Covid poverty is enormous and many will remain stuck within these boundaries for a generation."

Teacher, Magic Breakfast partner school

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Statement of public benefit

The Board of Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

All activities of the charity, in line with the charitable objectives, are focused on eradicating hunger in the morning and the alleviation of food poverty for schoolchildren in this country. The charity actively takes a non-stigmatising approach in its work to make sure it can be accessed by all who need it.

As described through this report, this is achieved through the provision of healthy breakfasts and expert support to partner schools. We help them reach the most vulnerable children, engaging the whole school community in understanding the importance of eating a healthy breakfast every day, and putting in place a provision that is sustainable for the future.



Company information

Trustees
Joanne Thompson, Chair of the Board of Trustees
Alison Inglis-Jones
Andrienne d'Arenberg *(appointed 25 September 2020)*
Aniela Shuckburgh
Emma West
Mark Fox *(appointed 25 September 2020, resigned 21 May 2021)*
Michael Honan
Nicola Noble *(resigned 16 January 2022)*
Paula Smith *(resigned 22 June 2021)*
Phil Davies
Richard Lackmann *(appointed 25 September 2020)*
Varsha Venugopal

Company registered number
04977015

Charity registered numbers
1102510 and SC048202

Registered office
190 High Holborn
London, WC1V 7BH

Principal operating office
Saint Magnus House
3 Lower Thames Street
London, EC3R 6HD

Senior management team
Alex Cunningham, *CEO (resigned 24 February 2021)*
Tony Kildare, *interim CEO (contract from 11 January 2021 - 26 November 2021)*
Lindsey MacDonald, *CEO (start date 22 November 2021)*
Alysa Remtulla, *Head of Policy and Campaigns (resigned 13 August 2021)*
Derek Morgan, *Chief Operating Officer (COO) (resigned 24 November 2021)*
Emily Wilkie, *Head of Fundraising*
Rachael Anderson, *Head of Delivery (Schools) (resigned 19 November 2021)*
Sophia Dettmer, *Head of Communications*

Website
magicbreakfast.com

Independent auditors
Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Bankers
The Royal Bank of Scotland
49 Charing Cross
Admiralty Arch
London
SW1A 2DX

Metro Bank PLC
One Southampton Row
London
WC1B 5HA

Company details

a. Company status

The charitable company is registered as a charitable company limited by guarantee and is constituted under a Memorandum of Association dated 26/11/2003 with the registered charity numbers 1102510 and SC048202.

Magic Breakfast's aim is to alleviate child hunger and poverty as a barrier to education through the provision of healthy breakfasts to children across England and Scotland. This is being achieved through three key activities: food aid, building capacity in the school communities to reach each child at risk of hunger and making the case for change to ensure permanent funding for school breakfasts.

There have been no changes in the charity's objectives or governing document since the last annual report.

b. Structure, governance and management

Structure
Founded in 2001 by Carmel McConnell, as a result of research for the Pearson title *Change Activist*, Magic Breakfast is a charitable company dedicated to ensuring every child starts their school day with a healthy breakfast as fuel for learning. The company incorporated in November 2003 and was awarded charitable status in March 2004.

Governance
The decision-making body of the charity is the Board of Trustees, who are responsible for the governance and ensuring it pursues its charitable purpose. The Trustees, who are also directors of the company for company law purposes, are recorded on page 22.

The Trustees meet quarterly and regularly within committees to ensure good governance and provide guidance. During the financial year there were six board committees: Fundraising Committee, Finance, Operations and People Committee, Schools Committee, Policy and Campaigns Committee, Governance Committee and Communications Committee, whose purpose are set out in their terms of reference. Committees meet between board meetings, and as required, and are made up of at least two Trustees and one staff member.

Changes to the Board
During the financial year there were some changes to the Board, with two resignations and three appointments, detailed on page 22. We are pleased to have a full board with a broad range of skills.

Day to day management
The Trustees delegate the day-to-day management of the charity to the CEO who provides the strategic direction and works with the Senior Management Team (SMT).

Staffing
During this financial year the average number of staff employed by the charity increased significantly with 64 persons employed (2020: 42).

Magic Breakfast has a dynamic and driven team who work collaboratively and efficiently to ensure no child is too hungry to learn.

c. Method of appointment or election of Board of Trustees

The management of the charitable company is the responsibility of the Magic Breakfast Board of Trustees who are elected and co-opted under the terms of the Articles of Association. Reviews are held periodically to identify any expertise gaps and appointments are made, where required, to strengthen the Board. The most recent full review was during the 2020/21 financial year. In order to secure the strongest candidates possible, trustee recruitment agencies have been engaged in the past.

d. Policies adopted for the induction and training of the Board of Trustees

The charity provides guidance to all newly appointed Trustees on the responsibilities and requirements of the role. To make the Board as effective as possible, induction processes, training and review are in place; this includes trustee training, breakfast club visits, meetings with key staff and an annual performance and development review.

e. Magic Outcomes Limited

Magic Breakfast wholly owns Magic Outcomes Limited which is presently used by the charity for licensing our brand. Magic Outcomes did trade during the year under review and transactions totalled £42,614 (2020: £11,355). See Note 13 for more information on Magic Outcomes trading activities.

Magic Breakfast Annual Report 2020-2021

Financial review

In the financial year 2020/21, the charity made a surplus of £695,827 (2020: £924,085) and saw an increase in the income raised from £5,742,820 to £9,011,871. Together with the accumulated surplus from previous years, Magic Breakfast has an accumulated surplus of unrestricted funds of £3,740,800 (2020: £3,513,827).

Phase 1 of the National School Breakfast Programme (NSBP) was initially planned to end in March 2020, however, funding for Phase 1 schools was extended until December 2020. As we planned to onboard schools from the NSBP at the end of Phase 1 of the Programme, this meant that we carried over a larger surplus of unrestricted funds from the 2019/20 financial year than we anticipated. When Phase 1 of the NSBP came to an end in December 2020, we were able to start onboarding schools from the Programme as intended and begin to spend down this surplus, while also increasing our fundraising income.

We initially planned to recruit a higher number of schools during this financial year, and beyond. However, we decided to onboard fewer schools to provide them with a more comprehensive support package, which is in line with our overall strategy and focus on breakfast provision that enables schools to reach children at risk of hunger without barrier or stigma. Considering the changing environment in which it operates, Magic Breakfast is taking the opportunity to review and refresh its strategic objectives.

As the pandemic continued to significantly impact the operations of the charity, with increased competition for funding and reduced support from events and our partners in the hospitality sector, multiple measures were put in place to mitigate lost income. As part of this, we focused on how we could increase our income from fundraising campaigns and were delighted to be the *i* Newspaper's chosen charity for their 2020 Christmas Charity Appeal, which raised over £600,000 (including gift aid). This income was significantly higher than anticipated and a contributor to the overall surplus made in the 2020/21 financial year. Through our corporate partners, we also significantly increased our income from Gifts in Kind (GIK) donations compared to the previous financial year. This helped mitigate increased food cost. Income from GIK also provided a substantial support to continuing our breakfast provision throughout the year.

Along with growing income from fundraising, expenditure increased during this financial year. As a consequence of the ongoing pandemic and partial school closures, food and delivery costs increased. Moreover, as we provided take home breakfast provision and supported children over holiday periods, this further increased food and delivery costs. Although we have seen rises in cost for food and delivery, the impact has been less substantial than first expected due to significant GIK support throughout the year. Our overall expenditure has also increased as a result of onboarding schools from the NSBP and the subsequent growth of the team, which has been a necessary measure to accommodate our expansion.

Restricted funds carried forward as at 31 August 2021 amount to £295,730 (2020: (£173,125)). These funds will be spent in accordance with our supporters' wishes and within the funding period agreed.

a. Fundraising activities and income generation

During the year, Magic Breakfast's income increased from £5,742,820 in 2019/20 to £9,011,871 in 2020/21. One of the reasons behind this significant growth was the success of the *i* Newspaper's 2020 Christmas Charity Appeal as well as increased capacity in the fundraising team.

To secure a sustainable and diversified income, the charity has established four key departments within the fundraising team: Corporate, Trusts & Foundations, Individual Major Donor and Individual Giving & Engagement. This year, we have also hired a part-time researcher, who works across the fundraising team. The consultant has helped with both expert knowledge in the field of prospect research and efficiency of the fundraising team.

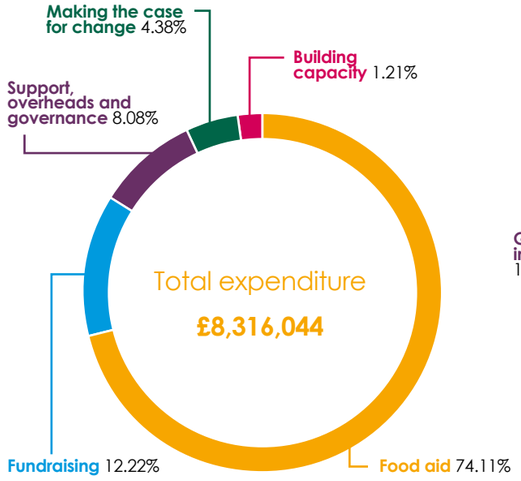
The Corporate Partnership team has sustained and surpassed previous income levels and grown the value of our GIK portfolio. By strengthening our relationships with existing partners, we have been able to extend this support to GIK donations. For example, Amazon are a substantial cash funder and now one of our largest GIK donors. Our GIK support has also been influential in our policy and advocacy work, with partners helping Magic Breakfast to spread awareness of the issue of child morning hunger in the UK. Furthermore, these relationships have helped us create new connections with other organisations.

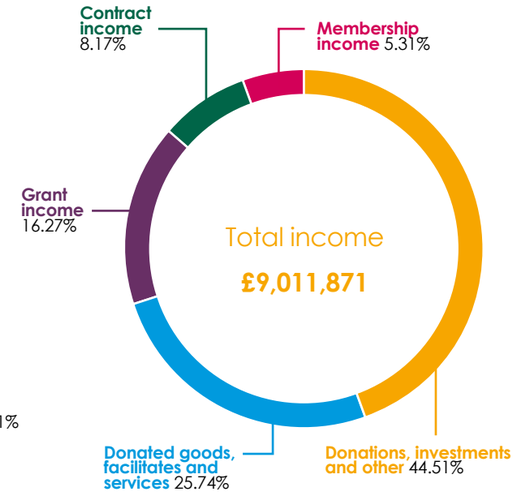
We have grown the number of schools we support from 477 in 2019/20 to 1,011 in 2020/21. Membership income from our partner schools has therefore increased substantially throughout the year. We aim to support 1,300 schools by the end of 2025/26, which means that we expect income from memberships to remain stable in the coming financial years as we will bring on board partner schools at a slower rate.

In December 2020, the NSBP Phase 1 funding came to an end. Contract income from Magic Breakfast's involvement in this project will therefore not continue in the 2021/22 financial year.

Due to Covid-19, Magic Breakfast is continuing to monitor its fundraising strategy closely. The pandemic has put the charitable sector under immense pressure with an increased demand for services and higher competition for funding. Although we ended the financial year with increased income from our fundraising efforts, we anticipate that the pandemic will have a detrimental impact long-term for fundraising. As such, we will mitigate for potential income loss by focusing on retaining and deepening existing supporter relationships by putting together a systematic stewardship programme. Moreover, throughout the pandemic there has been a spike in larger individual donations and 2020 saw the largest growth in registrations for grant giving trusts and foundations since 2012. Consequently, these will be areas of focus for our fundraising team. We also look to recruit an internal Technical Systems strategic lead, who will design the systems infrastructure to deliver our strategic fundraising plan.

The breakdown of income and expenditure for the year 2020/21 can be seen below:





Fundraising compliance

During 2020/21, the charity paid due regard to its fundraising practices in line with the guidelines set out by the Fundraising Regulator's Fundraising Code of Practice, the *General Data Protection Regulation (GDPR)*, the *Charities Act 2011* and the *Charities (Protection and Social Investment) Act 2016*. The charity is registered with the Fundraising Regulator and is committed to being an open, fair and respectful fundraiser.

Magic Breakfast establishes Commercial Participatory Agreements with its commercial participators to ensure they comply with the Fundraising Code of Practice and these are monitored by the charity. The charity does not engage professional fundraisers to raise funds on its behalf and direct marketing and fundraising is only undertaken where prior consent has been obtained and complies with GDPR, the Fundraising Code of Practice, the *Charities Act 2011* and the *Charities (Protection and Social Investment) Act 2016*.

There were no complaints made against the charity or its commercial participators regarding fundraising practices.

b. Reserves and investment reserves policy

The Board of Trustees aims to maintain a level of unrestricted reserves which equates to five months of future running costs at the year end. The target for reserves held was £2,953,000.

The change from six months in 2019/20 to five months in 2020/21 reflects the latest calculations of risk, potential mitigation, and the contractual income and other commitments going forward. It also allows for planned growth. The charity has adopted the policy to hold five months reserves to mitigate cash flow risks and allow for any remedial actions to be adopted in a timely manner should cash levels begin to drop significantly. The future costs are based on the charity being able to cover all liabilities should all income cease with additional contingency for unplanned events.

When a significant change in income/ expenditure is known and provides a potential risk to future cash flow, the charity may choose to build up a level of reserves above five months to allow these changes to be absorbed. At the year end, the charity held £3,688,144 (2020: £3,513,827) in unrestricted reserves, the equivalent to 6.12 months of future running costs. The decision to build a surplus was made in order to be able to provide a strong support package to schools at the end of the NSBP in December 2020. As we move into the new financial year the charity has been utilising the surplus reserves to support the significant growth in provision as planned.

Furthermore, the charity is preparing for future shocks to its income which may come from the Covid-19 pandemic and consequent economic recession, as well as increased costs of providing breakfast to pupils at home should schools need to close.

Material investment policy

Due to the nature of Magic Breakfast's charitable work, it had been considered that the most appropriate policy is to hold surplus funds in a bank deposit, with the exception of £38,001 allotted as shares in the subsidiary organisation, Magic Outcomes Limited.

c. Risk control, principal risks and uncertainties

The Board of Trustees fully accepts its responsibilities for ensuring that the major risks to which the charity is exposed are identified, particularly those related to the operations and finances of the charitable company. The Trustees also fully accept their responsibilities to ensure systems and procedures are in place to mitigate those risks. Major risks are those that have a high probability of occurring and would, if they occurred, have a severe impact on operational performance and/or achievement of the charity's objectives.

The charity has a risk management policy in place which outlines its approach to risk management and processes. To support the identification, management and mitigation of risks in a timely manner, the SMT maintain a risk register for their area of responsibility and the CEO maintains an over-arching organisational risk register. Each department's risk register is reviewed in the appropriate Board-Committee and the full organisation risk-register is reviewed by the Governance Committee with a report submitted to the main Board.

Covid-19 remains a principal risk for the charity as it impacts on our beneficiaries, finances, supply chain and staff. To mitigate the financial challenges, the financial performance of the charity is monitored against an annual budget and monthly management information on the charity's financial position is produced to inform any decisions. This management information is reviewed monthly by the SMT. A quarterly review is held by the Finance, Operations and People sub-committee. In addition, forecasting is undertaken and updated throughout the year to reflect changes which impact on income and expenditure. Magic Breakfast continues to maintain strong stewardship with current donors to mitigate risk.

As well as changes to financial performance, the ongoing Covid-19 pandemic also impacts the operations of the charity, including increased demand for our services and performance of our staff. Throughout the pandemic, the Head of Fundraising and Chief Operations Officer have provided weekly Covid-19 updates to Senior Management and where appropriate these updates were escalated to the Board to ensure a robust monitoring of the impact of the crisis.

Supply chain issues, including increased cost of food and fuel, are an ongoing risk, which are mitigated through close relationships with food suppliers and delivery partners. Throughout the pandemic, the charity has frequently spoken with key partners to ensure supply remained consistent and to mitigate against any future challenges. Magic Breakfast also partnered with new organisations to ensure consistency of supply, meaning the charity was not reliant on any one supplier.

The departure of the former CEO and of key members of the charity's SMT was noted to pose a reputational and organisational risk to the charity. However, this change has been accompanied by a strong communication strategy and the appointment of an interim CEO to allow for business-as-usual operations to continue. With the Board of Trustees frequently reviewing the operation of our SMT and with the appointment of Lindsey MacDonald as the new CEO of Magic Breakfast, this risk was mitigated.

The Board of Trustees are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

d. Related parties and trustee expenses

The charity has considered the disclosure requirements of the Charities Statement of Recommended Practice (SORP) for related party relationships and considers its Key Management Personnel to be the Trustees and SMT.

Related party disclosures are included in Note 22 of the accounts.

e. Key Management Personnel remuneration

The charity performs salary benchmarking every two to three years to ensure staff and Key Management Personnel salaries are in line with the rest of the sector. This is carried out by the human resources function of the charity. The results of this benchmarking process and any recommended changes are provided to the Finance, Operations and People sub-committee.

Where the changes are significant or include Key Management Personnel, the Finance, Operations and People sub-committee will make recommendations to the full board. In this instance, changes will only be made upon approval from the full board and will be minuted at the board meeting.

Trustees are not remunerated for their roles as Trustees but Key Management Personnel that make up the SMT received a salary for these roles.

f. Going concern

After making appropriate enquires, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. This includes taking into account the financial and organisational challenges created by Covid-19. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Accounting Policies, in Note 1 to these accounts.

Trustees' responsibilities statement

The Trustees (who are also directors of Magic Breakfast for the purposes of company law) are responsible for preparing the Trustees' Annual Report including and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the *Companies Act 2006*. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all step that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

This report was approved by the Trustees on 16th March 2022 and signed on their behalf by:

Joanne Thompson
Chair

Magic Breakfast Annual Report 2020-2021

Independent auditor's report to the members of Magic Breakfast

Opinion

We have audited the financial statements of Magic Breakfast (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 August 2021 and of its 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
- Have been prepared in accordance with the requirements of the *Companies Act 2006*, the *Charities and Trustee Investment (Scotland) Act 2005* and regulation 8 of the *Charities Accounts (Scotland) Regulations 2006* (as amended)

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 Magic Breakfast's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

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' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' annual 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the *Companies Act 2006* and the *Charities Accounts (Scotland) Regulations 2006* (as amended) require 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 directors 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' annual report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' annual report, the Trustees (who are also the directors of the charitable company 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.

Magic Breakfast Annual Report 2020-2021

In preparing the financial statements, the Trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the *Charities and Trustee Investment (Scotland) Act 2005* and under the *Companies Act 2006* and report in accordance with regulations made under those Acts.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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.

A further description of our responsibilities is available 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 charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the *Companies Act 2006* and section 44(1)(c) of the *Charities and Trustee Investment (Scotland) Act 2005*. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

18 March 2022

for and on behalf of Sayer Vincent LLP,
Statutory Auditor
Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the *Companies Act 2006*.

Statement of financial activities incorporating income and expenditure account for the year ended 31 August 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM					
Donations and grants	2	**7,430,697**	**840,071**	**8,270,769**	5,109,171
Charitable activities	3	**736,017**	**-**	**736,017**	632,645
Investments	4	**5,085**	**-**	**5,085**	1,004
TOTAL INCOME		**8,171,799**	**840,071**	**9,011,871**	5,742,820
EXPENDITURE ON					
Raising funds	5	**1,091,853**	**13,432**	**1,105,285**	823,193
Food Aid	6	**6,352,043**	**352,855**	**6,704,898**	3,636,496
Building Capacity	6	**109,195**	**-**	**109,195**	90,006
Making the Case for Change	6	**391,736**	**4,930**	**396,665**	269,040
TOTAL EXPENDITURE		**7,944,827**	**371,217**	**8,316,044**	4,818,735
NET INCOME FOR THE YEAR		**226,972**	**468,854**	**695,827**	924,085
NET MOVEMENT IN FUNDS		**226,972**	**468,854**	**695,827**	924,085
RECONCILIATION OF FUNDS					
Total funds brought forward	18	**3,513,827**	**(173,125)**	**3,340,703**	2,416,618
TOTAL FUNDS CARRIED FORWARD		**3,740,800**	**295,730**	**4,036,529**	3,340,703

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

Balance sheet as at 31 August 2021

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Intangible assets	12		**52,656**		-
Investments	13		**38,001**		34,009
TOTAL FIXED ASSETS			**90,657**		34,009
CURRENT ASSETS					
Stock	14	**107,725**		111,435	
Debtors	15	**726,802**		430,745	
Cash at bank and in hand		**4,269,220**		3,579,538	
TOTAL CURRENT ASSETS		**5,103,747**		4,121,718	
CREDITORS					
Amounts falling due within one year	16	**(1,157,874)**		(815,024)	
NET CURRENT ASSETS			**3,945,873**		3,306,694
NET ASSETS			**4,036,529**		3,340,703
CHARITY FUNDS					
Restricted funds	17		**295,730**		(173,125)
Unrestricted funds	17		**3,740,800**		3,513,827
TOTAL FUNDS			**4,036,529**		3,340,703

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 16th March 2022 and signed on their behalf by:

.....
Joanne Thompson, Chair

Company registration number: 04977015

Statement of cash flows for the year ended 31 August 2021

	Note	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	19	**688,589**	1,242,546
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest from investments	4	**1,093**	1,004
NET CASH PROVIDED BY INVESTMENT ACTIVITIES		**1,093**	1,004
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		**689,682**	1,243,550
Cash and cash equivalents brought forward		**3,579,538**	2,335,988
CASH AND CASH EQUIVALENTS CARRIED FORWARD	20	**4,269,220**	3,579,538

1. Accounting policies

1.1 General information and basis of preparation

Magic Breakfast is a charitable company registered with the Charity Commission and OSCR (Charity Registered Numbers 1102510 and SC048202) and Registrar of Companies (Company Registration Number 04977015) in England and Wales. The address of the registered office is given in the charity information on page 22 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees' Annual Report.

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

The charity also owns a wholly own subsidiary company, Magic Outcomes Limited, a company limited by shares and registered in England and Wales (company registration 04621084). Magic Outcomes Limited operates as the trading subsidiary for the charity and is used primarily for the licensing of the Magic Breakfast brand. The investment has not been consolidated and group accounts have not been prepared because the subsidiary is considered immaterial to the accounts of the charity.

Magic Breakfast 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 financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The accounting policies have been reviewed in light of Covid-19 and it has been determined that there is no need to change anything at this time, but the charity will continue to keep this under review.

1.2 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 22. 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 Funds

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.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Income recognition

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.

For donations to be recognised, the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

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 item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services, donated facilities and donated breakfast ingredients 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 goods, facilities or services of equivalent economic benefit on the open market. A corresponding amount is then recognised in expenditure in the period of receipt.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest paid or payable by the bank.

School membership income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Grant income is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

1.5 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is categorised under the following headings:

- Costs of raising funds includes costs incurred seeking voluntary contributions through donations and the running of fundraising events during the year;
- Expenditure on charitable activities includes all costs incurred on furthering the objects of the charity; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1.6 Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings, they have been allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources (headcount).

Governance costs are those incurred in connection with the running of the charity and compliance with constitutional and statutory requirements. The analysis of governance costs is included in Note 9.

Costs of raising funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in Note 8.

1.7 Intangible fixed assets and amortisation

Identifiable development expenditure is capitalised to the extent that:

- The technical, commercial and financial feasibility can be demonstrated;
- The total cost of the individual asset is greater than £10,000, or the asset is purchased as part of a larger project which is to be capitalised; and
- The asset is likely to be used over a period of time that is longer than one year.

Provision is made for any impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following basis:

Software	-	33.3% straight line

1.8 Investments

Investments in subsidiaries are measured at cost less impairment.

1.9 Stock

Stock represents donated and purchased breakfast ingredients and is recorded at fair value less impairment.

1.10 Debtors or creditors receivable / payable within one year

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

Creditors are recognised when the charity has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

1.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. The financial assets and financial liabilities of the charity are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 15. Prepayments are not considered to be basic financial instruments and are measured at the amount prepaid, net of any trade discounts due.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Note 16. Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

1.12 Tax

The charity is an exempt Charity within the meaning of Schedule 3 of the *Charities Act 2011* and 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. It therefore does not suffer tax on income or gains applied for charitable purposes.

1.13 Going concern

The financial statements 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 expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

This has been reviewed again given the impact of Covid-19 and the Trustees see no reason to change this belief.

1.14 Employee benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

The charity follows the Government guidelines on redundancy and calculates redundancy pay using the statutory redundancy pay rates. The cost of redundancies are taken at the time the payment is made to the employee.

1.15 Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Allocation of support costs
- Amortisation rates for intangible fixed assets
- Income recognition of grants
- Donated goods, facilities and services valuation

2. Income from donations and grants income

Income from donations and grants – current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	**3,542,677**	**463,731**	**4,006,408**	2,518,349
Membership income	**478,962**	**-**	**478,962**	108,417
Grants	**1,089,582**	**376,340**	**1,465,922**	1,068,708
Donated goods, facilities and services	**2,319,476**	**-**	**2,319,476**	1,413,594
Other	**1**	**-**	**1**	104
TOTAL 2021	**7,430,697**	**840,071**	**8,270,769**	5,109,171
TOTAL 2020	4,455,039	654,132	5,109,171	

Total donated goods, facilities and services for the year were £2,319,476 (2020: £1,413,594) and comprise of the following:

- £1,384,526 (2020: £1,124,836) of breakfast foods;
- £901,072 (2020: £251,119) of delivery services;
- £24,960 (2020: £24,960) of office facilities;
- £6,272 (2020: £7,156) of software licenses;
- £2,646 (2020: £3,675) of professional services; and
- £NIL (2020: £1,848) of other miscellaneous goods and services.

Income from donations and grants – prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	**2,064,558**	**453,791**	**2,518,349**	1,635,946
Membership income	**108,417**	**-**	**108,417**	74,292
Grants	**868,367**	**200,341**	**1,068,708**	703,481
Donated goods, facilities and services	**1,413,594**		**1,413,594**	387,429
Other	**104**	**-**	**104**	2,522
TOTAL 2020	**4,455,039**	**654,132**	**5,109,171**	2,803,672

3. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Contract income (Department for Education)	**540,008**	**-**	**540,008**	632,645
Contract income (Hammersmith & Fulham)	**170,127**	**-**	**170,127**	-
Food partner school income	**25,882**	**-**	**25,882**	-
TOTAL 2021	**736,017**	**-**	**736,017**	632,645
TOTAL 2020	632,645	-	632,645	

The contract income is received from the Department for Education through Family Action.

There are no unfulfilled conditions or other contingencies attached to the government grants above.

4. Income from investments

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest receivable	**1,093**	**-**	**1,093**	1,004
Investment income	**3,992**	**-**	**3,992**	-
TOTAL 2021	**5,085**	**-**	**5,085**	1,004
TOTAL 2020	1,004	-	1,004	

5. Expenditure on raising funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Direct costs	**1,002,576**	**13,432**	**1,016,008**	700,208
Support costs	**89,277**	**-**	**89,277**	122,985
TOTAL 2021	**1,091,853**	**13,432**	**1,105,285**	823,193
TOTAL 2020	774,838	48,355	823,193	

In 2020, of the total expenditure on raising funds of £823,193, £774,838 was from unrestricted funds and £48,355 was from restricted funds.

Direct costs are analysed further in Note 7.

Support costs are analysed further in Note 8.

6. Analysis of expenditure on charitable activities

Analysis of expenditure on charitable activities – current year

	Activities undertaken directly 2021 £	Support costs 2021 £	Total 2021 £	Total 2020 £
Food Aid	**6,163,324**	**541,574**	**6,704,898**	3,636,496
Building Capacity	**100,375**	**8,820**	**109,195**	90,006
Making the Case for Change	**364,626**	**32,040**	**396,665**	269,040
TOTAL 2021	**6,628,324**	**582,434**	**7,210,759**	3,995,542
TOTAL 2020	3,784,710	210,832	3,995,542	

In 2020, of the total expenditure on charitable activities of £3,995,542, £3,129,599 was from unrestricted funds and £865,943 was from restricted funds.

Direct costs are analysed further in Note 7.

Support costs are analysed further in Note 8.

Analysis of expenditure on charitable activities – prior year

	Activities undertaken directly 2020 £	Support costs 2020 £	Total 2020 £	Total 2019 £
Food Aid	**3,478,372**	**158,124**	**3,636,496**	2,041,424
Building Capacity	**72,437**	**17,569**	**90,006**	198,499
Making the Case for Change	**233,901**	**35,139**	**269,040**	253,603
TOTAL 2020	**3,784,710**	**210,832**	**3,995,542**	2,493,527

7. Total direct costs

	2021 £	2020 £
Staff costs	**1,839,344**	1,343,571
Temporary staff costs	**116,854**	-
Other staff costs	**82,592**	48,413
Direct food costs	**5,250,201**	2,848,631
Contractors and consultants	**40,882**	6,694
Administration costs	**23,564**	52,600
Premises costs	**83,854**	89,297
Legal and professional fees	**45,420**	864
Publicity, marketing and fundraising	**192,831**	94,430
School event costs	**6,162**	420
Total	**7,644,333**	4,484,919

In 2021, of the total expenditure on direct costs, £1,016,008 (2020: £700,208) is allocated to Expenditure on Raising Funds and £6,628,324 (2020: £3,784,710) is allocated to Expenditure on Charitable Activities.

8. Total support costs

	2021 £	2020 £
Staff costs	**325,622**	164,424
Temporary staff costs	**69,665**	-
Other staff costs	**38,492**	13,453
Contractors and consultants	**12,927**	15,517
Administration costs	**96,497**	66,992
Premises costs	**19,730**	14,287
Legal and professional fees	**55,515**	7,336
Publicity, marketing and fundraising	**29,055**	20,477
Governance costs	**24,209**	29,409
Bad debts	**-**	1,922
Total	**671,711**	333,816

In 2021, of the total expenditure on support costs, £89,277 (2020: £122,985) is allocated to Expenditure on Raising Funds and £582,434 (2020: £210,832) is allocated to Expenditure on Charitable Activities.

Included within the total support costs above are £97,543 (2020: £31,785) of governance staff costs, other governance staff costs, administration costs, premises costs and legal and professional fees which are included within the balance of governance costs in Note 9.

9. Governance costs

	2021 £	2020 £
Governance staff costs	**34,539**	19,698
Other governance staff costs	**4,480**	2,582
Administration costs	**1,743**	1,133
Premises costs	**2,466**	3,572
Legal and professional fees	**54,315**	4,800
Auditors' remuneration - Audit of the financial statements	**18,000**	18,120
Auditors' remuneration - Other services	**-**	3,000
Auditors' remuneration - Under accrual of prior year audit and accounts fee	**5,100**	3,780
Trustee meetings	**-**	109
Other governance expenses	**1,109**	4,399
Total	**121,752**	61,194

The auditors' remuneration for the audit of the financial statements was £15,000 + VAT.

10. Trustee remuneration, benefits and expenses

Trustees give their time freely and during the year, Trustees have not received any remuneration (2020: £NIL) or benefits of any kind (2020: £NIL) for the work they have undertaken.

The charity does however permit Trustees to claim expenses to reimburse them for costs that they incur in fulfilling their duties. Expenses were incurred by Trustees as detailed below, and these were wholly in fulfilment of charity business:

	2021 £	2020 £
IT equipment, software and consumables	**158**	-
Travel and subsistence	**-**	839
Total number of Trustees paid expenses	**1**	1

11. Staff costs

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	**1,892,847**	1,342,368
Social security costs	**174,515**	120,369
Pension costs	**64,881**	45,259
Termination and redundancy costs	**30,000**	-
Total	**2,162,243**	1,507,996

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

	2021	2020
Food Aid	**27**	18
Building Capacity	**2**	2
Making the Case for Change	**7**	4
Fundraising	**20**	14
Support	**7**	3
Governance	**1**	1
Total	**64**	42

No employee received remuneration amounting to more than £60,000 in either year.

The total amount of employee benefits received by Key Management Personnel, including employers' national insurance, is £353,993 (2020: £380,547). The charity considers its Key Management Personnel to comprise the Trustees and the members of the Senior Management Team listed in the Reference and Administrative details on page 22.

In addition to the Key Management Personnel costs above, there is £132,998 (2020: NIL) of temporary staff costs which were incurred in relation to the employment of Antony Kildare, the charity's interim CEO, who also forms part of the Key Management Personnel. These costs are included in Notes 7 and 8 with detailed total temporary staff costs incurred during the year.

The Trustees of the charity, other than detailed in Note 10, did not receive any remuneration in the year.

12. Intangible fixed assets – ERP system

	ERP £
COST	
At 1 September 2020	**-**
ADDITIONS	
Throughout the year	**52,656**
CARRYING AMOUNT	
At 31 August 2021	**52,656**

During the year, the charity began developing an Enterprise Resource Planning system. This asset is current under development.

13. Fixed asset investments

	Shares in group undertakings £
COST	
Magic Outcomes Limited - £1 ordinary shares	**38,001**

The charity owns the whole of the issued share capital of Magic Outcomes Limited, a company registered in England. The company number is 04621084. The registered office address is 190 High Holborn, London, WC1V 7BH.

The subsidiary is used for non-primary purpose trading activities. Available profits for 2021 will be distributed under Gift Aid to the parent charity. The investment has not been consolidated and group accounts have not been prepared because the subsidiary is considered immaterial to the accounts of the charity

The directors of the subsidiary are Lindsey MacDonald (CEO), Derek Morgan (COO) and Emily Wilkie (Head of Fundraising).

A summary of the results of the subsidiary is shown below:

	2021 £	2020 £
Turnover	**42,614**	11,355
GROSS PROFIT/(LOSS)	**42,614**	11,355
Administrative expenses	**(42,614)**	(1,702)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	**-**	9,653
Taxation on profit on ordinary activities	**-**	(1,545)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**-**	8,108
RETAINED EARNINGS		
Total retained earnings brought forward	**40,908**	32,800
Profit/(loss) for the financial year	**-**	8,108
TOTAL RETAINED EARNINGS CARRIED FORWARD	**40,908**	40,908

The aggregate of the assets, liabilities and reserves was:

Assets	**162,997**	49,224
Liabilities	**(122,089)**	(8,316)
RESERVES	**40,908**	40,908

Amounts owed to/from the parent undertaking are shown in Note 15.

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14. Stock

	2021 £	2020 £
Undistributed breakfast ingredients	**107,725**	111,435

Stock recognised as an expense during the year was £3,050,689 (2020: £1,624,223).

15. Debtors

	2021 £	2020 £
Trade debtors	**488,441**	160,753
Other debtors	**19,916**	10,550
Grants receivable	**-**	9,242
Accrued income	**112,354**	226,607
Prepayments	**45,966**	21,632
Amounts owed by group undertakings	**60,124**	1,959
Total	**726,802**	430,745

16. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	**118,267**	473,290
Other taxation and social security	**192,574**	72,471
Other creditors	**2,615**	8,606
Accruals	**102,543**	106,533
Deferred school membership income	**608,542**	29,125
Deferred grant income	**133,334**	125,000
Total	**1,157,874**	815,024

School membership income is deferred as it is recognised over the entirety of the membership period.

Grant income is deferred when there are performance obligations which have yet to have been satisfied and therefore there is no entitlement to the income.

	Balance brought forward at 1 September 2020 £	Income released £	Income deferred £	Balance carried forward at 31 August 2021 £
DEFERRED INCOME				
School membership income	**29,125**	**502,042**	**1,081,458**	**608,542**
Grant income	**125,000**	**125,000**	**133,334**	**133,334**

17. Statement of funds

Statement of funds – current year

	Balance at 1 September 2020	Income	Expenditure	Balance at 31 August 2021
	£	£	£	£
UNRESTRICTED FUNDS				
General funds	**3,513,827**	**8,171,799**	**(7,944,827)**	**3,740,800**
RESTRICTED FUNDS				
Amazon Data Services UK Limited	**(211,750)**	**211,750**	**-**	**-**
The Big Give	**-**	**127,942**	**(85,251)**	**42,691**
Yusuf Islam Foundation	**-**	**52,000**	**(52,000)**	**-**
The Davies Family Charitable Fund	**-**	**50,000**	**(50,000)**	**-**
TP ICAP	**-**	**50,000**	**(50,000)**	**-**
The Social Bite Fund	**-**	**40,000**	**(40,000)**	**-**
Anonymous donor	**-**	**248,200**	**-**	**248,200**
Other restricted funds	**38,625**	**60,179**	**(93,965)**	**4,839**
	(173,125)	**840,071**	**(371,217)**	**295,730**
TOTAL FUNDS	**3,340,703**	**9,011,871**	**(8,316,044)**	**4,036,529**

The General fund is an unrestricted fund which is 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.

The **Amazon Data Services UK Limited** restricted fund is used to provide a breakfast food provision to 77 schools across the United Kingdom and fund a member of staff to support each school with optimising their breakfast provision. A difference in the timing of payments and expenditure meant that the charity had a negative balance in the restricted funds at the 2020 year end as the funds were received after the year end however this fund is now fully exhausted.

The Big Give restricted fund is used to provide a food aid to 15 or more schools in London.

The **Yusuf Islam Foundation** restricted fund is to provide term time and holiday hunger support to eight schools.

The **Davies Family Charitable Fund** restricted fund is to provide food aid to schools in the UK.

The **TP ICAP** and **The Social Bite Fund** restricted funds are both used to provide food aid to schools in the London region.

An **Anonymous donor's** restricted fund is used to cover the expenditure with respect to the development and implementation of our new Enterprise Resource Planning system.

Other restricted funds are made up of restricted funds which are subject to varying restrictions regarding their use, however no single fund is material in nature.

Statement of funds – prior year

	Balance at 1 September 2019	Income	Expenditure	Balance at 31 August 2020
	£	£	£	£
UNRESTRICTED FUNDS				
General funds	2,329,644	5,088,688	(3,904,505)	3,513,827
RESTRICTED FUNDS				
Amazon Data Services UK Limited	-	211,750	(423,500)	(211,750)
The Big Give	27,250	99,588	(126,838)	-
Impetus-PEF	-	93,750	(93,750)	-
Bank of America	-	80,665	(80,665)	-
Other restricted funds	59,724	168,379	(189,478)	38,625
	86,974	654,132	(914,231)	(173,125)
TOTAL FUNDS	2,416,618	5,742,820	(4,818,735)	3,340,703

18. Analysis of net assets between funds

Analysis of net assets between funds – current year

	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£	£	£
Intangible fixed assets	**52,656**	**-**	**52,656**
Fixed asset investments	**38,001**	**-**	**38,001**
Current assets	**4,808,017**	**295,730**	**5,103,747**
Creditors due within one year	**(1,157,874)**	**-**	**(1,157,874)**
	3,740,800	**295,730**	**4,036,529**

Analysis of net assets between funds – prior year

	Unrestricted funds 2020	Restricted funds 2020	Total funds 2020
	£	£	£
Fixed asset investments	34,009	-	34,009
Current assets	4,294,842	(173,125)	4,121,718
Creditors due within one year	(815,024)	-	(815,024)
	3,513,827	(173,125)	3,340,703

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds for the year for the year (as per Statement of Financial Activities)	**695,827**	924,085
ADJUSTMENT FOR		
Intangible fixed assets in development	**(52,656)**	-
Interest from investments	**(1,093)**	(1,004)
Income from investments	**(3,992)**	-
Decrease in stocks	**3,709**	(85,538)
Increase in debtors	**(296,057)**	(177,099)
Increase in creditors	**342,850**	582,102
NET CASH PROVIDED BY OPERATING ACTIVITIES	**688,589**	1,242,546

20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	**4,269,220**	3,579,538

21. Operating lease commitments

At 31 August 2021, the total of the charity's future minimum lease payments for office premises under non-cancellable operating leases was:

	2021 £	2020 £
AMOUNTS PAYABLE		
Within 1 year	**83,042**	28,322

During the year the charity took out a 1-year operating lease for their new premises. The lease is considered to be operating and not finance as there will be no transfer of ownership at the end of the lease period.

During the year, the lease expenditure for the year totalled £78,624 (2020: £78,624) which is recognised in the Statement of Financial Activities.

22. Related party transactions

Other than Trustee and Key Management Personnel transactions detailed in Note 10 and the donations noted below, there were no related party transactions during the period.

During the year, the charity received unrestricted donations of £3,183 (2020 - £13,740) and restricted donations of £75,213 (2020 - £19,515) from Trustees, Key Management Personnel and their related parties. The restrictions imposed were not significant.

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References

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Company registered charity: 04977015
Registered charity number England: 1102510
Registered charity number Scotland: SC048202