

# THE BREAD AND BUTTER THING.

England & Wales · Charity number 1169383

## Details

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|--------------------|--|
| <b>Other names</b> | HEATHFIELD DRIVE, TBBT, THE BENEFITS THING, THE BREAD AND BUTTER THING, THE DEBT THING, THE ENERGY THING, THE FOOD THING |
| <b>Status</b>      | Registered   |
| <b>Legal form</b>  | CIO  |
| <b>Registered</b>  | 2016-09-27   |
| <b>Register</b>    | <a href="#">View on the Charity Commission register</a>  |

## Contact

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|                |  |
|----------------|--|
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| <b>Website</b> | <a href="https://breadandbutterthing.org">https://breadandbutterthing.org</a>    |

## Activities

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**Objects:** A. THE RELIEF OF FINANCIAL HARDSHIP AND THE PROMOTION OF SOCIAL INCLUSION AMONG PEOPLE LIVING OR WORKING IN THE UK FOR THE PUBLIC BENEFIT BY PROVIDING SUCH PERSONS WITH, OR WITH ACCESS TO, GOODS, SERVICES AND/OR FUNDS WITHOUT A POVERTY PREMIUM WHICH THEY COULD NOT OBTAIN ACCESS TO THROUGH LACK OF MEANS AND/OR AS A RESULT OF THEIR SOCIAL AND FINANCIAL EXCLUSION FROM SOCIETY AS A RESULT OF ONE OF MORE OF THE FOLLOWING FACTORS: UNEMPLOYMENT, FINANCIAL HARDSHIP; YOUTH OR OLD AGE; ILL HEALTH (PHYSICAL OR MENTAL); SUBSTANCE ABUSE OR DEPENDENCY INCLUDING ALCOHOL AND DRUGS; POOR EDUCATION OR SKILLS ATTAINMENT; CRIME (EITHER AS A VICTIM OF CRIME OR AS AN OFFENDER REHABILITATING INTO SOCIETY). B. THE PROTECTION AND PRESERVATION OF THE ENVIRONMENT FOR THE PUBLIC BENEFIT BY THE PROMOTION OF FOOD WASTE AND FAST MOVING CONSUMER GOODS WASTE REDUCTION BY REDISTRIBUTING GOODS TO PEOPLE IN LOW INCOME HOUSEHOLDS. C. THE PROMOTION OF GOOD HEALTH AND NUTRITION BY PROVIDING AFFORDABLE ACCESS TO, AND SUPPLYING, A HEALTHY AND BALANCED DIET AND PROVIDING ADVICE AND EDUCATION ON A HEALTHY AND BALANCED DIET. D. ANY OTHER OBJECTS WHICH ARE CONSIDERED TO BE CHARITABLE IN ACCORDANCE WITH THE LAW OF ENGLAND AND WALES.

**Activities:** Activities focus on the relief of poverty premiums in low income families. The charity is building a membership model, whereby families with low disposable income will be offered the provision of a basket of services i.e. weekly supply of fresh food, to help that income go further, in return for a low membership fee. We have numerous venues across the UK.

## Classification

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- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Environment/conservation/heritage
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

## Geography

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- Throughout England

## Finances

| Period end | Income     | Expenditure | Assets     | Employees |
|------------|------------|-------------|------------|-----------|
| 2025-12-31 | £7,750,561 | £6,935,825  | £4,973,215 | 70        |
| 2024-12-31 | £6,763,867 | £6,022,296  | £4,158,477 | 60        |
| 2023-12-31 | £5,431,357 | £4,649,807  | £3,416,906 | 52        |
| 2022-12-31 | £3,720,560 | £2,677,772  | £2,635,356 | 40        |
| 2021-12-31 | £2,189,768 | £1,545,277  | £1,592,568 | 23        |
| 2020-12-31 | £1,805,342 | £1,145,154  | £948,077   | 13        |

## Trustees

| Name                        | Role | Appointed  |
|-----------------------------|------|------------|
| Barry Ivor Fine             |      | 2024-10-29 |
| Christopher James Humphries |      | 2026-01-21 |
| David John Wilkinson        |      | 2026-01-01 |
| Graeme Stewart Douglas      |      | 2019-06-21 |
| Gregory Sage                |      | 2022-06-15 |
| Ingibjorg Thordardottir     |      | 2022-06-15 |
| James Thomas Truscott       |      | 2024-10-29 |
| Philip Kaye                 |      | 2022-06-15 |
| Simone Amanda Sargeant      |      | 2024-10-29 |

**THE BREAD AND BUTTER THING.**

England & Wales - Charity number 1169383

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# Accounts

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**The  
bread  
and  
butter  
thing**

**Trustees  
Annual  
Report**

**2025**

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## Reference & Administrative Information

For the period ended 31 December 2025

The Charitable Incorporated Organisation was registered with the Charity Commission with the name of Heathfield Drive on 27 September 2016. The name was changed to The Bread and Butter Thing on 6 June 2017.

Charity number 1169383

Registered office and operational address The Bread and Butter Thing  
Warren Bruce Court  
Warren Bruce Road  
Stretford  
Manchester  
M17 1LB

Trustees Trustees who served during the year and up to the date of this report were as follows:

Will Bentley (*Chair, resigned September 2025*)  
Philip Kaye (*Treasurer; Chair from September 2025*)  
Graeme Douglas  
Greg Sage  
Inga Thordar  
Barry Fine  
James Truscott  
Simone Sargeant  
David Wilkinson  
Christopher Humphries

Key management personnel Mark Game *Founder*  
Jane Partington *Founder*  
Victoria Harper *Chief Executive*  
Michael Day *Managing Director (resigned April 2025)*  
Haris Ahmad *Finance Director (appointed September 2025)*

Bankers Santander  
712-716 Wilmslow Road  
Manchester  
M20 6DQ

Auditor Sayer Vincent LLP  
110 Golden Lane  
London  
EC1Y 0TG

# Trustees' Annual Report

For the period ended 31 December 2025

The Trustees present their report and the audited financial statements for the period ended 31 December 2025.

Reference and administrative information set out on page 3 forms part of this report. The financial statements comply with current statutory requirements, the CIO constitution and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to Charities preparing their accounts in accordance with FRS 102.

## Objectives & activities, purposes & aims

The Bread and Butter Thing (TBBT) exists to make everyday life more affordable for households facing sustained financial pressure. Through a network of community food clubs, we bring good quality food directly into neighbourhoods where access and affordability are often limited. By working with farmers, manufacturers and retailers, we redirect large volumes of surplus food that would otherwise go to waste and make it available to members at a low cost in familiar local spaces such as community centres, schools and church halls.

Our approach is practical, preventative and community focused. Members pay a small weekly fee to access fresh fruit and vegetables alongside a range of other food items. This helps families stretch their budgets, eat more nutritious meals and reduce the stress associated with rising food costs. Our model is open to the whole community and does not rely on referrals, it removes stigma and allows people to access support before financial pressure escalates into crisis.

Alongside improving affordability, our work delivers wider benefits. By redistributing surplus food, we reduce waste across the food supply chain and ensure that good food reaches people rather than being lost. By increasing access to fruit, vegetables and other nutritious foods, we support healthier diets and improved wellbeing. By operating through local community hubs, we create spaces where people can connect, volunteer and access additional support services that strengthen resilience in the communities we serve.

The Trustees review the Charity's aims, objectives and activities each year to ensure that our work remains focused on delivering meaningful public benefit. This report sets out what the Charity has achieved during the reporting period and the outcomes generated for the households and communities we exist to support.



## Every week...



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 Charity's main activities and who it tries to help are described below. As set out in its constitution, its charitable activities are undertaken to further The Bread and Butter Thing's charitable purposes for the public benefit.

The mission of TBBT is to unleash the power of food and ignite long-lasting change in struggling neighbourhoods across the UK. During 2025, this mission continued to be delivered through a scalable, community-rooted food club model designed to provide preventative, dignified support to households experiencing financial pressure.

During the reporting period, Trustees agreed the following strategic aims:

- To expand access to affordable, nutritious food in communities experiencing sustained cost-of-living pressures.
- To strengthen redistribution infrastructure in order to unlock greater volumes of surplus food from across the supply chain
- To further embed hubs as trusted, volunteer-led community spaces that foster inclusion and resilience.
- To relocate from the Trafford warehouse to a larger, more suitable facility that better reflects the scale and operational needs of the organisation.

## Expansion of Community Food Clubs

Performance against these aims is outlined below.

2025 was another year of mounting pressure on low-income households, with the cost of living crisis continuing to erode financial stability. Prices remain high, and essentials like food and energy are increasingly out of reach even for working households. For many of our members, it's not that life is getting easier, but that hardship is becoming normalised.

The demand is clear. By the end of 2025, we were supporting more than 150 hubs, stretching from Kent to Northumberland, including expansion into 22 additional communities over the course of the year. Our work spanned 34 local authority areas and 69 parliamentary constituencies. Membership exceeded 118,000 households, with an average reach of 2.7 people per household.

*“ Really so thankful for TBBT. I work in the NHS and even still the cost of living is so hard so really grateful for the community and food support. Thank you to all involved and allowing this service to be open to everyone. ”*

Member Sunderland

## Strengthening Community Hubs

Each new hub embeds itself in the local community, run by local volunteers, supported by TBBT's logistics and operations and helps many families every week.

Each hub provided a low-cost weekly food offer consisting of fresh fruit and vegetables, chilled goods and cupboard staples. The subscription-based model remained open-access, without referral or eligibility criteria, ensuring dignity and reducing stigma.

*“ Gives me relief knowing I can get fresh fruit and veg and cook my children healthier meals on a low budget. It is a life saver and the children look forward to seeing what surprises we get each week, then help me come up with menus to ensure we use everything up. When it's the choice of putting the heating on or eating, TBBT allows us to do both. ”*

Member Durham

## Redistribution of Surplus Food

TBBT continued to operate a supply driven, end to end redistribution model. We are the only Charity of scale in the UK unlocking surplus food directly from farms, manufacturers and supermarket supply chains, managing the journey from collection and warehousing through to last mile delivery via our own fleet and logistics partnerships. This integrated approach ensures surplus food moves quickly and efficiently from supply chains to communities.

During 2025, TBBT unlocked the equivalent of 21.4 million meals (based on DEFRA conversion methodology), diverting surplus food away from lower tiers of the food waste hierarchy and into households.

Support from the Department for Environment, Food and Rural Affairs (DEFRA) has significantly strengthened our ability to handle fresh produce and other surplus food at scale. Investment in infrastructure, equipment and logistics has improved how surplus is collected, stored and distributed, including increased direct sourcing from farms. This additional capacity enables us to manage bulk produce more effectively, maintain appropriate storage conditions and move food efficiently through the supply chain.

Operational efficiency is further improved through backhaul arrangements, using empty vehicles returning from deliveries to collect surplus food. This reduces transport costs and helps minimise environmental impact.

By investing in relationships and infrastructure, the Charity unlocked surplus food that might otherwise have been diverted to anaerobic digestion, used as animal feed or re-ploughed, ensuring that edible food reached people rather than falling to lower levels of the food waste hierarchy. This work directly contributed to the protection and preservation of the environment for public benefit, saving 22.5 million kg of CO<sup>2</sup> emissions.

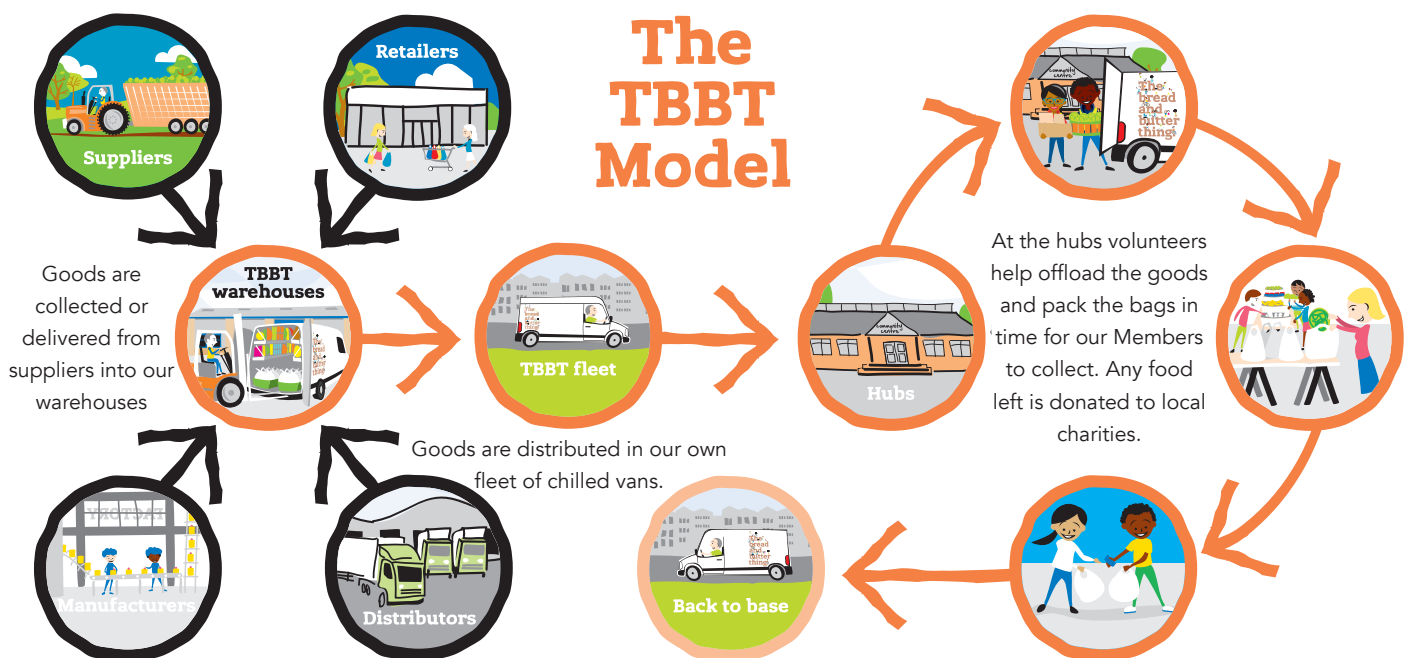
**“** Working with *The Bread and Butter Thing* has been a truly rewarding partnership. It’s fantastic to see our surplus vegetables going directly to families who really benefit from them. Thanks to TBBT’s efficient logistics model, we’re able to do this without adding any cost or complexity to our operations. It’s a practical, values-driven collaboration that delivers real impact where it’s needed most. **”**

Riviera Produce

## Scaling Our Infrastructure to Meet Demand

To support the continued growth of the organisation, new premises were secured in Eccles, Greater Manchester. The facility provides significantly more space and improved infrastructure, making it far better suited to the scale and operational demands of TBBT’s redistribution model. The move from Trafford required careful planning and coordination across the team and, while the transition was not without its challenges, the continuity of service remained a priority. Thanks to the efforts of staff and volunteers, no deliveries were missed and members continued to receive their weekly food shops without interruption.

## How we work



## Changes the Charity Seeks to Make

TBBT seeks to address what is often described as the “missing middle” in food insecurity provision.

We believe that food security shouldn't start at the point of crisis. That's why we advocate for and deliver a two tier approach.

Food banks remain a critical lifeline for people facing acute hardship. Our food clubs operate at the next level, providing consistent, preventative support that helps households stay afloat and avoid reaching crisis point. Members access healthy, nutritious food each week through local community hubs without referrals, eligibility tests or stigma. This open access model helps create a dignified and trusted environment where families can seek support earlier, before pressures escalate.

The Charity's food club model therefore provides ongoing, preventative support designed to stabilise household budgets and reduce the impact of exposure to long term financial strain.

Among members responding to the 2025 survey, 13.0% reported using a food bank in the three months before joining. After becoming members, 51.2% of these prior users reported stopping, reducing, or choosing TBBT instead of a food bank, suggesting that consistent access to affordable food can play an important role in reducing reliance on emergency food provision.

The Charity also seeks to influence systemic change by demonstrating that redistribution can be scalable, dignified and economically efficient. Evidence gathered through member surveys and operational data continues to inform engagement with policymakers and sector partners.

*“ A lifeline in a difficult situation. I recently lost a well-paying job and unfortunately did not have savings to back me up. A friend recommended TBBT to me. I've been every week since then and am very grateful for the service you provide. I have been able to maintain a healthy diet for my 3 children without worrying about the cost of food. The quality and quantity of food is top notch. Thank you so much. ”*

Member Maidstone

## Strategy for Achieving Objectives

TBBT maintains a strategy built on five core pillars:

1. Supply at scale – deepening relationships across the food industry to increase volume and reliability of surplus supply.
2. Logistics capability – investing in warehousing, fleet and route optimisation to manage growth efficiently.
3. Community partnership – embedding hubs within established local organisations.
4. Prevention focus – maintaining open-access membership to reduce stigma.
5. Evidence and advocacy – using data and lived experience to inform policy discussion.

This strategy enabled the Charity to balance continued expansion with operational control and risk management.

## Achievements and Performance

During the year, TBBT continued to expand access to healthy, affordable food in communities facing sustained cost-of-living pressure. Our food club model focuses on the two core drivers of food insecurity identified in national research: affordability and access. By bringing nutritious food directly into underserved communities, our hubs help households stretch their budgets while improving the quality of food available to them. In doing so, we support not only household finances but also the longer-term health and wellbeing of our members.

TBBT continued to demonstrate its role as a preventative form of support, helping households remain stable before financial pressure escalates into crisis. Survey evidence shows that many members are managing with very limited financial headroom, with around one third reporting that they have had to borrow money to cover everyday essentials. By lowering the cost of food and improving reliable access to fresh, nutritious produce, the Charity helped households maintain regular meals and reduce the need to cut back on food spending when budgets are under strain. Members consistently report reduced worry about feeding their families and greater ability to manage everyday costs.

The open access, non-stigmatising nature of the model enables people to seek support earlier, rather than waiting until crisis thresholds are reached. In addition, TBBT hubs strengthen local community infrastructure, creating trusted spaces that support wellbeing and social connection. Together, these outcomes demonstrate how affordable food access can operate as an effective layer of poverty prevention alongside wider public services and income support.

We operate a supply driven model, meaning we work continuously with farmers, manufacturers and retailers to remove barriers that prevent surplus food from reaching communities. By opening new routes for redistribution, we ensure good food is not wasted but instead reaches households that can benefit from it. Our ability to grow is fuelled by strong relationships with the food industry. From farms and fields to manufacturing sites and regional distribution centres, we are focused on making redistribution easier, more efficient and more sustainable. By identifying practical, low-cost solutions to logistical challenges such as the management of transport assets or the coordination of short-dated goods, we have unlocked hundreds of tonnes of edible surplus that would otherwise have been wasted.

The Charity began its activities in late 2016 and has grown steadily each year since. We have never moved out of a community or missed a weekly delivery. Access to healthy, affordable food remains a significant challenge in many of the communities we serve, but there is also a strong appetite for practical solutions. Experience shows that once a community hub opens, local residents quickly engage with it. Our model is built on trust, consistency and strong local relationships, which is why participation continues to grow week by week.

*“ It gives me access to higher quality foods than I can often afford. There is a big range of food, and I can try new foods that I otherwise wouldn't be able to take the risk in purchasing, due to my strict food budget. Costs of food are rising with each trip to the shop it seems, and so it is a huge weight off my shoulders to have a range of good quality food at a low price each week. I supplement what has come from TBBT with smaller grocery shop trips to make the food last further and to create nutritious and varied meals. ”*

Member Peterborough

## Promotion of Health and Nutrition

Access to fresh produce remained central to the weekly offer.

Member insight gathered during 2025 showed that:

- 75% of members reported eating more fruit and vegetables
- 80% reported cooking more meals at home
- 70% reported skipping meals less often

Dietary patterns also reflected regular fruit and vegetable consumption, with 51.1% of respondents reporting eating 2–4 portions per day and a further 12.3% consuming five or more portions daily. These changes are significant in the context of rising living costs, where food is often the first household expense to be reduced when budgets are under pressure. By increasing reliable access to fresh produce and lowering the cost of everyday essentials, the Charity helped households maintain healthier eating habits, reduce the need to cut food spending, and support wellbeing in low income communities.

This matters not only for diet but for overall wellbeing. Financial pressure and food insecurity are closely linked to stress, reduced resilience and poorer physical and mental health outcomes. By improving access to healthy food and reducing the need for households to cut food spending, the Charity supports healthier dietary habits while also helping to ease the cumulative pressures that can push families closer to crisis. Member insight reflects this impact, with 31% reporting improved physical health and 48% reporting improved overall wellbeing.

These outcomes demonstrate how reliable access to fresh produce can support both healthier diets and greater everyday stability in low income communities.

*“ Having used bread and butter thing for the last several months, it has helped with my nutrition, as I am getting more fruit and veg in my diet. I am also getting out more and involved with the community, so it is helping with my mental health and wellbeing. ”*

Member Doncaster

## Community Strength and Social Inclusion

Our model is rooted in community pride and ownership. From day one, we've seen that the communities we serve don't just want support; they want to be part of the solution. Our volunteers are our members, our neighbours, our community champions. They know the people we serve and often bring warmth, trust, and familiarity that only a local can offer. For many, volunteering is more than a role: it's a way of building confidence and connecting with others.

During 2025 over 200,000 volunteer hours were contributed across hubs and warehouses.

*“ Allowed me to eat more regular healthy foods, I have made new friends both with others using TBBT and with the volunteers who help us, I look forward to going on a Thursday as it has become a social event as well as helping me survive and eat better. ”*

Member Stoke

## Achievements and Performance

Hubs functioned not only as food distribution points but as community spaces where members could connect and access additional support.

Our data shows that TBBT is generating significant social value at a community level, even though social participation is not a condition of access. Members rate TBBT's contribution to the community very highly, with a score of 9 out of 10, indicating a strong shared sense that the model benefits the wider area. This perception is broad-based across the membership and is not limited to households who are out of work or more socially engaged.

This sense of community benefit is closely linked to how welcome members feel. Feeling welcome at TBBT again has a score of 9 out of 10, and the relationship between feeling welcome and perceiving community benefit is particularly strong. This highlights that everyday experiences of dignity, familiarity and respect are central to how social value is created, regardless of employment status or capacity to participate.



The Big Brew Time has continued to add huge value throughout 2025, providing a warm, welcoming space where our members can return to their local hub for a chat, a hot drink, and a chance to connect with others. Over 30,000 hot drinks were shared across nearly half of our hubs, helping reduce isolation and strengthen local relationships. Our non-stigmatising approach builds trust through shared experience and activity, something that's more important than ever.

With around 60–80 households attending our weekly sessions, members report a strong sense of connection: nearly 70% feel more connected to their community, over 92% feel welcome at their local hub, and nearly 50% have formed new friendships through TBBT hubs.

This activity directly supported the promotion of social inclusion.

**“** *When I joined, I was so anxious that I cried when I got to the front and had to speak to a stranger. The lady who helped me didn't just talk to me, she did every step with me. I didn't feel embarrassed I felt supported. Enough to keep going. It also showed me that I needed to get back to the world. So, I went for a takeaway away coffee and survived. I joined the library...* **”**  
Member Manchester

## Partnership and Wraparound Support

Throughout 2025, hubs provided a platform for additional services including energy advice, debt guidance and digital inclusion initiatives.

During 2025, we worked with over 200 partner organisations, enabling over 1000 visits and direct engagement across our hub network, ensuring members could access in person trusted advice and practical support alongside affordable food.

By guaranteeing regular footfall in trusted community spaces, TBBT enabled partner organisations to reach households who might otherwise face barriers to accessing support.

*“ We linked up with the Bread and Butter Thing because we know money worries and economic stress are high pressure right now, and not everyone is going to walk into a talking therapy service Meeting people where they already felt comfortable just made sense for us. ”*

NHS Manchester Talking Therapies

*“ The beauty is that the Bread and Butter Thing have already built up trust with their members. When we’re there having those conversations, our message lands better because it’s backed up by a brand people know and trust. ”*

Anglian Water

## Listening and Insight

TBBT also amplifies member voices through its weekly podcast, which provides a platform for people to share their lived experiences of affordability, food and everyday financial pressure. Recorded as part of our ongoing engagement with communities, the podcast allows members to speak in their own words about how rising costs, work, health and family life interact in practice.

Alongside survey data and operational insight, this growing archive of conversations helps us build a deeper understanding of how food insecurity and financial strain are experienced over time. By bringing these perspectives into the public domain, the podcast strengthens our ability to inform policy discussions with grounded, real-world insight and ensures that the voices of households facing sustained pressure remain central to conversations about prevention and affordability.

## Recognition and Awards

Recognition of the Charity's work continued during the year through a number of national awards across the food, retail, sustainability and charity sectors. TBBT was recognised at the World Food Innovation Awards, winning Best CSR/Sustainability Initiative, and at the Better Society Awards for Partnership with a National Charity / Environmental Charity. The organisation also received significant recognition at the Third Sector Awards, where it won Best Sustainability Initiative for Turning Surplus into Support in partnership with Co-op and was also named Best Medium Charity of the Year.

Our work was further acknowledged through shortlisting at the British Podcast Awards in the Impact category for our podcast amplifying member voices, the Retail Industry Awards for Most Sustainable Retailer Initiative of the Year, and the Charity Times Awards for Corporate National Partnership of the Year with a Retailer alongside Morrisons. These recognitions reflect the growing impact of our model and the strength of the partnerships that enable surplus food to reach communities at scale.

## Measuring Success

Trustees assessed performance through a combination of operational, financial and impact measures, including:

| Description                          | 2025       | 2024       | 2023       | 2022      | 2021      |
|--------------------------------------|------------|------------|------------|-----------|-----------|
| Memberships                          | 114,000    | 100,000    | 75,000     | 48,000    | 23,000    |
| Members served each week             | 6,100      | 5,700      | 4,900      | 3,600     | 2,100     |
| (based on DEFRA figures) Total Meals | 11,146,000 | 10,798,000 | 10,512,000 | 7,312,000 | 3,848,000 |
| Volunteer Hours per month            | 15,205     | 13,400     | 10,600     | 9,400     | 5,000     |
| Community Hubs                       | 153        | 131        | 115        | 81        | 53        |

In addition, success is measured through a range of indicators, including the diversification of income streams, the strength of the Charity's reserves position, and insight gathered through the annual member survey.

These areas are regularly reviewed by Trustees through management reporting and risk oversight processes and inform their assessment of the Charity's performance and long term sustainability. Trustees are satisfied that during 2025 the Charity continued to deliver substantial public benefit at scale while maintaining alignment with its constitutional purposes.

**“** *I've been in financial crisis this year due to being in family court and forced to cut my working hours to half time due to being a lone parent to a disabled child. Without The Bread and Butter Thing I would not have been able to buy food last month or pay my bills. It's been a safety net for my family and I.* **”**  
Member Warrington

**“** *Helped alleviate the anxiety and depression that came with not having enough money to buy groceries and worrying about eating healthy and not having to make do with cereal or toast some evenings, my mental health is a lot better.* **”**  
Member Peterborough

## Financial Review

Income for the year was £7,750,561 (2024: £6,763,867) of which £3,392,814 (2024: £3,076,416) came from membership fees and £ 3,748,141 (2024: £3,232,074) from grants and donations.

During 2025 we have been fortunate to have received funding for growth from a range of valued partners. We have been supported to open in new communities by Maidstone Borough Council and National Lottery Community Fund through the Reaching Communities programme.

We have also continued our initiatives from earlier years, working with the Household Support Fund in partnership with Durham Council and Darlington Council. These projects increase our impact by enabling us to offering additional food and fuel support to communities across our network.

Nourish the Nation Funding (Comic Relief and Sainsburys) has continued to fund us to expand and develop. In 2025, they awarded us £1,975,000 (2024: £1,750,000) to help our geographical expansion, to provide support focussed on reducing child poverty and enhance the holiday activities and food Programme in the communities we work.

The Bread and Butter Thing remain committed to helping our members stretch their budgets, help them eat better and ensure surplus food is used to feed people. We are grateful to all our new and repeating funders whose support makes this work possible.

The Trustees have evaluated the Charity's risk register and identified key risks that necessitate holding reserves in case these risks materialise. The primary operational risks include a potential shortfall in planned funding, and short and medium-term cost pressures, particularly the costs of transporting bulk food into our warehouses. The Trustees have determined an appropriate reserves range that balances the need to safeguard the Charity's operations against ensuring that funds are not held excessively, which could hinder The Bread and Butter Thing from delivering the vital services so urgently needed.

## Reserves

As of 31 December 2025, the trustees consider an appropriate reserves range to be between £600k - £1050k.

| Reserves                                   | £                |
|--|------------------|
| Unrestricted funds at Y/E in Balance Sheet | 1,826,423        |
| Less: unrestricted fixed assets            | (667,342)        |
| Designated funds                           | (150,000)        |
| <b>Total Reserves</b>                      | <b>1,009,081</b> |

A total of £150k will be set aside as designated reserves as summarised below.

- Our Chilton premises require refurbishment estimated at £50k (Q3 2026).
- Invest in food sourcing to widen our range of suppliers £84k (Q2 2026).
- Remaining relocation between temporary premises to new premises within Trafford £16k (Q1 2026).

The total funds held by The Bread and Butter Thing as of 31 December 2025 amounted to £4,973,215 of which £3,146,792 are restricted. In addition to the designated reserve of £150,000 mentioned above, the resulting unrestricted reserves at that date totalled £1,009,081 (net of fixed assets £667,342). This figure sits close to the upper limit of the reserves range (£1,050,000). Given the current operational challenges and economic environment, the Trustees are satisfied with this position and will continue to monitor it closely throughout the year.

## Principal Risks & Uncertainties

As part of our commitment to strong governance and sustainability, the Trustees actively monitor and manage the risks facing TBBT. Our risk management approach ensures that we remain resilient in the face of uncertainty and continue to deliver impact in the communities we serve.

The Trustees have ultimate responsibility for risk management and for ensuring that TBBT's internal control systems are robust and effective. They are satisfied that appropriate processes are in place to identify key risks and mitigate them. Risk is regularly reviewed and assessed across operational, financial, compliance, and strategic areas through a detailed Risk Register, which is monitored and updated monthly by the Senior Leadership Team.

Over the past year, we have seen a complex risk landscape emerge, shaped by economic instability, rising prices, and operational pressures. We continue to assess and respond to these challenges through robust planning and prudent financial management. Given the ongoing economic environment, we expect 2026 to remain a challenging year and will continue to manage risk carefully to safeguard the Charity's sustainability.

We proactively mitigate financial risks through secure funding pipelines, commissioned fundraising expertise, and meticulous documentation of financial systems. Regular budget monitoring and value for money assessments are conducted to ensure financial stability.

The Trustees ensure that an effective system of internal financial control is maintained, operated through delegated authority and regular reporting. The Finance Working Group actively challenges and scrutinises internal controls to strengthen governance oversight.

During 2025, Trustees identified strategic risks relating to warehouse capacity, long term financial sustainability and operational resilience. The Trafford warehouse had become too small for the scale and complexity of the Charity's growing operations, while the Stoke warehouse presented longer term financial sustainability challenges.

Following review, a decision was taken to consolidate operations into a larger, purpose suitable facility at Lyntown (Eccles), providing increased capacity and improved infrastructure. As part of this transition, the Stoke warehouse was closed and all associated hubs are now serviced from Lyntown.

The transition carried operational and logistical risk, including potential disruption to supply chains and hub deliveries. These risks were actively managed by the Chief Executive, working in close liaison with the Chair of Trustees to ensure appropriate mitigation measures were in place. Detailed planning, phased transition and enhanced oversight ensured continuity of service. No hub deliveries were missed during the move and operations continued uninterrupted throughout the consolidation process, representing a significant operational achievement during a period of organisational change.

Operational risks such as food safety, transport reliability, and fleet maintenance are managed through rigorous policies, routine audits, and investment in systems and training. For example, Health & Safety and Food Safety compliance are subject to mandatory training, regular site audits, and Primary Authority oversight.

Recruitment remains a key organisational challenge, particularly in securing staff of the right calibre to support our ambitious growth plans and maintain the high standards expected across our operations. While we offer a strong employment proposition, including flexible working and a values led culture, the pace and complexity of our service requires exceptional talent. We continue to strengthen our recruitment approach and invest in internal development to build resilience and ensure continuity.

As a largely paperless organisation, TBBT relies on digital systems to manage membership data, logistics, finance and internal communications. Trustees recognise that this creates exposure to IT and data security risks and therefore ensure appropriate safeguards are in place. Core systems are cloud based, access controlled and subject to regular review, with multi factor authentication used where appropriate. Business continuity arrangements are maintained, including secure backups and a documented contingency plan to allow essential operations to continue in the event of system disruption. The Charity operates a data minimisation approach and is deliberately data light. We hold only the name, contact number and postcode of members for operational purposes and have no requirement to share member data with third parties. A clear Privacy Notice is in place, and the Charity complies with UK GDPR requirements, with processes to manage consent, data retention and secure deletion.

Our significant partnership with Comic Relief, which supports key areas of our work, is currently secured through to 2027. However, we are mindful of the need to prepare for a future without this support. Should it not be renewed, we estimate that a six-month window would be required to restructure operations or source alternative funding.

Our ability to deliver our services is fundamentally linked to the availability of surplus food. During the year we significantly broadened the range of suppliers we work with and strengthened our infrastructure to ensure we can receive, handle and distribute large volumes of donated food quickly and efficiently. This remains a key area of focus and we continue to invest in capacity, with the support of the Trustees, to ensure that our growth is supported by a reliable and sustainable supply of food.

Transport and logistics remain our largest operational cost after wages and salaries, and these costs are monitored closely to ensure value for money and operational efficiency. Looking ahead to 2026, there is a possibility that transport costs may increase further due to ongoing volatility in global markets and the wider geopolitical landscape. We will continue to monitor these factors carefully and adapt our operational planning accordingly.

UK food security continues to present a long-term strategic challenge, particularly as supply chains face increasing pressure from global instability, climate change and rising production costs. We are keen to continue our engagement with Government highlighting the important role that redistribution can play in strengthening the resilience of the food system. Working in partnership with government and industry, we support efforts to reduce food waste across the supply chain and ensure that edible surplus food is prioritised for people, rather than diverted to lower value uses such as animal feed or anaerobic digestion. We will continue to promote the food waste hierarchy and support greater transparency through food waste reporting to help ensure more surplus food reaches communities where it is needed.

We remain committed to ongoing risk evaluation and are confident that our current framework supports the continued growth and resilience of the organisation. By integrating best practices and learning from peer organisations, we strive to enhance our risk management strategies continually. Our aim is to be nimble, prepared, and responsive, so that we can protect our services and continue to support tens of thousands of families, whatever comes our way.

## Fundraising Statement

Following the initial investment required to establish a new hub, TBBT's model was designed to move towards regional sustainability, with membership income contributing significantly to ongoing local operating costs. Fundraising activity is therefore focused primarily on enabling growth, keeping costs affordable for members and investing in infrastructure and wider services that strengthen long term community impact.

During 2025, however, the Charity experienced significant cost pressures. While inflation affected a range of operational areas, third party logistics costs increased materially as the Charity sourced bulk quantities of surplus food from across the UK. These transport costs are expected to continue rising in 2026 at a rate above general inflation.

As a result of these pressures, membership income alone is insufficient to cover ongoing regional running costs. In response, 2025 saw an increased strategic focus on fundraising and storytelling to strengthen the Charity's financial resilience and competitive positioning within an increasingly constrained funding environment.

All fundraising activity during the previous year has been undertaken by the senior management team. Trustees recognised the need to build dedicated capacity in this area and took steps during 2025 to secure external support. Plans were progressed to strengthen fundraising capacity, with a dedicated fundraiser appointed and starting in role at the end of July 2025 to support the organisation's future growth and long-term sustainability objectives.

The Charity remains committed to being a Living Wage employer and to maintaining dignity and affordability for members, many of whom continue to navigate sustained economic pressure. External funding plays a critical role in enabling this commitment.

During the year, funding from The National Lottery Community Fund through the Reaching Communities programme supported expansion into additional communities in Gateshead, extending access to affordable food and preventative support.

During 2025, funding secured through DEFRA's Tackling Food Surplus at the Farm Gate programme enabled targeted capital investment to increase the Charity's capacity to work directly with farmers and growers. This funding supported improvements in storage infrastructure and handling capability, strengthening our ability to receive, manage and redistribute larger volumes of fresh produce. The investment has enhanced both environmental impact and supply resilience, enabling more surplus food to be prioritised for people rather than diverted further down the waste hierarchy.

We are grateful for the continued support of our work from The Lyons Trust, The Purslow Trust, and Cummins as well as new support from Short Straw International, AESSEAL, LDH (La Doria) Ltd and Hilton Foods. The Charity is also especially grateful for support received through the Nourish the Nation programme, which made a meaningful contribution.

Trustees confirm that the Charity complies with the Fundraising Regulator's Code of Fundraising Practice and that no complaints relating to fundraising were received during the year.

## Investment Policy

The Charity's short term cash deposits are managed through Flagstone Investment Management, a cash deposit platform that provides access to multiple UK banking institutions through a single account. This enables diversification of cash holdings while maintaining liquidity and capital security. The Charity does not hold surplus funds in stocks or shares. Day to day management of cash and deposits sits with the Finance Director, who monitors balances, interest rates and counterparty exposure to ensure funds are placed prudently and remain readily accessible to support operational and strategic commitments.

## Structure, Governance and Management

The organisation is a Charitable Incorporated Organisation (CIO), incorporated and registered as a Charity on 27 September 2016 in England and Wales. The CIO was established under its constitution, which sets out the Charity's objects and powers and governs its operations.

Trustees serving during the year are set out below:

- William Bentley
- Graeme Douglas
- Barry Fine
- Philip Kaye
- Gregory Sage
- Simone Sargeant
- Ingibjorg Thordardottir
- James Truscott

Day to day management of the Charity is led by Chief Executive Vic Harper, supported by Haris Ahmad as Finance Director.

The Charity extends its sincere thanks to Will Bentley, who concluded nine years of service as a Trustee during the period. His leadership and contribution since the Charity's early development have been significant in supporting its growth to national scale.

At the September Board meeting, Philip Kaye was appointed Chair of Trustees and James Truscott was appointed Vice Chair, supporting the continued development and governance of the organisation.

Will Bentley, former Chair of Trustees, Jane Partington and Mark Game serve as Patrons of the Charity, continuing to offer insight, experience and advocacy in support of the organisation's mission.

The Charity is grateful to Founders Mark Game and Jane Partington for their continued support. As Patrons, they remain strong advocates for the organisation, offering guidance, experience and encouragement while allowing the operational leadership and Trustee Board to take the Charity forward into its next phase of development.

During 2025, further work was undertaken to strengthen management resilience across the organisation, ensuring continuity and sustainability as the Charity continued to grow in scale and complexity. The leadership team operates within a clear governance framework and is responsible for delivering the strategy agreed by Trustees, maintaining operational oversight and upholding the Charity's values.

During 2025, steps were also taken to strengthen the Board's skills mix in line with the organisation's operational maturity. As the Charity has grown, particular attention has been given to ensuring the Board reflects both the scale of the workforce and the increasing complexity of the redistribution infrastructure. As a result, two new Trustees joined the Board in early 2026. Christopher Humphries was appointed, bringing expertise in logistics and supply chain, and David Wilkinson was appointed,

contributing experience in human resources. Their appointments further strengthen the Board's ability to provide effective oversight and support the organisation's continued development. All new Trustees undergo a structured induction process. This includes receiving key governance documents, meeting members of the senior leadership team, reviewing financial and risk reporting frameworks, and spending time operationally within warehouses and community hubs to gain direct insight into service delivery. Trustees are encouraged to maintain active engagement with the organisation to ensure informed oversight and strategic contribution.

Trustees are required to disclose all relevant interests and register them with the Charity's legal adviser. In line with the Charity's conflicts of interest policy, Trustees withdraw from any decisions where a conflict may arise.

The Board of Trustees met monthly during 2025 to review performance, financial position, risk and strategic delivery. This frequency of formal oversight reflects the size and operational scale of the organisation. Trustees receive regular management accounts, risk updates and operational reporting, enabling effective scrutiny and challenge. In addition to full Board meetings, thematic working groups operated throughout the year to provide deeper focus on key areas of the organisation. These groups are made up of both Trustees and employees and support detailed oversight and collaborative development in areas such as finance, growth, governance, risk and organisational culture. This structure enables Trustees to draw on internal expertise while maintaining appropriate governance boundaries.

The remuneration of the senior management team is set by the Trustees, with the aim of paying fair and appropriate salaries while remaining mindful of the Charity's financial position and responsibilities as a publicly accountable organisation. All Trustees give their time voluntarily and receive no remuneration or other benefits from the Charity. Any expenses reclaimed are disclosed in note 6 to the financial statements.

## Plans for the Future

Trustees look ahead to 2026 with confidence in the Charity's direction and a clear understanding of the responsibilities that come with operating at scale.

The experience of 2025 reinforced two realities. First, that demand for affordable food remains sustained and structural rather than temporary. Second, that growth must be matched by strong infrastructure, financial resilience and disciplined decision making. During 2025, the Charity demonstrated its ability to manage significant operational change while maintaining uninterrupted service to members. The consolidation of warehouse operations, alongside continued national redistribution at scale, reflects an organisation capable of adapting while continuing to deliver national impact through a lean operating structure.

Looking forward, Trustees' priorities for 2026 are:

- To consolidate and optimise operations at the Lyntown (Eccles) warehouse, embedding efficiencies gained through centralisation.
- To strengthen long term financial sustainability through diversified income and increased fundraising capacity.
- To strengthen cost control across the supply chain, with particular focus on managing and reducing logistics expenditure through route optimisation, backhaul utilisation and improved procurement discipline.
- To deepen direct relationships with farmers and primary producers, building on DEFRA pre farm gate investment and increasing fresh produce supply.
- To protect affordability for members while maintaining quality and service reliability.
- To continue constructive engagement with government and sector partners to ensure that policy reflects operational reality and lived experience.

Trustees are realistic about the challenges ahead. However, experience gained during 2025 has strengthened our ability to respond decisively and allocate resources where they will have the greatest impact.

We continue to learn, refine and improve. Yet the scale of our redistribution model, the reach of our community hubs and the insight gathered from members provide strong foundations for continued growth and influence.

Trustees remain committed to responsible expansion, collaboration within the redistribution ecosystem and the delivery of dignified, preventative support for communities under sustained pressure. The year ahead will focus on building depth as well as reach, ensuring that growth continues to be matched by resilience, integrity and measurable impact.

The Charity's independent auditor for the year was Sayer Vincent LLP.

Sustainability at TBBT is rooted in the responsible management of resources, the strength of community relationships and the integrity with which we operate within the wider redistribution ecosystem.

## **Environmental, Social and Governance**

### **Environmental**

TBBT operates at the intersection of affordability and environmental responsibility. By redistributing surplus food that would otherwise be wasted, we reduce avoidable emissions and ensure edible food is prioritised for people in line with the food waste hierarchy. During 2025, redistribution activity saved an estimated 22.5 T of CO<sup>2</sup> emissions.

Our end to end model enables us to unlock surplus food directly from farms, manufacturers and supermarket supply chains, often accepting product that requires speed, flexibility or additional handling. We maximise efficiency through backhaul logistics wherever possible, using vehicles returning from deliveries to collect surplus food, reducing unnecessary mileage and lowering environmental impact.

During 2025, funding secured through DEFRA's Tackling Food Surplus at the Farm Gate programme supported targeted capital investment that strengthened the Charity's long term environmental and operational sustainability. The investment enhanced our storage infrastructure and fresh produce handling capability, increasing our capacity to work directly with farmers and growers. This has improved our ability to manage seasonal surpluses and receive larger volumes of produce at pace, ensuring more edible food is prioritised for people rather than diverted further down the waste hierarchy. These measures strengthen both environmental impact and supply resilience, enabling responsible growth at scale.

### **Social**

Social sustainability sits at the heart of the model. TBBT operates an open access, subscription based food club designed to provide preventative support before households reach crisis point. By lowering the cost of a core essential, we help families remain stable and reduce reliance on emergency provision

Volunteers remain central to the Charity's success. During 2025, community volunteers contributed 183,000 hours across hubs, creating welcoming and trusted community spaces. Hubs function as more than distribution points; they foster connection, reduce stigma and promote inclusion in neighbourhoods experiencing sustained pressure. Member feedback continues to demonstrate strong levels of community belonging and improved access to fresh, nutritious food, reinforcing the preventative and inclusive nature of the model.

## Governance

TBBT is committed to operating responsibly within the wider redistribution landscape. We are clear that our role is not to commercialise distribution or displace the work of other charities and community organisations. Instead, we seek to complement and strengthen the existing ecosystem. Our agility allows us to work alongside other redistributors, collecting surplus food that they are unable to accommodate due to timing, volume, geography or infrastructure constraints. In doing so, we help ensure that more edible food is prioritised for people rather than diverted further down the waste hierarchy.

We also work constructively with government at both local and national level, sharing operational data and member insight to inform policy development. Through this engagement, we seek to support practical, evidence based approaches to food redistribution, affordability and prevention, ensuring that policy reflects lived realities on the ground.

These environmental, social and governance commitments ensure that TBBT continues to grow responsibly, delivering impact at scale while remaining collaborative, transparent and firmly rooted in public benefit. access to fresh, nutritious food, reinforcing the preventative and inclusive nature of the model.

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity'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 reappointed as the charity's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has been approved by the Trustees and signed on their behalf by

*Philip Kaye*  
**Chair of Trustees**  
21/04/2026

*James Truscott*  
**Vice Chair**  
21/04/2026

## Statement of responsibilities of the Trustees

# Independent Auditor's report To the members of The Bread and Butter Thing

## Opinion

We have audited the financial statements of The Bread and Butter Thing (the 'Charity') for the year ended 31 December 2025 which comprise of 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 Charity's affairs as at 31 December 2025 and of its incoming resources and application of resources, for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- Have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

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

## Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Bread and Butter Thing'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.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

The information given in the Trustees' annual report is inconsistent in any material respect with the financial statements;

Sufficient accounting records have not been kept; or

The financial statements are not in agreement with the accounting records and returns; or

We have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' annual report, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report

### **Use of our report**

This report is made solely to the Charity's Trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard  
 19 May 2026  
 Sayer Vincent LLP,  
 Statutory Auditor  
 110 Golden Lane,  
 LONDON,  
 EC1Y 0TG.



**The  
bread  
and  
butter  
thing**

**Accounts**

**2025**

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2025

|                                    | Note | Unrestricted<br>£ | Restricted<br>£  | 2025<br>Total<br>£ | Unrestricted<br>£ | Restricted<br>£  | 2024<br>Total<br>£ |
|------------------------------------|------|-------------------|------------------|--------------------|-------------------|------------------|--------------------|
| <b>Income from:</b>                |      |                   |                  |                    |                   |                  |                    |
| Donations and Other Income         | 2    | 147,009           | –                | 147,009            | 124,486           | –                | 124,486            |
| Charitable activities              | 3    | 3,855,411         | 3,748,141        | 7,603,552          | 3,407,307         | 3,232,074        | 6,639,381          |
| <b>Total income</b>                |      | <b>4,002,420</b>  | <b>3,748,141</b> | <b>7,750,561</b>   | <b>3,531,793</b>  | <b>3,232,074</b> | <b>6,763,867</b>   |
| <b>Expenditure on:</b>             |      |                   |                  |                    |                   |                  |                    |
| Charitable activities              | 4a   | 3,900,612         | 3,035,213        | 6,935,825          | 3,098,963         | 2,923,333        | 6,022,296          |
| <b>Total expenditure</b>           |      | <b>3,900,612</b>  | <b>3,035,213</b> | <b>6,935,825</b>   | <b>3,098,963</b>  | <b>2,923,333</b> | <b>6,022,296</b>   |
| <b>Net income before transfers</b> |      | <b>101,808</b>    | <b>712,928</b>   | <b>814,736</b>     | <b>432,830</b>    | <b>308,741</b>   | <b>741,571</b>     |
| Transfers between funds            |      | 318,932           | (318,932)        | –                  | –                 | –                | –                  |
| <b>Net income for the year</b>     | 5    | <b>420,740</b>    | <b>393,996</b>   | <b>814,736</b>     | <b>432,830</b>    | <b>308,741</b>   | <b>741,571</b>     |
| <b>Reconciliation of funds:</b>    |      |                   |                  |                    |                   |                  |                    |
| Total funds brought forward        |      | 1,405,683         | 2,752,796        | 4,158,479          | 972,853           | 2,444,055        | 3,416,908          |
| <b>Total funds carried forward</b> |      | <b>1,826,423</b>  | <b>3,146,792</b> | <b>4,973,215</b>   | <b>1,405,683</b>  | <b>2,752,796</b> | <b>4,158,479</b>   |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18.

## Balance sheet

As at 31 December 2025

|  | Note | £                | 2025<br>£               | £                | 2024<br>£               |
|--|------|------------------|-------------------------|------------------|-------------------------|
| <b>Fixed assets:</b>                           |      |                  |                         |                  |                         |
| Tangible assets                                | 10   |                  | 1,576,030               |                  | 1,142,973               |
| Intangible assets                              | 11   |                  | 4,150                   |                  | 16,758                  |
|  |      |                  | <u>1,580,180</u>        |                  | <u>1,159,731</u>        |
| <b>Current assets:</b>                         |      |                  |                         |                  |                         |
| Debtors  | 12   | 2,960,678        |                         | 2,242,707        |                         |
| Short term deposits                            |      | 904,573          |                         | 1,016,591        |                         |
| Cash at bank in hand                           |      | 895,054          |                         | 465,779          |                         |
|  |      | <u>4,760,305</u> |                         | <u>3,725,077</u> |                         |
| <b>Current Liabilities:</b>                    |      |                  |                         |                  |                         |
| Creditors: amounts falling due within one year | 13   | (1,272,995)      |                         | (627,251)        |                         |
|  |      |                  | <u>3,487,310</u>        |                  | <u>3,097,826</u>        |
| <b>Net current assets</b>                      |      |                  | <b>3,487,310</b>        |                  | <b>3,097,826</b>        |
| <b>Total assets less current liabilities</b>   |      |                  | <b>5,067,490</b>        |                  | <b>4,257,557</b>        |
| Creditors: amounts falling due after one year  | 16   |                  | <u>(94,275)</u>         |                  | <u>(99,078)</u>         |
| <b>Total net assets</b>                        | 17   |                  | <b><u>4,973,215</u></b> |                  | <b><u>4,158,479</u></b> |
| <b>The funds of the Charity:</b>               |      |                  |                         |                  |                         |
| Restricted funds                               | 18   |                  | 3,146,792               |                  | 2,752,796               |
| Unrestricted funds                             |      |                  |                         |                  |                         |
| Designated funds                               |      | 150,000          |                         | 350,000          |                         |
| General funds                                  |      | 1,676,423        |                         | 1,055,680        |                         |
| Unrestricted funds                             |      |                  |                         |                  |                         |
| General Funds                                  |      |                  | <u>1,826,423</u>        |                  | <u>1,405,683</u>        |
| <b>Total Charity funds</b>                     |      |                  | <b><u>4,973,215</u></b> |                  | <b><u>4,158,479</u></b> |

Approved by the Trustees on 21/04/2026 and signed on their behalf by

Name: Philip Kaye  
Title: Chair of Trustees  
21/04/2026

Name: James Truscott  
Title: Vice Chair of Trustees  
21/04/2026

**Statement of Cash flow** (incorporating an income and expenditure account)

For the year ended 31 December 2025

|   | Note | 2025                      |                 | 2024                               |                                |
|---|------|---------------------------|-----------------|------------------------------------|--------------------------------|
|   |      | £                         | £               | £                                  | £                              |
| <b>Cash flows from operating activities</b>   |      |                           |                 |                                    |                                |
| Net income for the reporting period<br>(as per the statement of financial activities) |      | 814,736                   |                 | 741,571                            |                                |
| Depreciation charges  |      | 354,245                   |                 | 278,402                            |                                |
| Amortisation charges  |      | 12,608                    |                 | 12,443                             |                                |
| (Increase) in debtors   |      | (717,971)                 |                 | (465,393)                          |                                |
| Increase in creditors   |      | 640,941                   |                 | 84,214                             |                                |
|   |      |                           |                 |                                    |                                |
| <b>Net cash provided by operating activities</b>                                      |      | <b>1,104,559</b>          |                 | <b>651,237</b>                     |                                |
| <b>Cash flows from investing activities:</b>  |      |                           |                 |                                    |                                |
| Purchase of intangible assets   |      | -                         |                 | (7,863)                            |                                |
| Purchase of tangible fixed assets   |      | (787,302)                 |                 | (369,911)                          |                                |
| Short term deposits   |      | 112,018                   |                 | (81,591)                           |                                |
|   |      |                           |                 |                                    |                                |
| <b>Net cash (used in) investing activities</b>  |      | <b>(675,284)</b>          |                 | <b>(459,365)</b>                   |                                |
|   |      |                           |                 |                                    |                                |
| <b>Change in cash and cash equivalents in the year</b>                                |      | <b>429,275</b>            |                 | <b>191,872</b>                     |                                |
| Cash and cash equivalents at the beginning of the year                                |      | 465,779                   |                 | 273,907                            |                                |
|   |      |                           |                 |                                    |                                |
| <b>Cash and cash equivalents at the end of the year</b>                               |      | <b>895,054</b>            |                 | <b>465,779</b>                     |                                |
| <b>Analysis of cash and cash equivalents and of net debt</b>                          |      |                           |                 |                                    |                                |
|   |      | At 1 January<br>2025<br>£ | Cash flows<br>£ | Other non-<br>cash<br>changes<br>£ | At 31<br>December<br>2025<br>£ |
| Cash at bank and in hand  |      | 465,779                   | 429,275         | -                                  | 895,054                        |
|   |      |                           |                 |                                    |                                |
| <b>Total</b>  |      | <b>465,779</b>            | <b>429,275</b>  | <b>-</b>                           | <b>895,054</b>                 |

## 1 Accounting policies

### a) Statutory information

The Bread and Butter Thing is a Charitable Incorporated Organisation, governed by a Constitution and registered in England and Wales (Charity Number 1169383).

The registered office address is Warren Bruce Court, Warren Bruce Road, Trafford Park, Manchester M17 1LB.

### b) 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), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

### c) Public benefit entity

The Charity meets the definition of a public benefit entity under FRS 102.

### d) Going concern

The board has considered the impact of both current requirements and future plans and the Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

### e) Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, 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.

### f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the Trustees' annual report for more information about their contribution.

### g) Interest receivable

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.

### h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

### i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**1 Accounting policies (continued)**

**j) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned using an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the Charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated 100% back to the charitable activity.

Governance costs are the costs associated with the governance arrangements of the Charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**k) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

|                       |              |
|-----------------------|--------------|
| • Plant and Machinery | 2 – 10 years |
| • Office Equipment    | 2– 3 years   |
| • Motor vehicles      | 5 years      |
| • Website & Software  | 3 years      |

**l) Stocks**

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the Charity would have been willing to pay for the items on the open market.

**m) Debtors**

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

**n) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

**o) Creditors and provisions**

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**p) Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**q) Provisions**

Provisions are recognised where the Charity has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted to present value where the effect is material. Where the Charity has entered into lease arrangements that are deemed to be onerous, a provision is recognised for the unavoidable costs of meeting the lease obligations, taking account of any expected mitigation.

Notes to the financial statements For  
the year ended 31 December 2025

2 Donations and other income

|                                   | Unrestricted<br>2025<br>Total<br>£ | Unrestricted<br>2024<br>Total<br>£ |
|-----------------------------------|------------------------------------|------------------------------------|
| Other donations and grants income | 100,888                            | 76,468                             |
| Interest                          | 46,121                             | 48,018                             |
|                                   | <b>147,009</b>                     | <b>124,486</b>                     |

3 Income from charitable activities

|   | Unrestricted<br>£ | Restricted<br>£  | 2025<br>Total<br>£ | Unrestricted<br>£ | Restricted<br>£  | 2024<br>Total<br>£ |
|---|-------------------|------------------|--------------------|-------------------|------------------|--------------------|
| Membership income                       | 3,392,814         | -                | 3,392,814          | 3,076,416         | -                | 3,076,416          |
| Gift in Kind                            | 462,597           | -                | 462,597            | 330,891           | -                | 330,891            |
| Clothmakers                             | -                 | 50,000           | 50,000             | -                 | -                | -                  |
| Comic Relief                            | -                 | 1,975,000        | 1,975,000          | -                 | 1,750,000        | 1,750,000          |
| Cummins                                 | -                 | 36,775           | 36,775             | -                 | 19,563           | 19,563             |
| DEFRA                                   | -                 | 768,914          | 768,914            | -                 | -                | -                  |
| Durham Council                          | -                 | 69,037           | 69,037             | -                 | 146,729          | 146,729            |
| East Staffordshire Council              | -                 | 33,033           | 33,033             | -                 | 70,172           | 70,172             |
| Household Support Fund Darlington       | -                 | 68,282           | 68,282             | -                 | 305,918          | 305,918            |
| Household Support Fund Durham           | -                 | 242,051          | 242,051            | -                 | 535,000          | 535,000            |
| Household Support Fund Tameside         | -                 | 48,000           | 48,000             | -                 | 72,000           | 72,000             |
| Maidstone Council                       | -                 | 98,485           | 98,485             | -                 | -                | -                  |
| Manchester City Council                 | -                 | -                | -                  | -                 | 70,000           | 70,000             |
| Other Funders                           | -                 | 6,938            | 6,938              | -                 | 68,073           | 68,073             |
| Short Straw International               | -                 | 53,474           | 53,474             | -                 | 96,713           | 96,713             |
| Sodexo                                  | -                 | 31,656           | 31,656             | -                 | 41,656           | 41,656             |
| Stockton Council                        | -                 | 0                | -                  | -                 | 56,250           | 56,250             |
| The National Lottery                    | -                 | 266,496          | 266,496            | -                 | -                | -                  |
| Total income from charitable activities | <b>3,855,411</b>  | <b>3,748,141</b> | <b>7,603,552</b>   | <b>3,407,307</b>  | <b>3,232,074</b> | <b>6,639,381</b>   |

The gift in kind of £462,599 (2024: £330,891) is for the venue hire received free of charge during the year to conduct core activities.

4a Analysis of expenditure (current year)

|                               | Charitable<br>Activities<br>£ | Governance<br>costs<br>£ | Support<br>costs<br>£ | 2025<br>Total<br>£ | 2024<br>Total<br>£ |
|-------------------------------|-------------------------------|--------------------------|-----------------------|--------------------|--------------------|
| Staff costs (Note 6)          | 1,874,820                     | 36,510                   | 553,225               | <b>2,464,555</b>   | 1,980,007          |
| Other staff costs             | 99,418                        | 182                      | -                     | <b>99,600</b>      | 87,706             |
| Fuel/Transport and Hubs costs | 2,066,833                     | -                        | -                     | <b>2,066,833</b>   | 1,984,296          |
| Direct grant expenditure      | 700,434                       | -                        | -                     | <b>700,434</b>     | 848,298            |
| Warehouse costs               | 746,330                       | -                        | -                     | <b>746,330</b>     | 448,478            |
| Combined liability insurance  | -                             | -                        | 15,753                | <b>15,753</b>      | 17,546             |
| Depreciation                  | 350,213                       | -                        | 16,640                | <b>366,853</b>     | 290,844            |
| Legal and Professional fees   | 30,315                        | -                        | 121,834               | <b>152,149</b>     | 129,633            |
| Audit and accountancy         | -                             | -                        | 22,145                | <b>22,145</b>      | 12,498             |
| Office costs                  | -                             | -                        | 178,288               | <b>178,288</b>     | 164,905            |
| Other costs                   | -                             | -                        | 122,885               | <b>122,885</b>     | 58,085             |
|                               | <b>5,868,363</b>              | <b>36,692</b>            | <b>1,030,770</b>      | <b>6,935,825</b>   | <b>6,022,296</b>   |
| Support costs                 | 1,030,770                     | -                        | (1,030,770)           | -                  | -                  |
| Governance costs              | 36,692                        | (36,692)                 | -                     | -                  | -                  |
| <b>Total expenditure 2025</b> | <b>6,935,825</b>              | <b>-</b>                 | <b>-</b>              | <b>6,935,825</b>   | <b>-</b>           |
| Total expenditure 2024        | <b>6,022,296</b>              | <b>-</b>                 | <b>-</b>              | <b>-</b>           | <b>6,022,296</b>   |

4b Analysis of expenditure (prior year)

|                               | Charitable<br>Activities<br>£ | Governance<br>costs<br>£ | Support<br>costs<br>£ | 2024<br>Total<br>£ |
|-------------------------------|-------------------------------|--------------------------|-----------------------|--------------------|
| Staff costs (Note 6)          | 1,506,979                     | 33,952                   | 439,076               | 1,980,007          |
| Other staff costs             | 125,753                       | 341                      | 61,260                | 187,354            |
| Fuel/Transport and Hubs costs | 1,984,296                     | -                        | -                     | 1,984,296          |
| Direct grant expenditure      | 848,298                       | -                        | -                     | 848,298            |
| Warehouse costs               | 448,478                       | -                        | -                     | 448,478            |
| Combined liability insurance  | -                             | -                        | 17,546                | 17,546             |
| Depreciation                  | 270,982                       | -                        | 19,862                | 290,844            |
| Legal fees                    | -                             | -                        | 29,985                | 29,985             |
| Governance                    | -                             | -                        | -                     | -                  |
| Audit and accountancy         | -                             | 12,498                   | -                     | 12,498             |
| Office costs                  | -                             | -                        | 164,905               | 164,905            |
| Other costs                   | -                             | -                        | 58,085                | 58,085             |
|                               | 5,184,786                     | 46,791                   | 790,719               | 6,022,296          |
| Support costs                 | 790,719                       | -                        | (790,719)             | -                  |
| Governance costs              | 46,791                        | (46,791)                 | -                     | -                  |
| <b>Total expenditure 2024</b> | <b>6,022,296</b>              | <b>-</b>                 | <b>-</b>              | <b>6,022,296</b>   |

Notes to the financial statements For  
the year ended 31 December 2025

**5 Net income for the year**

This is stated after charging / (crediting):

2025  
£

2024  
£

Depreciation 366,853 278,402  
Auditor's Remuneration : for audit (excluding VAT) 10,500 8,920

**6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

2025  
£

2024  
£

Salaries and wages 2,179,472 1,778,631  
Social security costs 242,998 170,925  
Employer's contribution to defined contribution pension schemes 42,085 30,451

**2,464,555** **1,980,007**

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

2,025  
No.

2,024  
No.

£60,000 – £69,999 2 –  
£80,000 – £89,999 0 1  
£90,000 – £99,999 0 2  
£100,000 – £110,000 2

**4** **3**

The total employee benefits (including employer's national insurance and pension contributions) of the key management personnel were £365,097 (2024: £339,518).

The Charity Trustees were neither paid nor received any other benefits from employment with the Charity in the year (2024: £nil). One trustee received payment for professional services supplied to the Charity at arms length (see Note 8) (2024: one).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £182 (2024: £341) incurred by 1 (2024: 1) member relating to attendance at meetings of the Trustees.

**7 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 69.9 (2024: 60.5).

Staff are split across the activities of the Charity as follows:

2025  
No.

2024  
No.

Charitable activity 62.3 53.8  
Support 7.2 6.4  
Governance 0.4 0.4

**69.9** **60.5**

Notes to the financial statements For  
the year ended 31 December 2025

**8 Related party transactions**

Within the year there were transactions to the value of £25,016 (2024:£6,651) between The Bread and Butter Thing and BD2, where Will There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties (2024: none).

**9 Taxation**

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**10 Tangible fixed assets**

|                               | Plant &<br>Machinery<br>£ | Office<br>equipment<br>£ | Motor<br>vehicles<br>£ | Website &<br>Software<br>£ | Total<br>£ |
|-------------------------------|---------------------------|--------------------------|------------------------|----------------------------|------------|
| <b>Cost</b>                   |                           |                          |                        |                            |            |
| At the start of the year      | 461,847                   | 29,762                   | 1,502,768              | 72,730                     | 2,067,107  |
| Additions in year             | 516,706                   | -                        | 295,030                | 7,109                      | 818,845    |
| Disposal                      | (61,420)                  | (10,087)                 | (134,959)              | (23,570)                   | (230,036)  |
| At the end of the year        | 917,133                   | 19,675                   | 1,662,839              | 56,269                     | 2,655,916  |
| <b>Depreciation</b>           |                           |                          |                        |                            |            |
| At the start of the year      | 189,688                   | 24,678                   | 666,914                | 42,854                     | 924,134    |
| Charge for the year           | 51,223                    | 4,032                    | 280,466                | 18,524                     | 354,245    |
| Disposal                      | (39,519)                  | (9,690)                  | (126,322)              | (22,962)                   | (198,493)  |
| At the end of the year        | 201,392                   | 19,020                   | 821,058                | 38,416                     | 1,079,886  |
| <b>Net book value</b>         |                           |                          |                        |                            |            |
| <b>At the end of the year</b> | 715,741                   | 655                      | 841,781                | 17,853                     | 1,576,030  |
| At the start of the year      | 272,159                   | 5,084                    | 835,854                | 29,876                     | 1,142,973  |

All of the above assets are used for charitable purposes.

**11 Intangible fixed assets**

|                               | Website &<br>Software<br>£ | Total<br>£ |
|-------------------------------|----------------------------|------------|
| <b>Cost</b>                   |                            |            |
| At the start of the year      | 39,950                     | 39,950     |
| Additions in year             | -                          | -          |
| At the end of the year        | 39,950                     | 39,950     |
| <b>Amortization</b>           |                            |            |
| At the start of the year      | 23,192                     | 23,192     |
| Charge for the year           | 12,608                     | 12,608     |
| At the end of the year        | 35,800                     | 35,800     |
| <b>Net book value</b>         |                            |            |
| <b>At the end of the year</b> | 4,150                      | 4,150      |
| At the start of the year      | 16,758                     | 16,758     |

All of the above assets are used for charitable purposes.

Notes to the financial statements For  
the year ended 31 December 2025

12 Debtors

|                                | 2025<br>£        | 2024<br>£        |
|--------------------------------|------------------|------------------|
| Trade debtors                  | 21,812           | 63,679           |
| Prepayments and accrued income | 2,794,184        | 2,054,012        |
| Grants receivable              | 40,417           | –                |
| Other debtors                  | 104,265          | 125,016          |
|                                | <u>2,960,678</u> | <u>2,242,707</u> |

Due within one year: £2,040,560 (2024:£1,239,823).

Due after more than one year: £920,118 (2024:£1,002,884) representing grant income receivable in respect of multi-year funding agreem

13 Creditors: amounts falling due within one year

|                                     | 2025<br>£        | 2024<br>£      |
|-------------------------------------|------------------|----------------|
| Trade creditors                     | 634,926          | 193,607        |
| Taxation and social security        | 56,842           | 47,180         |
| Pensions                            | 19,581           | 13,898         |
| Other creditors                     | 213              | 11,102         |
| Accruals                            | 151,709          | 43,668         |
| Deferred income (note 14)           | 332,156          | 317,796        |
| Provision for liabilities (Note 15) | 77,568           | –              |
|                                     | <u>1,272,995</u> | <u>627,251</u> |

14 Deferred income

Deferred income is comprised of grants from funders where funding is given in advance, but is restricted for use in future periods.

|                                       | 2025<br>£      | 2024<br>£      |
|---------------------------------------|----------------|----------------|
| Balance at the beginning of the year  | 416,874        | 422,025        |
| Amount released to income in the year | (650,934)      | (423,184)      |
| Amount deferred in the year           | 660,491        | 418,033        |
|                                       | <u>426,431</u> | <u>416,874</u> |

15 Provisions for liabilities

As part of a restructuring of operations, the Charity exited certain premises. A provision has been recognised for the unavoidable costs arising from lease commitments on these properties for the remainder of the lease terms.

|                                      | 2025<br>£     | 2024<br>£ |
|--------------------------------------|---------------|-----------|
| Balance at the beginning of the year | –             | –         |
| Amount released in the year          | –             | –         |
| Increase in provision in the year    | 77,568        | –         |
|                                      | <u>77,568</u> | <u>–</u>  |

16 Creditors: amounts falling due after one year

|                           | 2025<br>£     | 2024<br>£     |
|---------------------------|---------------|---------------|
| Deferred income (note 14) | 94,275        | 99,078        |
|                           | <u>94,275</u> | <u>99,078</u> |

17a Analysis of net assets between funds (current year)

|                                       | Unrestricted<br>£ | Restricted<br>£  | Total Funds<br>£ |
|---------------------------------------|-------------------|------------------|------------------|
| Tangible fixed assets                 | 663,192           | 912,838          | 1,576,030        |
| Intangible assets                     | 4,150             | -                | 4,150            |
| Net current assets                    | 1,159,081         | 2,328,229        | 3,487,310        |
| Long term liabilities                 | -                 | (94,275)         | (94,275)         |
|                                       | <hr/>             | <hr/>            | <hr/>            |
| <b>Net assets at 31 December 2025</b> | <b>1,826,423</b>  | <b>3,146,792</b> | <b>4,973,215</b> |
|                                       | <hr/> <hr/>       | <hr/> <hr/>      | <hr/> <hr/>      |

17b Analysis of net assets between funds (prior year)

|                                       | General<br>unrestricted<br>£ | Restricted<br>£  | Total Funds<br>£ |
|---------------------------------------|------------------------------|------------------|------------------|
| Tangible fixed assets                 | 111,167                      | 1,031,806        | 1,142,973        |
| Intangible assets                     | 16,758                       | -                | 16,758           |
| Net current assets                    | 1,277,758                    | 1,820,068        | 3,097,826        |
| Long term liabilities                 | -                            | (99,078)         | (99,078)         |
|                                       | <hr/>                        | <hr/>            | <hr/>            |
| <b>Net assets at 31 December 2024</b> | <b>1,405,683</b>             | <b>2,752,796</b> | <b>4,158,479</b> |
|                                       | <hr/> <hr/>                  | <hr/> <hr/>      | <hr/> <hr/>      |

18a Movements in funds (current year)

|                                 | At 1 January<br>2025<br>£ | Income &<br>gains<br>£ | Expenditure<br>& losses<br>£ | Transfers<br>£   | At 31<br>December<br>2025<br>£ |
|---------------------------------|---------------------------|------------------------|------------------------------|------------------|--------------------------------|
| <b>Restricted funds:</b>        |                           |                        |                              |                  |                                |
| Small grants                    | - 288                     | -                      | -                            | 288              | -                              |
| Clothmakers Guild               |                           | 50,000                 | -                            |                  | 50,000                         |
| Comic Relief Grant              | 1,889,143                 | 1,975,000              | - 1,371,912                  | -                | 2,492,231                      |
| Cummins                         | -                         | 36,775                 | - 5,013                      | -                | 31,762                         |
| DEFRA                           | 189,099                   | 768,914                | - 804,185                    | 4,109            | 157,937                        |
| Karbon Homes Grant              | 8,113                     | -                      | - 8,113                      | -                | -                              |
| Local Authority                 | 458,034                   | 565,827                | - 604,225                    | - 260,204        | 159,432                        |
| Purslow Trust and Lyons Trust   | 129,237                   | -                      | - 129,237                    | -                | -                              |
| Regen                           | 15,754                    | -                      | - 3,938                      | - 11,816         | -                              |
| Sodexo grant                    | 5,294                     | 31,655                 | - 31,655                     | -                | 5,294                          |
| Short Straw International       | 58,410                    | 53,474                 | - 60,575                     | - 51,309         | -                              |
| The National Lottery            |                           | 266,496                | - 16,360                     | -                | 250,136                        |
| <b>Total restricted funds</b>   | <b>2,752,796</b>          | <b>3,748,141</b>       | <b>(3,035,213)</b>           | <b>(318,932)</b> | <b>3,146,792</b>               |
| <b>Unrestricted funds:</b>      |                           |                        |                              |                  |                                |
| Designated funds                | 350,000                   | -                      | (312,184)                    | 112,184          | 150,000                        |
| <b>General funds</b>            | <b>1,055,683</b>          | <b>4,002,420</b>       | <b>(3,588,428)</b>           | <b>206,748</b>   | <b>1,676,423</b>               |
| <b>Total unrestricted funds</b> | <b>1,405,683</b>          | <b>4,002,420</b>       | <b>(3,900,612)</b>           | <b>318,932</b>   | <b>1,826,423</b>               |
| <b>Total funds</b>              | <b>4,158,479</b>          | <b>7,750,561</b>       | <b>(6,935,825)</b>           | <b>-</b>         | <b>4,973,215</b>               |

The narrative to explain the purpose of each fund is given at the foot of the note below.

Transfers during the year relate to the net book value of fixed assets originally funded from restricted grants, where the grant conditions have now been fully met and the related restrictions removed. The remaining carrying value of these assets has, therefore, been transferred to unrestricted funds.

18b Movements in funds (prior year)

|                                 | At 1 January<br>2024<br>£ | Income &<br>gains<br>£ | Expenditure<br>& losses<br>£ | Transfers<br>£   | At 31<br>December<br>2024<br>£ |
|---------------------------------|---------------------------|------------------------|------------------------------|------------------|--------------------------------|
| <b>Restricted funds:</b>        |                           |                        |                              |                  |                                |
| Small grants                    | 22,464                    | 9,035                  | (31,787)                     | -                | (288)                          |
| Comic Relief Grant              | 985,382                   | 1,750,000              | (846,239)                    | -                | 1,889,143                      |
| Cummins                         | 11,139                    | 19,563                 | (30,702)                     | -                | -                              |
| DEFRA                           | 260,025                   | -                      | (70,926)                     | -                | 189,099                        |
| Karbon Homes Grant              | 17,359                    | -                      | (9,246)                      | -                | 8,113                          |
| Kelloggs                        | 400                       | -                      | (400)                        | -                | -                              |
| Local Authority                 | 846,542                   | 1,315,107              | (1,703,615)                  | -                | 458,034                        |
| Purslow Trust and Lyons Trust   | 261,945                   | -                      | (132,708)                    | -                | 129,237                        |
| Regen                           | 25,000                    | -                      | (9,246)                      | -                | 15,754                         |
| Sodexo grant                    | 5,467                     | 41,656                 | (41,829)                     | -                | 5,294                          |
| Wagamama                        | 8,333                     | -                      | (8,333)                      | -                | -                              |
| Short Straw International       |                           | 96,713                 | (38,302)                     | -                | 58,410                         |
| <b>Total restricted funds</b>   | <b>2,444,057</b>          | <b>3,232,074</b>       | <b>(2,923,333)</b>           | <b>-</b>         | <b>2,752,796</b>               |
| <b>Unrestricted funds:</b>      |                           |                        |                              |                  |                                |
| Designated funds                | -                         | -                      | -                            | 350,000          | 350,000                        |
| <b>General funds</b>            | <b>972,853</b>            | <b>3,531,793</b>       | <b>(3,098,963)</b>           | <b>(350,000)</b> | <b>1,055,683</b>               |
| <b>Total unrestricted funds</b> | <b>972,853</b>            | <b>3,531,793</b>       | <b>(3,098,963)</b>           | <b>-</b>         | <b>1,405,683</b>               |
| <b>Total funds</b>              | <b>3,416,910</b>          | <b>6,763,867</b>       | <b>(6,022,296)</b>           | <b>-</b>         | <b>4,158,479</b>               |

#### Purposes of restricted funds

**Small grants** – A number of grants with low income or expenditure in the year grouped together

**Clothmakers Guild** – provided funds for a replacement van to improve operational efficiency

**Comic Relief** – working through Nourish the Nation (Comic Relief and Sainsburys) has continued to fund us to expand and develop. In 2025, they awarded us grants to help our geographical expansion, to provide support focussed on reducing child poverty and to enhance the holiday activities and food programme in the communities in which we work.

**Cummins** – the grant was given to fund health and safety improvements in the North East

**DEFRA** – DEFRA provided funding from their Tackling Food Surplus at the Farm Gate programme. This is a grant designed to support a reduction in edible food from farms going to waste.

**Karbon Homes** – providing a grant for the opening of more hubs and associated costs.

**Local authorities** – have provided grants for the opening of more hubs, associated costs (van, staff, training). Local authorities have also provided support funding for fuel vouchers, prepaid meters and food to be distributed through our operations and in local areas.

**The Purslow and Lyons Trusts** – have joined together to fund the expansion of our services in to Warrington and the establishing of a new region based around Stoke

**Regen** – Regen provided a grant to set up an additional Hub.

**Sodexo grant** – a grant for the promotion of Healthy start vouchers and to fund project in Women's Empowerment to support our members further

**Short Straw International** – the Charity provided funding to allow us to expand into Whitby and the surrounding areas

**The National Lottery** – we have been awarded funds from the National Lottery to enable us to expand our activities into Gateshead

#### Purposes of designated funds

A designated reserve was established in 2024 to support the planned relocation and restructuring of the Charity's operations. These activities have progressed well and were nearing completion at the year end.

For 2026, a further reserve has been designated to support key initiatives. This will fund the refurbishment of our North East warehouse and strengthen the Charity's resilience through investment in diversifying our food supply sources.

#### 19 Operating and finance lease commitments payable as a lessee

The Charity's total future lease payments under an operating lease is as follows for each of the following periods

|                    | Property         |                |
|--------------------|------------------|----------------|
|                    | 2025             | 2024           |
|                    | £                | £              |
| Less than one year | 301,132          | 156,749        |
| One to five years  | 1,102,395        | 320,000        |
| Over five years    | 1,403,299        | 302,500        |
|                    | <u>2,806,826</u> | <u>779,249</u> |

#### 20 Legal status of the Charity

The Bread and Butter Thing is a Charitable Incorporated Organisation, governed by a Constitution and has no share capital. The Charity registered in England and Wales (Charity Number 1169383).



# The bread and butter thing

**The Bread and Butter Thing**

Registered Charity Number: 1169383

Head Office:  
Units H 1-3,  
Lyntown Trading Estate,  
Lynwell Rd,  
Eccles,  
Manchester.  
M30 9QG.

[www.breadandbutterthing.org/](http://www.breadandbutterthing.org/)

**THE BREAD AND BUTTER THING.**

England & Wales - Charity number 1169383

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# Accounts

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Charity Number: 1169383

# The Bread and Butter Thing

Report and financial statements

For the period ended 31 December 2024

# The Bread and Butter Thing

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### For the period ended 31 December 2024

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# The Bread and Butter Thing

## Reference and administrative information

For the period ended 31 December 2024

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The Charitable Incorporated Organisation was registered with the Charity Commission with the name of Heathfield Drive on 27 September 2016. The name was changed to The Bread and Butter Thing on 6 June 2017.

**Charity number** 1169383

**Registered office and operational address**  
The Bread and Butter Thing  
Warren Bruce Court  
Warren Bruce Road  
Stretford  
Manchester  
M17 1LB

**Trustees** Trustees who served during the year and up to the date of this report were as follows:

|                 |                             |
|-----------------|-----------------------------|
| Will Bentley    | (Chair)                     |
| Philip Kaye     | (Treasurer)                 |
| Graeme Douglas  |                             |
| Andrew Mitchell | (resigned 19 April 2024)    |
| Greg Sage       |                             |
| Inga Thordar    |                             |
| Barry Fine      | (appointed 29 October 2024) |
| James Truscott  | (appointed 29 October 2024) |
| Simone Sargeant | (appointed 29 October 2024) |

|                                 |                 |                   |
|---------------------------------|-----------------|-------------------|
| <b>Key management personnel</b> | Mark Game       | Founder           |
|                                 | Jane Partington | Founder           |
|                                 | Victoria Harper | Chief Executive   |
|                                 | Michael Day     | Managing Director |

**Bankers** Santander  
712–716 Wilmslow Rd  
Manchester  
M20 6DQ

**Auditor** Sayer Vincent LLP  
110 Golden Lane  
London  
EC1Y 0TG

# The Bread and Butter Thing

## Trustees' annual report

### For the period ended 31 December 2024

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The trustees present their report and the audited financial statements for the period ended 31 December 2024.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the CIO constitution and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## Objectives and activities, purposes and aims

The purposes of The Bread and Butter Thing as set out in its constitution are:

The relief of financial hardship and the promotion of social inclusion among people living or working in the UK for the public benefit by providing such persons with, or with access to, goods, services and/or funds without a poverty premium which they could not obtain access to through lack of means and/or as a result of their social and financial exclusion from society as a result of one or more of the following factors: unemployment, financial hardship; youth or old age; ill health (physical or mental); substance abuse or dependency including alcohol and drugs; poor education or skills attainment; crime (either as a victim of crime or as an offender rehabilitating into society);

The protection and preservation of the environment for the public benefit by the promotion of food waste reduction and fast-moving consumer goods waste reduction by redistributing goods to people in low income households.

The promotion of good health and nutrition by providing affordable access to, and supplying, a healthy and balanced diet, and providing advice and education on a healthy and balanced diet. 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 remain 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 charity's main activities and who it tries to help are described below. As set out in its constitution, its charitable activities are undertaken to further The Bread and Butter Thing's charitable purposes for the public benefit.

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2024

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Our mission is to unleash the power of food and ignite long-lasting change in struggling neighbourhoods across the UK.

We build bridges out of food deserts, bringing nutritious, affordable food to the centre of the UK's most deprived communities and nourish them. We change lives. And we give voice to the people who use us – our members.

We are the everyday – the bread and butter – baked into the heart of our communities.

## What we do

It starts with food.

Because when you're struggling to make ends meet, knowing where your family's next meal is coming from is paramount.

Our mobile food clubs give access to nutritious and affordable food taken into the heart of communities starved of money, food and resources. This low cost weekly shop provides essential produce for family eating – fresh fruit and veg, chilled goods, and cupboard staples.

But this is just the beginning.

- Every week, we improve diets with a diverse variety of healthy produce and products.
- Every week, our communities gather to manage the distribution of food, building friendships, skills and connections.
- Every week, we diminish loneliness and reduce the stress of stretched finances.
- Every week, we bring in external partners to offer bespoke and tailored support.
- Every week, we listen, and we learn, building understanding of the issues facing our members and give voice to their stories, amplifying them and affecting change at a local and national level.
- Every week, we change lives.

Our aims:

- Make healthy food accessible, affordable, and dignified for people on low incomes. We believe everyone should be able to feed their family well without shame or stigma. Our food clubs provide reliable, affordable access to fresh produce—supporting healthier diets and easing the pressure on household finances.
- Build community strength and resilience from the ground up. We partner with existing local organisations to nurture spaces where people feel welcome, supported, and empowered. Through volunteering, connection and practical support, our hubs become neighbourhood anchors, tackling isolation and promoting self-reliance.
- Prevent waste by unlocking surplus food for social good. We work with farms, manufacturers, distributors and retailers to divert high-quality surplus

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2024

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food away from waste routes such as anaerobic digestion and into the hands of people who need it. We turn excess into impact, proving that redistribution is both an environmental and social solution.

- Be a catalyst for long-term change in how the UK tackles food insecurity. We demonstrate that sustainable models of support are possible, bridging the gap between crisis aid and everyday affordability. We advocate for smarter, more compassionate systems, rooted in dignity, prevention and community.

## A two-tier approach to food security

2024 was another year of mounting pressure on low-income households, with the cost of living crisis continuing to erode financial stability. Inflation may have slowed, but prices remain high, and essentials like food and energy are increasingly out of reach. For many of our members, it's not that life is getting easier, but that hardship is becoming normalised.

The bread and butter thing's 2024 member survey painted a stark picture:

- 45% of our members had less than £50 to live on each month after housing and energy costs.
- 61% were in debt or arrears.
- Over 40% reported relying on friends, family, or informal borrowing to get by.

And yet, amidst growing hardship, the resilience and determination of our members continues to inspire us. These are households quietly doing their best: working, caring, managing illness, raising children, while navigating a welfare system many find confusing and inaccessible. Nearly a quarter of members told us they're not confident they're receiving the benefits they're entitled to, and 37% said they were unaware of any government support schemes relevant to them.

We believe that food security shouldn't start at the point of crisis. That's why we advocate for and deliver a two-tier approach.

Food banks remain a critical lifeline for those in crisis. But our food clubs operate at the next level: providing ongoing, preventative support to help families stay afloat and avoid hitting crisis. We offer healthy, nutritious food week in, week out without stigma, referrals, or barriers. Our open access model ensures dignity, trust, and flexibility.

Food clubs like The Bread and Butter Thing help bridge the chasm between unaffordable retail and crisis food aid. They are increasingly recognised as the 'missing middle' in the UK's food security landscape. In the past year, we've helped about 12,400 members to reduce or stop using food banks.

As one of our members put it:

"By paying a little, I feel like I'm contributing. It's not a handout—it's a help-up."

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2024

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The demand is clear. At the end of 2024 we were supporting over 130 hubs, stretching from Peterborough to Northumberland with new launches in Staffordshire, Stoke and beyond. Each new hub embeds itself in the local community, run by local volunteers, supported by The Bread and Butter Thing's logistics and operations and helps many families every week.

And the impact is far-reaching:

- 79% of members now eat more fruit and veg.
- 73% are skipping meals less often.
- 71% are cooking more at home.
- 72% feel more connected to their communities.

In a time when many are feeling overlooked and under-supported, The Bread and Butter Thing food clubs offer something rare: practical support delivered with respect. As one stakeholder recently said:

"Food clubs like The Bread and Butter Thing are the secret weapon against food insecurity."

## Beyond the bags

The Bread and Butter Thing works in partnership with pre-existing community organisations, identified with the support of local stakeholders. We partner with these hubs to help them better serve their communities and to maximise the value of local assets.

The Big Brew Time has continued to add huge value throughout 2024, providing a warm, welcoming space where our members can return to their local hub for a chat, a hot drink, and a chance to connect with others. Over 52,000 hot drinks were shared in 2024 across more than half of our hubs, helping reduce isolation and strengthen local relationships. Our non-stigmatising approach builds trust through shared experience and activity, something that's more important than ever.

With around 60-80 households attending our lively weekly sessions, members consistently report a strong sense of connection:

- 97% feel The Bread and Butter Thing is good for their community
- 92% feel welcome
- 72% feel more involved with their community
- 64% feel less alone
- 31% have made new friends

The Bread and Butter Thing's model also creates valuable opportunities for wraparound support by guaranteeing footfall and offering a trusted space. We have worked with organisations such as the Morrisons Foundation, The Green Doctors, Citizens Advice, Virgin Media, New Leaf, and Kirklees Money Advice ensuring that face to face support is easily accessible where it's most needed.

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2024

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In a time when low-income households continue to face extreme pressure from the ongoing cost of living crisis to limited access to essential services our community spaces offer a practical, local solution. Our members tell us that they rely more than ever on trusted support to navigate rising costs, hidden benefits, and digital exclusion.

In 2024, we partnered with Sainsbury's and Comic Relief through their Nourish the Nation campaign to launch the Seasonings Shuttle—a herbs and spice van that travelled across The Bread and Butter Thing hubs. Designed to empower people with new meal ideas and encourage confident, nutritious cooking, the initiative engaged over 1,400 members across 12 locations. The van created moments of joy and discovery, bringing new flavours and skills into homes, and reinforcing the message that affordable, healthy eating can be accessible and exciting.

Members also enjoy the social aspect of our service. 96% share unwanted food items with neighbours, friends or family, creating ripple effects of support across entire communities. People swap recipe ideas, share tips, and take pride in finding creative ways to use unexpected ingredients.

### More than just food

Our aim is simple: to help communities help themselves. At the heart of every one of our hubs is a dedicated volunteer team made up of local people who deliver our service with pride and purpose. These are the familiar faces our members see each week—setting up, sorting, packing, and distributing food with care and compassion.

Each week, we're supported by over 1,000 volunteers, delivering more than 3,000 hours of service across our network of 130+ hubs and warehouses. Whether they're working on the frontline at local hubs or behind the scenes in our warehouses, their contribution is vital—and we couldn't do it without them.

Our model is rooted in community pride and ownership. From day one, we've seen that the communities we serve don't just want support; they want to be part of the solution. Our volunteers are our members, our neighbours, our community champions. They know the people we serve and often bring warmth, trust, and familiarity that only a local can offer. For many, volunteering is more than a role: it's a way of building confidence and connecting with others.

In 2024 alone, volunteers contributed a staggering 161,000 hours across the organisation. Their efforts have been key in transforming our food clubs into trusted neighbourhood spaces: supportive, non-judgemental, and full of heart.

### Turning Surplus into Solutions

2024 was another challenging year for the food industry. The lasting impacts of global economic and political challenges continue to disrupt low-cost supply chains and destabilise food

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2024

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availability. These factors have deepened inflationary pressures and intensified the challenges of accessing surplus food at scale.

In response, The Bread and Butter Thing has worked tirelessly to source and redistribute surplus food while building the logistics capacity to grow our network of food clubs helping families weather the ongoing cost of living crisis.

A cornerstone of our food sourcing success remains our long-term relationship with Morrisons, who have supported our work since inception. We have further deepened our collaboration across their manufacturing sites and distribution centres, resulting in a 79% uplift in direct supply. We also began intercepting surplus crops higher up the supply chain, rescuing produce that would otherwise go to waste. Own-label redistribution approvals continue to be a focus for The Bread and Butter Thing with a view to securing all major retailer approvals, an essential step in tackling unnecessary waste.

Our approach aligns with the top two tiers of DEFRA's Food Waste Hierarchy: preventing waste at the source and ensuring that all edible surplus feeds people wherever possible. We work closely with food producers and retailers to identify redistribution opportunities through site visits, end to end production walks, and tailored logistics solutions.

Our seven day a week, responsive collection model uses our own fleet and national haulier partnerships to enable rapid pickups and minimise waste. We prioritise backhauling using empty vehicles returning from deliveries to transport surplus food reducing emissions and increasing efficiency.

The urgency of our work is underscored by the Food Foundation's 2024 State of the Nation's Food Insecurity report, which highlights that nearly one in five UK households (18%) experienced food insecurity in the past month—the highest level recorded. It also shows that only 17% of people struggling to afford food accessed any form of charitable food support. This stark contrast illustrates the scale of need and the critical importance of expanding surplus food redistribution in ways that are inclusive, dignified, and scalable.

As the UK government prepares the 2025 National Food Strategy, The Bread and Butter Thing is well placed to contribute meaningfully. With our extensive experience in food redistribution, our on the ground insights from thousands of members, and our practical knowledge of systemic barriers and enablers, we offer a unique perspective on how surplus food can form part of a dignified and scalable response to food insecurity.

We continue to try and engage with ministers and civil servants in DEFRA, advocating for redistribution-focused policies that align with both sustainability goals and the lived experience of the people we support. Our mission remains clear: to make surplus part of the solution.

## The rising challenges of redistribution

2024 continued the trend of rising costs for redistribution. As food has generally continued to be more expensive for everybody, food businesses are doing everything they can (and rightly so) to drive out waste from their supply chains.

As a result, our transport costs have risen considerably as we have engaged deeper and wider with industry across the country.

We continue to call for Government to consider redistribution as a serious option as part of the food waste solution and look for a clear move towards mandatory food waste reporting and more rigorous policies surrounding businesses when considering the food waste hierarchy. Anaerobic Digestion continues to be the main consumer of surplus foods and is heavily subsidised.

Governance and regulation remain a top priority for The Bread and Butter Thing, and we continue to work with the sector and WRAP to seek a collective voice and ways of working for us all. The redistribution sector has grown to a size to be considered to fall within grocery code regulations and for the industry to recognise the need for uniform service contracts with length of service and service level agreements.

Furthermore, the redistribution sector is providing essential access to affordable food for so many families that simply cannot afford it. And yet, the sector is not represented by the team of experts gathered to help the Government consider its food strategy for 2025.

## Achievements and performance

The charity began its activities in late 2016 and has grown every year since. Local access to healthy, affordable food remains a major challenge in many of the communities we serve but the appetite for change is strong. We find that once a community hub opens, residents quickly embrace it. Our model is built on trust, consistency, and local engagement, which is why demand continues to grow week on week.

We operate a supply driven model, which means we are constantly working to remove barriers to redistribution and open new routes for surplus food to reach the people who need it most. Our work is centred around affordability and access the two key drivers of food insecurity as highlighted by national research. By bringing nutritious food directly into underserved communities, we not only fill fridges but also help to improve diets and as a result the health of our members.

# The Bread and Butter Thing

## Trustees' annual report

For the period ended 31 December 2024

| Description                                      | At end of 2024 | At end of 2023 | At end of 2022 | At end of 2021 |
|--|----------------|----------------|----------------|----------------|
| Membership                                       | 100,000+       | 75,000+        | 48,000+        | 23,000 +       |
| Families supported weekly                        | 10,000+        | 7,000+         | 4,900 +        | 2,600 +        |
| Meals equivalent per week based on DEFRA figures | 411,000+       | 265,000+       | 165,000 +      | 74,000 +       |
| Volunteer hours per month                        | 13,400+        | 10,600+        | 9,400 +        | 5,000 +        |
| Community Hubs                                   | 131            | 115            | 81             | 53             |

Our ability to grow is fuelled by strong relationships with the food industry. From farms and fields to manufacturing sites and regional distribution centres, we're focused on making redistribution easier, more efficient, and more sustainable. By identifying practical, low-cost solutions to logistical challenges like the management of transport assets or coordination of short-dated goods we've unlocked hundreds of tonnes of edible surplus that would otherwise have been wasted.

## Financial review

Income for the year was £6,763,867 (2023: £5,431,357) of which £3,076,416 (2023: £2,474,818) came from membership fees and £3,687,451 (2023: £2,956,539) from grants and donations.

During 2024 we have been fortunate to have received funding for growth from a range of valued partners. We have been supported to open in new communities by Short Straw International, Durham Council and East Staffordshire Council. In each case, the funding allowed us to purchase a new chilled van and to open 5 hubs in communities within their area.

We have also extended our initiatives from earlier years, working with the Household Support Fund in partnership with Durham Council, Tameside Council, Manchester City Council and Darlington Council. These projects increase our impact by enabling us to offering additional food and fuel support to communities across our network.

Nourish the Nation Funding (Comic Relief and Sainsburys) has continued to fund us to expand and develop. In 2024, they awarded us £1,750,000 (2023: £814,603) to help our geographical expansion, to provide support focussed on reducing child poverty and enhance the holiday activities and food Programme in the communities we work.

The Bread and Butter Thing remain committed to helping our members stretch their budgets, help them eat better and ensure surplus food is used to feed people. We are grateful to all our new and repeating funders whose support makes this work possible.

## Reserves policy and going concern

The Bread and Butter Thing reviews its reserves policy annually, assessing the risks facing the charity and determining an appropriate level of reserves to ensure the continuation of services in

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2024

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the event of short-term disruption. The purpose of holding reserves is not to cover a long-term funding shortfall but to enable the charity to operate effectively while taking the necessary steps to restore financial stability.

The trustees have evaluated the charity's risk register and identified key risks that necessitate holding reserves in case these risks materialise. The primary operational risks include a potential shortfall in planned funding, and short and medium-term cost pressures, particularly the costs of transporting bulk food into our warehouses. The trustees have determined an appropriate reserves range that balances the need to safeguard the charity's operations against ensuring that funds are not held excessively, which could hinder The Bread and Butter Thing from delivering the vital services so urgently needed.

As of 31 December 2024, the trustees consider an appropriate reserves range to be between £600,000 and £900,000.

In addition to ongoing operational priorities, the charity has identified a strategic investment essential to enhancing its long-term stability: the relocation of its Greater Manchester site. This move is critical to improving the efficiency of operations in the North West and will provide a more suitable and scalable base to support the charity's growing regional footprint. It is envisaged that these costs will be incurred during 2025. A designated reserve of £350,000 has been set aside as of 31 December 2024 to fund these activities.

The total funds held by The Bread and Butter Thing as of 31 December 2024 amounted to £4,158,478, of which £2,752,796 are restricted. In addition to the designated reserve of £350,000 mentioned above, the resulting free reserves at that date totalled £927,000. This figure slightly exceeds the upper limit of the reserves range (£900,000). However, given the current operational challenges and economic environment, the trustees are satisfied with this position and will continue to monitor it closely throughout the year.

## Fundraising statement

After the initial investment in establishing a new hub, The Bread and Butter Thing's model is designed to be self-sustaining, with membership income covering the ongoing regional running costs. As such, we raise funds primarily to support our growth, keep costs low for members and invest in the wider services we provide to our communities, members, and volunteers.

However, we are not immune to rising inflationary costs across our operations. Also, our third-party logistics costs have increased significantly during 2024 as we source bulk quantities of food from around the UK. These logistics costs are expected to continue to increase in 2025 at a rate higher than inflation.

This cost pressure means that our membership income is no longer able to cover the ongoing regional running costs. In light of this, 2025 will see an increased focus on fundraising and

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2024

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storytelling, as we work to strengthen our position and reach in an increasingly competitive funding landscape.

All fundraising is currently carried out by our senior management team. However, we recognise the need to build capacity in this area and will utilise external support during 2025. For the first time, we will also look to recruit a dedicated fundraiser to support our ambitions for growth and sustainability.

We are proud to be a living wage employer and remain committed to maintaining dignity and affordability for our members, many of whom are navigating significant economic pressures.

We are especially grateful for the current support received through Nourish the Nation funding, which is making a meaningful difference to the work we do and the people we support.

### Plans for the future

The feedback we receive from our members highlights just how precarious financial stability is for many families, and how quickly circumstances can shift, from managing to needing urgent support to access affordable, healthy food. The service provided by The Bread and Butter Thing acts as a form of early intervention, helping prevent families from being pulled deeper into poverty. This, alongside the powerful sense of community we help foster, with members greeted by a friendly face and a chance for connection when collecting their food has never been more vital. As we move through 2025, this work will continue to provide essential, stabilising support to thousands of households.

We will continue to scale our model in areas where there are clear gaps in provision, responding directly to the growing demand from communities. In 2024, we expanded significantly across England, and 2025 will see The Bread and Butter Thing reach new areas including Maidstone, Whitby, and beyond. The demand for sustainable, long-term solutions is increasing. In some areas there has been an overreliance on tactical interventions such as the Household Support Fund, and many local authorities are now actively seeking more effective, lasting ways to help their communities access good quality, affordable food. The Bread and Butter Thing addresses this gap offering a dignified, community-led model that supports people to stretch their budgets without stigma.

We are continuously refining our model to increase efficiency and enhance impact. This includes strengthening logistics by developing more strategic partnerships to extend our reach beyond warehouse footprints, improving route planning, and integrating new operational processes that reduce costs while maintaining quality. By streamlining internal systems and investing in smarter ways of working, we are ensuring that more communities can be supported sustainably. These efforts allow us to ensure our hubs remain resilient, responsive, and community powered.

The Bread and Butter Thing hubs provide more than food: they foster resilience, community, and dignity. But the scale of financial fragility in the UK is stark. The DWP's own impact assessments

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2024

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underscore the challenge particularly when 45% of our members report having less than £50 left each month after covering housing and utility costs. In response, we are developing our Slice of Life campaign a multi-channel approach to storytelling, advocacy, and public engagement. By combining lived experience, political dialogue, and creative interventions, the campaign will provide a compelling platform to influence change and amplify the voices of those too often left unheard.

We are keen to meet with Ministers to discuss how a proactive, preventative approach to food insecurity can be made a central part of the upcoming Food Strategy. We believe that food redistribution and community food access can play a central role in building both environmental and social resilience.

By the end of 2025, we expect to operate more than 150 hubs. Our belief is simple: that food clubs affordable, community-rooted, and sustainable should be a core part of how we support families to not only survive but thrive.

## Principal risk and uncertainties

As part of our commitment to strong governance and sustainability, the trustees actively monitor and manage the risks facing The Bread and Butter Thing. Our risk management approach ensures that we remain resilient in the face of uncertainty and continue to deliver impact in the communities we serve.

The trustees have ultimate responsibility for risk management and for ensuring that The Bread and Butter Thing's internal control systems are robust and effective. They are satisfied that appropriate processes are in place to identify key risks and mitigate them. Risk is regularly reviewed and assessed across operational, financial, compliance, and strategic areas through a detailed Risk Register, which is monitored and updated routinely.

Over the past year, we have seen a complex risk landscape emerge, shaped by economic instability, rising prices, and operational pressures. We continue to assess and respond to these challenges through robust planning and prudent financial management.

We proactively mitigate financial risks through secure funding pipelines, commissioned fundraising expertise, and meticulous documentation of financial systems. Regular budget monitoring and value for money assessments are conducted to ensure financial stability.

The trustees ensure that an effective system of internal financial control is maintained, operated through delegated authority and regular reporting. The Treasurer actively challenges and scrutinises internal controls to strengthen governance oversight.

Recruitment remains a key organisational challenge, particularly in securing staff of the right calibre to support our ambitious growth plans and maintain the high standards expected across our operations. While we offer a strong employment proposition, including flexible working and a

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2024

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values led culture, the pace and complexity of our service requires exceptional talent. We continue to strengthen our recruitment approach and invest in internal development to build resilience and ensure continuity.

Operational risks such as food safety, transport reliability, and fleet maintenance are managed through rigorous policies, routine audits, and investment in systems and training. For example, Health & Safety and Food Safety compliance are subject to mandatory training, regular site audits, and Primary Authority oversight.

Our significant partnership with Comic Relief, which supports key areas of our work, is currently secured through to 2027. However, we are mindful of the need to prepare for a future without this support. Should it not be renewed, we estimate that a six-month window would be required to restructure operations or source alternative funding.

Our lease on our existing warehouse site in Trafford Park ends in 2025. A new site has been identified, and Heads of Terms have been signed in March 2025. Relocating our warehousing operations will involve significant one off costs. This move is essential to the continuity of our services and to ensure that our warehousing operations have the capacity to scale further.

Our ability to deliver is fundamentally tied to the availability of surplus food. During the year, we have greatly widened the number of suppliers we deal with and have improved our infrastructure to allow us to deal with large donations quickly and efficiently. We continue to invest in this area, with the support of trustees so our expansion is underpinned with the right food. We monitor very closely our third-party logistics costs which are our biggest costs after wages and salaries.

We remain committed to ongoing risk evaluation and are confident that our current framework supports the continued growth and resilience of the organisation. By integrating best practices and learning from peer organisations, we strive to enhance our risk management strategies continually. Our aim is to be nimble, prepared, and responsive, so that we can protect our services and continue to support tens of thousands of families, whatever comes our way.

## Structure, governance, and management

The organisation is a Charitable Incorporated Organisation (CIO), incorporated and registered as a charity on 27 September 2016 in England and Wales.

The CIO was established under its constitution, which sets out the charity's objects and powers and governs its operations.

The day to day management of the charity is led by Chief Executive Vic Harper, with support from Mark Game and Jane Partington in their roles as Founders, and Mike Day as Managing Director. Work is ongoing to strengthen management resilience across the organisation, ensuring continuity and sustainability as we grow. This leadership team sets and upholds high standards, fully understands the fast paced nature of our work, and champions a culture of service that puts our

## **The Bread and Butter Thing**

### **Trustees' annual report**

#### **For the period ended 31 December 2024**

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members and communities at the heart of everything we do. We are ambitious for the success of The Bread and Butter Thing, driven by our belief in its potential to create lasting impact at scale.

Trustees are required to disclose all relevant interests and register them with the charity's legal adviser. In line with the charity's policy, they withdraw from any decisions where a conflict of interest may arise.

The remuneration of the senior management team is set by the trustees, with the aim of paying a fair and appropriate salary for the not-for-profit sector, while remaining mindful of the charity's financial position.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are disclosed in note 6.

### **Operation of the Board of Trustees**

The Board of Trustees meets formally four times a year to review the organisation's work and services, and to agree the strategic goals for the charity. The Board also reviews its own operation, effectiveness and governance on an annual basis. The trustees delegate the day to day operations and staffing of the charity to the management team. At each quarterly meeting, they review recent developments to ensure they are in line with the strategic goals agreed. To further harness the full breadth of knowledge across the organisation, working groups comprising trustees and the leadership team are established for key projects, enabling collaboration and informed decision-making across strategic priorities.

### **Appointment of trustees**

An annual review of the Board of Trustees' recruitment needs is undertaken under the leadership of the Chair. This includes an audit of current knowledge, experience, skills, and abilities, with consideration given to how these may be impacted by future trustee departures. Trustees are appointed based on the skills and sector knowledge relevant to our operations.

All new trustees are inducted by spending time with the team on site, ensuring they gain a strong understanding of day to day operations and build direct relationships with staff. Additionally, trustees are expected to volunteer with the team for at least one day each year to maintain this connection.

### **Related parties and relationships with other organisations**

Throughout 2024, The Bread and Butter Thing has continued to work closely with food industry partners. We have strong working relationships with Asda, Amazon, Co-op, Cranswick, Fyffes, Greencore, Greene King, Jackson's Bakery, Kellogg's, Morrisons, Pilgrim Foods, Worldwide Fruit, Soreen, Sodexo, and Sainsbury's through their Nourish the Nation initiative. These partners have

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2024

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supported us a range of goods, volunteering, and press coverage, and we are hugely grateful to them all.

Once again, we are especially grateful to the Morrisons team for their continued operational support and partnership as we grow, including plans for deeper engagement at their food manufacturing sites.

## Statement of responsibilities of the Trustees

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

## **The Bread and Butter Thing**

### **Trustees' annual report**

**For the period ended 31 December 2024**

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## **Auditor**

Sayer Vincent LLP was reappointed as the charity's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees and signed on their behalf by

William Bentley  
Chair of Trustees  
22nd April 2025

## Independent Auditor's report

To the members of

**The Bread and Butter Thing**

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### Opinion

We have audited the financial statements of The Bread and Butter Thing (the 'charity') for the year ended 31 December 2024 which comprise of 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 charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

### Basis for opinion

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Bread and Butter Thing'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

To the members of

The Bread and Butter Thing

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### 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.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## Independent Auditor's report

To the members of

The Bread and Butter Thing

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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, 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.

## Independent Auditor's report

To the members of

### The Bread and Butter Thing

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- 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](http://www.frc.org.uk/auditorsresponsibilities) This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Date: 29 April 2025

Jonathan Orchard  
Sayer Vincent LLP, Statutory Auditor  
110 Golden Lane, LONDON, EC1Y 0TG

**The Bread and Butter Thing**

**Statement of financial activities** (incorporating an income and expenditure account)

**For the year ended 31 December 2024**

|  | Unrestricted<br>Note<br>£ | Restricted<br>£  | <b>2024<br/>Total<br/>£</b> | Unrestricted<br>£ | Restricted<br>£  | <b>2023<br/>Total<br/>£</b> |
|--|---------------------------|------------------|-----------------------------|-------------------|------------------|-----------------------------|
| <b>Income from:</b>  |                           |                  |                             |                   |                  |                             |
| Donations and Grants   | 2                         | 124,486          | -                           | 151,005           | -                | 151,005                     |
| Charitable activities  | 3                         | 3,407,307        | 3,232,074                   | 2,742,939         | 2,537,412        | 5,280,352                   |
| <b>Total income</b>  |                           | <b>3,531,793</b> | <b>3,232,074</b>            | <b>2,893,944</b>  | <b>2,537,412</b> | <b>5,431,357</b>            |
| <b>Expenditure on:</b>   |                           |                  |                             |                   |                  |                             |
| Charitable activities  | 4a                        | 3,098,963        | 2,923,333                   | 3,118,253         | 1,531,554        | 4,649,807                   |
| <b>Total expenditure</b>   |                           | <b>3,098,963</b> | <b>2,923,333</b>            | <b>3,118,253</b>  | <b>1,531,554</b> | <b>4,649,807</b>            |
| <b>Net income / (expenditure) before net gains / (losses) on investments</b> |                           | <b>432,830</b>   | <b>308,741</b>              | <b>(224,309)</b>  | <b>1,005,858</b> | <b>781,550</b>              |
| <b>Net income for the year</b>   | 5                         | <b>432,830</b>   | <b>308,741</b>              | <b>(224,309)</b>  | <b>1,005,858</b> | <b>781,550</b>              |
| <b>Reconciliation of funds:</b>  |                           |                  |                             |                   |                  |                             |
| Total funds brought forward  |                           | 972,850          | 2,444,055                   | 1,197,159         | 1,438,197        | 2,635,356                   |
| <b>Total funds carried forward</b>   |                           | <b>1,405,680</b> | <b>2,752,796</b>            | <b>972,850</b>    | <b>2,444,055</b> | <b>3,416,906</b>            |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16.

# The Bread and Butter Thing

## Balance sheet

As at 31 December 2024

|  | Note | £                | 2024<br>£               | £                | 2023<br>£               |
|--|------|------------------|-------------------------|------------------|-------------------------|
| <b>Fixed assets:</b>                           |      |                  |                         |                  |                         |
| Tangible assets                                | 10   |                  | 1,142,973               |                  | 1,051,464               |
| Intangible assets                              | 11   |                  | 16,758                  |                  | 21,338                  |
|  |      |                  | <u>1,159,731</u>        |                  | <u>1,072,802</u>        |
| <b>Current assets:</b>                         |      |                  |                         |                  |                         |
| Debtors  | 12   | 2,242,705        |                         | 1,777,312        |                         |
| Short term deposits                            |      | 1,016,591        |                         | 935,000          |                         |
| Cash at bank in hand                           |      | 465,779          |                         | 273,907          |                         |
|  |      | <u>3,725,075</u> |                         | <u>2,986,219</u> |                         |
| <b>Liabilities:</b>                            |      |                  |                         |                  |                         |
| Creditors: amounts falling due within one year | 13   | (726,329)        |                         | (642,115)        |                         |
| <b>Net current assets</b>                      |      |                  | <u>2,998,746</u>        |                  | <u>2,344,104</u>        |
| <b>Total net assets</b>                        |      |                  | <u><u>4,158,477</u></u> |                  | <u><u>3,416,906</u></u> |
| <b>The funds of the charity:</b>               |      |                  |                         |                  |                         |
| Restricted funds                               | 15a  |                  | 2,752,796               |                  | 2,444,057               |
| Unrestricted funds                             |      |                  |                         |                  |                         |
| Designated funds                               |      | 350,000          |                         | -                |                         |
| General funds                                  |      | 1,055,680        |                         | -                |                         |
|  |      | <u>1,405,680</u> |                         | <u>972,849</u>   |                         |
| <b>Total charity funds</b>                     |      |                  | <u><u>4,158,477</u></u> |                  | <u><u>3,416,906</u></u> |

Approved by the trustees on 22 April 2025 and signed on their behalf by

Name: William Bentley  
Title: Chair of Trustees

Name: Philip Kaye  
Title: Treasurer

## The Bread and Butter Thing

### Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2024

|   | Note | 2024                |                   | 2023                |                 |
|---|------|---------------------|-------------------|---------------------|-----------------|
|   |      | £                   | £                 | £                   | £               |
| <b>Cash flows from operating activities</b>   |      |                     |                   |                     |                 |
| Net income for the reporting period<br>(as per the statement of financial activities) |      | 741,571             |                   | 781,550             |                 |
| Depreciation charges  |      | 278,402             |                   | 273,961             |                 |
| Amortisation charges  |      | 12,443              |                   | 10,041              |                 |
| (Increase) in debtors   |      | (465,393)           |                   | (977,596)           |                 |
| (Decrease) / Increase in creditors  |      | 84,214              |                   | (92,196)            |                 |
|   |      |                     |                   |                     |                 |
| <b>Net cash(used in ) / provided by operating activities</b>                          |      | <b>651,237</b>      |                   | <b>(4,240)</b>      |                 |
| <b>Cash flows from investing activities:</b>  |      |                     |                   |                     |                 |
| Purchase of fixed assets  |      | (369,911)           |                   | (428,298)           |                 |
| Purchase of intangible assets   |      | (7,863)             |                   | -                   |                 |
| Short term deposits   |      | (81,591)            |                   | (255,000)           |                 |
|   |      |                     |                   |                     |                 |
| <b>Net cash (used in) investing activities</b>  |      | <b>(459,365)</b>    |                   | <b>(683,298)</b>    |                 |
|   |      |                     |                   |                     |                 |
| <b>Change in cash and cash equivalents in the year</b>                                |      | <b>191,872</b>      |                   | <b>(687,539)</b>    |                 |
|   |      |                     |                   |                     |                 |
| Cash and cash equivalents at the beginning of the year                                |      | 273,907             |                   | 961,446             |                 |
|   |      |                     |                   |                     |                 |
| <b>Cash and cash equivalents at the end of the year</b>                               |      | <b>465,779</b>      |                   | <b>273,907</b>      |                 |
|   |      |                     |                   |                     |                 |
| <b>Analysis of cash and cash equivalents and of net debt</b>                          |      |                     |                   |                     |                 |
|   |      | <b>At 1 January</b> |                   | <b>Other non-</b>   | <b>At 31</b>    |
|   |      | <b>2024</b>         | <b>Cash flows</b> | <b>cash changes</b> | <b>December</b> |
|   |      | <b>£</b>            | <b>£</b>          | <b>£</b>            | <b>2024</b>     |
|   |      |                     |                   |                     | <b>£</b>        |
| Cash at bank and in hand  |      | 273,907             | 191,872           | -                   | 465,779         |
|   |      |                     |                   |                     |                 |
| <b>Total</b>  |      | <b>273,907</b>      | <b>191,872</b>    | <b>-</b>            | <b>465,779</b>  |

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2024

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#### 1 Accounting policies

##### a) Statutory information

The Bread and Butter Thing is a Charitable Incorporated Organisation, governed by a Constitution and registered in England. The registered office address is Warren Bruce Court, Warren Bruce Road, Trafford Park, Manchester M17 1LB.

##### b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in

##### c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

##### d) Going concern

The board has considered the impact of both current requirements and future plans and the trustees consider that there are no indicators that the charity is not a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a

##### e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income. Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has

##### f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or service. On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to

##### g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this

##### h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is restricted. Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes. Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

##### i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the expenditure will be recovered. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

## The Bread and Butter Thing

### Notes to the financial statements

For the year ended 31 December 2024

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#### 1 Accounting policies (continued)

##### j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned using an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated 100% back to the charitable activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

##### k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its

|   |                     |              |
|---|---------------------|--------------|
| ● | Plant and Machinery | 2 – 10 years |
| ● | Office Equipment    | 2– 3 years   |
| ● | Motor vehicles      | 5 years      |
| ● | Website & Software  | 3 years      |

##### l) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

##### m) Debtors

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

##### n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

##### o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

##### p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## The Bread and Butter Thing

### Notes to the financial statements

For the year ended 31 December 2024

#### 2 Donations and other income

|                                   | Unrestricted<br>£ | Restricted<br>£ | 2024<br>Total<br>£ | 2023<br>Total<br>£ |
|-----------------------------------|-------------------|-----------------|--------------------|--------------------|
| Other donations and grants income | 76,468            | -               | <b>76,468</b>      | 115,019            |
| Interest                          | 48,018            | -               | <b>48,018</b>      | 35,986             |
|                                   | <b>124,486</b>    | <b>-</b>        | <b>124,486</b>     | <b>151,005</b>     |

#### 3 Income from charitable activities

|  | Unrestricted<br>£ | Restricted<br>£  | 2024<br>Total<br>£ | Unrestricted<br>£ | Restricted<br>£  | 2023<br>Total<br>£ |
|--|-------------------|------------------|--------------------|-------------------|------------------|--------------------|
| Membership income                        | 3,076,416         | -                | <b>3,076,416</b>   | 2,474,818         | -                | 2,474,818          |
| Gift in Kind                             | 330,891           | -                | <b>330,891</b>     | 268,121           | -                | 268,121            |
| Darlington Borough Council               | -                 | 155,918          | <b>155,918</b>     | -                 | -                | -                  |
| Manchester City Council                  | -                 | 83,848           | <b>83,848</b>      | -                 | -                | -                  |
| County Council of Durham                 | -                 | 146,729          | <b>146,729</b>     | -                 | 121,528          | 121,528            |
| Tameside Council                         | -                 | 72,000           | <b>72,000</b>      | -                 | -                | -                  |
| North Tyneside Council                   | -                 | 41,712           | <b>41,712</b>      | -                 | 41,712           | 41,712             |
| Household Support Fund Food Support Dur  | -                 | 325,000          | <b>325,000</b>     | -                 | -                | -                  |
| Darlington Winter Grant                  | -                 | -                | -                  | -                 | 217,488          | 217,488            |
| Sunderland Council                       | -                 | -                | -                  | -                 | 93,753           | 93,753             |
| Comic Relief                             | -                 | 1,750,000        | <b>1,750,000</b>   | -                 | 814,603          | 814,603            |
| Other Funders                            | -                 | 12,513           | <b>12,513</b>      | -                 | 184,824          | 184,824            |
| Darlington Fuel Vouchers                 | -                 | -                | -                  | -                 | 317,755          | 317,755            |
| Household Support Fund Fuel Support Durt | -                 | 360,000          | <b>360,000</b>     | -                 | 100,000          | 100,000            |
| UK shared prosperity fund                | -                 | -                | -                  | -                 | 152,000          | 152,000            |
| Pursloe Trust and Lyons Trust            | -                 | -                | -                  | -                 | 250,000          | 250,000            |
| Doncaster Council                        | -                 | -                | -                  | -                 | 150,000          | 150,000            |
| Stockton Council                         | -                 | 56,250           | <b>56,250</b>      | -                 | 93,750           | 93,750             |
| Cummins                                  | -                 | 19,563           | <b>19,563</b>      | -                 | -                | -                  |
| East Staffordshire Council               | -                 | 70,172           | <b>70,172</b>      | -                 | -                | -                  |
| Short Straw International                | -                 | 96,713           | <b>96,713</b>      | -                 | -                | -                  |
| Sodexo                                   | -                 | 41,656           | <b>41,656</b>      | -                 | -                | -                  |
| Total income from charitable activities  | <b>3,407,307</b>  | <b>3,232,074</b> | <b>6,639,381</b>   | <b>2,742,939</b>  | <b>2,537,412</b> | <b>5,280,352</b>   |

The gift in kind of £330,891 (2023: £268,121) is for the venue hire received free of charge during the year to conduct core activities.

The Bread and Butter Thing

Notes to the financial statements

For the year ended 31 December 2024

4a Analysis of expenditure (current year)

|                               | Charitable<br>Activities<br>£ | Governance<br>costs<br>£ | Support<br>costs<br>£ | 2024<br>Total<br>£ | 2023<br>Total<br>£ |
|-------------------------------|-------------------------------|--------------------------|-----------------------|--------------------|--------------------|
| Staff costs (Note 6)          | 1,506,979                     | 33,952                   | 439,076               | <b>1,980,007</b>   | 1,738,356          |
| Other staff costs             | 125,753                       | 341                      | 61,260                | <b>187,354</b>     | 148,215            |
| Fuel/Transport and Hubs costs | 1,984,296                     | -                        | -                     | <b>1,984,296</b>   | 1,310,940          |
| Direct grant expenditure      | 848,298                       | -                        | -                     | <b>848,298</b>     | 672,166            |
| Warehouse costs               | 448,478                       | -                        | -                     | <b>448,478</b>     | 298,668            |
| Combined liability insurance  | -                             | -                        | 17,546                | <b>17,546</b>      | 7,356              |
| Depreciation                  | 270,982                       | -                        | 19,862                | <b>290,844</b>     | 284,002            |
| Legal fees                    | -                             | -                        | 29,985                | <b>29,985</b>      | 31,626             |
| Governance                    | -                             | -                        | -                     | -                  | 710                |
| Audit and accountancy         | -                             | 12,498                   | -                     | <b>12,498</b>      | 20,576             |
| Office costs                  | -                             | -                        | 164,905               | <b>164,905</b>     | 101,570            |
| Other costs                   | -                             | -                        | 58,085                | <b>58,085</b>      | 35,622             |
|                               | <b>5,184,786</b>              | <b>46,791</b>            | <b>790,719</b>        | <b>6,022,296</b>   | <b>4,649,807</b>   |
| Support costs                 | 790,719                       | -                        | (790,719)             | -                  | -                  |
| Governance costs              | 46,791                        | (46,791)                 | -                     | -                  | -                  |
| <b>Total expenditure 2024</b> | <b>6,022,296</b>              | <b>-</b>                 | <b>-</b>              | <b>6,022,296</b>   | <b>-</b>           |
| Total expenditure 2023        | 4,649,807                     | -                        | -                     | -                  | 4,649,807          |

## The Bread and Butter Thing

### Notes to the financial statements

For the year ended 31 December 2024

#### 4b Analysis of expenditure (prior year)

|                               | Charitable<br>Activities<br>£ | Governance<br>costs<br>£ | Support<br>costs<br>£ | 2023<br>Total<br>£ |
|-------------------------------|-------------------------------|--------------------------|-----------------------|--------------------|
| Staff costs (Note 6)          | 1,273,588                     | 46,477                   | 418,292               | <b>1,738,356</b>   |
| Other staff costs             | 37,463                        | -                        | 110,752               | <b>148,215</b>     |
| Fuel/Transport and Hubs costs | 1,310,940                     | -                        | -                     | <b>1,310,940</b>   |
| Direct grant expenditure      | 672,166                       | -                        | -                     | <b>672,166</b>     |
| Warehouse costs               | 298,280                       | -                        | 388                   | <b>298,668</b>     |
| Combined liability insurance  | -                             | -                        | 7,356                 | <b>7,356</b>       |
| Depreciation                  | 204,592                       | -                        | 79,410                | <b>284,002</b>     |
| Legal fees                    | -                             | -                        | 31,626                | <b>31,626</b>      |
| Governance                    | -                             | 710                      | -                     | <b>710</b>         |
| Audit and accountancy         | -                             | 20,576                   | -                     | <b>20,576</b>      |
| Office costs                  | -                             | -                        | 101,570               | <b>101,570</b>     |
| Other costs                   | -                             | -                        | 35,622                | <b>35,622</b>      |
|                               | <b>3,797,029</b>              | <b>67,763</b>            | <b>785,016</b>        | <b>4,649,807</b>   |
| Support costs                 | 785,016                       | -                        | (785,016)             | -                  |
| Governance costs              | 67,763                        | (67,763)                 | -                     | -                  |
| <b>Total expenditure 2023</b> | <b>4,649,807</b>              | <b>-</b>                 | <b>-</b>              | <b>4,649,807</b>   |

**5 Net income for the year**

This is stated after charging / (crediting):

|                                | <b>2024</b>    | 2023    |
|--------------------------------|----------------|---------|
|                                | <b>£</b>       | £       |
| Depreciation                   | <b>278,402</b> | 273,961 |
| Auditor's Remuneration:        |                |         |
| Audit (excluding VAT)          | <b>8,920</b>   | 8,500   |
| Other services (excluding VAT) | <b>-</b>       | 1,500   |
|                                | <b>278,402</b> | 273,961 |

**6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

|   | <b>2024</b>      | 2023      |
|---|------------------|-----------|
|   | <b>£</b>         | £         |
| Salaries and wages  | <b>1,778,631</b> | 1,557,921 |
| Social security costs   | <b>170,925</b>   | 154,118   |
| Employer's contribution to defined contribution pension schemes | <b>30,451</b>    | 26,317    |
|   | <b>1,980,007</b> | 1,738,356 |

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

|                   | <b>2024</b> | 2023 |
|-------------------|-------------|------|
|                   | <b>No.</b>  | No.  |
| £70,000 – £79,999 | -           | 2    |
| £80,000 – £89,999 | 1           | 2    |
| £90,000 – £99,999 | 2           | -    |

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £339,518 (2022: £469,328).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: £nil). One trustee received payment for professional services supplied to the charity at arms length (see Note 8) (2023: one).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £341 (2023: £208) incurred by 1 (2023: 2) member relating to attendance at meetings of the

**7 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 60.5 (2023: 52.0).

Staff are split across the activities of the charity as follows:

|                     | <b>2024</b> | 2023 |
|---------------------|-------------|------|
|                     | <b>No.</b>  | No.  |
| Charitable activity | <b>53.8</b> | 46.8 |
| Support             | <b>6.4</b>  | 5.2  |
| Governance          | <b>0.4</b>  | 0.1  |
|                     | <b>60.5</b> | 52.0 |

**The Bread and Butter Thing**

**Notes to the financial statements**

**For the year ended 31 December 2024**

**8 Related party transactions**

Within the year there were transactions to the value of £6,651 (2023:12,794) between The Bread and Butter Thing and BD2, where Will Bentley is a Director. These transactions were at arms length.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties (2023: none).

**9 Taxation**

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**10 Tangible fixed assets**

|                               | Plant & Machinery<br>£ | Office equipment<br>£ | Motor vehicles<br>£ | Website & Software<br>£ | Total<br>£       |
|-------------------------------|------------------------|-----------------------|---------------------|-------------------------|------------------|
| <b>Cost</b>                   |                        |                       |                     |                         |                  |
| At the start of the year      | 438,088                | 22,594                | 1,178,602           | 57,912                  | <b>1,697,196</b> |
| Additions in year             | 23,759                 | 7,168                 | 348,047             | 14,818                  | <b>393,792</b>   |
| Disposal                      | -                      | -                     | (23,881)            | -                       | <b>(23,881)</b>  |
| At the end of the year        | <b>461,847</b>         | <b>29,762</b>         | <b>1,502,768</b>    | <b>72,730</b>           | <b>2,067,107</b> |
| <b>Depreciation</b>           |                        |                       |                     |                         |                  |
| At the start of the year      | 139,030                | 17,259                | 461,864             | 27,579                  | <b>645,732</b>   |
| Charge for the year           | 50,658                 | 7,419                 | 205,050             | 15,275                  | <b>278,402</b>   |
| Disposal                      | -                      | -                     | -                   | -                       | <b>-</b>         |
| At the end of the year        | <b>189,688</b>         | <b>24,678</b>         | <b>666,914</b>      | <b>42,854</b>           | <b>924,134</b>   |
| <b>Net book value</b>         |                        |                       |                     |                         |                  |
| <b>At the end of the year</b> | <b>272,159</b>         | <b>5,084</b>          | <b>835,854</b>      | <b>29,876</b>           | <b>1,142,973</b> |
| At the start of the year      | 299,058                | 5,335                 | 716,738             | 30,333                  | 1,051,464        |

All of the above assets are used for charitable purposes.

**11 Intangible fixed assets**

|                               | Website & Software<br>£ | Total<br>£    |
|-------------------------------|-------------------------|---------------|
| <b>Cost</b>                   |                         |               |
| At the start of the year      | 32,087                  | <b>32,087</b> |
| Additions in year             | 7,863                   | <b>7,863</b>  |
| At the end of the year        | <b>39,950</b>           | <b>39,950</b> |
| <b>Amortization</b>           |                         |               |
| At the start of the year      | 10,749                  | <b>10,749</b> |
| Charge for the year           | 12,443                  | <b>12,443</b> |
| At the end of the year        | <b>23,192</b>           | <b>23,192</b> |
| <b>Net book value</b>         |                         |               |
| <b>At the end of the year</b> | <b>16,758</b>           | <b>16,758</b> |
| At the start of the year      | 21,338                  | 21,338        |

All of the above assets are used for charitable purposes.

The Bread and Butter Thing

Notes to the financial statements

For the year ended 31 December 2024

| 12 Debtors                     | 2024<br>£        | 2023<br>£        |
|--------------------------------|------------------|------------------|
| Trade debtors                  | 63,679           | 178,427          |
| Prepayments and accrued income | 2,054,012        | 1,492,243        |
| Other debtors                  | 125,014          | 106,642          |
|                                | <b>2,242,705</b> | <b>1,777,312</b> |

| 13 Creditors: amounts falling due within one year | 2024<br>£      | 2023<br>£      |
|---|----------------|----------------|
| Trade creditors                                   | 193,607        | 139,485        |
| Taxation and social security                      | 47,180         | 37,750         |
| Pensions  | 13,898         | 11,620         |
| Other creditors                                   | 11,102         | 27,833         |
| Accruals  | 43,668         | 3,402          |
| Deferred income (note 14)                         | 416,874        | 422,025        |
|   | <b>726,329</b> | <b>642,115</b> |

14 Deferred Income

Deferred income is comprised of grants from eleven funders where funding is given in advance, but is restricted for use in future periods.

|                                       | 2024<br>£      | 2023<br>£      |
|---------------------------------------|----------------|----------------|
| Balance at the beginning of the year  | 422,025        | 592,566        |
| Amount released to income in the year | (423,184)      | (592,566)      |
| Amount deferred in the year           | 418,033        | 422,025        |
|                                       | <b>416,874</b> | <b>422,025</b> |

15a Analysis of net assets between funds (current year)

|                                       | General<br>unrestricted<br>£ | Restricted<br>£  | Total            | funds<br>£ |
|---------------------------------------|------------------------------|------------------|------------------|------------|
| Tangible fixed assets                 | 111,167                      | 1,031,806        | <b>1,142,973</b> |            |
| Intangible assets                     | 16,758                       | -                | <b>16,758</b>    |            |
| Net current assets                    | 1,277,755                    | 1,720,991        | <b>2,998,746</b> |            |
| <b>Net assets at 31 December 2024</b> | <b>1,405,680</b>             | <b>2,752,796</b> | <b>4,158,477</b> |            |

15b Analysis of net assets between funds (prior year)

|                                       | General<br>unrestricted<br>£ | Restricted<br>£  | Total            | funds<br>£ |
|---------------------------------------|------------------------------|------------------|------------------|------------|
| Tangible fixed assets                 | 334,725                      | 716,738          | <b>1,051,464</b> |            |
| Intangible assets                     | 21,338                       | -                | <b>21,338</b>    |            |
| Net current assets                    | 616,784                      | 1,727,319        | <b>2,344,103</b> |            |
| <b>Net assets at 31 December 2023</b> | <b>972,847</b>               | <b>2,444,057</b> | <b>3,416,905</b> |            |

The Bread and Butter Thing

Notes to the financial statements

For the year ended 31 December 2024

16a Movements in funds (current year)

|                                 | At 1 January<br>2024<br>£ | Income & gains<br>£ | Expenditure &<br>losses<br>£ | Transfers<br>£   | At 31 December<br>2024<br>£ |
|---------------------------------|---------------------------|---------------------|------------------------------|------------------|-----------------------------|
| <b>Restricted funds:</b>        |                           |                     |                              |                  |                             |
| Small grants                    | 22,464                    | 9,035               | (31,787)                     | -                | (288)                       |
| Comic Relief Grant              | 985,382                   | 1,750,000           | (846,239)                    | -                | 1,889,143                   |
| Cummins                         | 11,139                    | 19,563              | (30,702)                     | -                | -                           |
| DEFRA                           | 260,025                   | -                   | (70,926)                     | -                | 189,099                     |
| Karbon Homes Grant              | 17,359                    | -                   | (9,246)                      | -                | 8,113                       |
| Kelloggs                        | 400                       | -                   | (400)                        | -                | -                           |
| Local Authority                 | 846,542                   | 1,315,107           | (1,703,615)                  | -                | 458,034                     |
| Purslow Trust and Lyons Trust   | 261,945                   | -                   | (132,708)                    | -                | 129,237                     |
| Regen                           | 25,000                    | -                   | (9,246)                      | -                | 15,754                      |
| Sodexo grant                    | 5,467                     | 41,656              | (41,829)                     | -                | 5,294                       |
| Wagamama                        | 8,333                     | -                   | (8,333)                      | -                | -                           |
| Short Straw International       | -                         | 96,713              | (38,302)                     | -                | 58,410                      |
| <b>Total restricted funds</b>   | <b>2,444,057</b>          | <b>3,232,074</b>    | <b>(2,923,333)</b>           | <b>-</b>         | <b>2,752,796</b>            |
| <b>Unrestricted funds:</b>      |                           |                     |                              |                  |                             |
| Designated funds                | -                         | -                   | -                            | 350,000          | 350,000                     |
| <b>General funds</b>            | <b>972,850</b>            | <b>3,531,793</b>    | <b>(3,098,963)</b>           | <b>(350,000)</b> | <b>1,055,680</b>            |
| <b>Total unrestricted funds</b> | <b>972,850</b>            | <b>3,531,793</b>    | <b>(3,098,963)</b>           | <b>-</b>         | <b>1,405,680</b>            |
| <b>Total funds</b>              | <b>3,416,907</b>          | <b>6,763,867</b>    | <b>(6,022,296)</b>           | <b>-</b>         | <b>4,158,478</b>            |

\* The negative balances shown in this table are due to the revenue being spread over the life of the grant as per FRS102. The narrative to explain the purpose of each fund is given at the foot of the note below.

16b Movements in funds (prior year)

|                                 | At 1 January<br>2023<br>£ | Income & gains<br>£ | Expenditure &<br>losses<br>£ | Transfers<br>£ | At 31 December<br>2023<br>£ |
|---------------------------------|---------------------------|---------------------|------------------------------|----------------|-----------------------------|
| <b>Restricted funds:</b>        |                           |                     |                              |                |                             |
| 10G - small grants              | 9,936                     | 12,528              | -                            | -              | 22,464                      |
| Comic Relief Grant              | 437,500                   | 814,603             | (266,721)                    | -              | 985,382                     |
| Cummins                         | 26,734                    | -                   | (15,595)                     | -              | 11,139                      |
| DEFRA                           | 312,477                   | -                   | (52,452)                     | -              | 260,025                     |
| First Choice Homes              | 1,875                     | -                   | (2,500)                      | -              | (625)                       |
| Karbon Homes Grant              | 57,707                    | -                   | (40,348)                     | -              | 17,359                      |
| Kellogg's                       | 5,399                     | -                   | (4,999)                      | -              | 400                         |
| Local Authority                 | 544,376                   | 1,394,455           | (1,092,579)                  | -              | 846,251                     |
| Morrisons Trust                 | 4,063                     | -                   | (6,600)                      | -              | (2,537)                     |
| Other income                    | 3,454                     | -                   | -                            | -              | 3,454                       |
| Our Manchester                  | 3,997                     | -                   | (3,999)                      | -              | (2)                         |
| Purslow Trust and Lyons Trust   | 5,677                     | 275,000             | (18,732)                     | -              | 261,945                     |
| Regen                           | -                         | 25,000              | -                            | -              | 25,000                      |
| Sainsburys                      | 2                         | -                   | -                            | -              | 2                           |
| Sodexo grant                    | -                         | 15,828              | (10,361)                     | -              | 5,467                       |
| Wagamama                        | 25,000                    | -                   | (16,667)                     | -              | 8,333                       |
| <b>Total restricted funds</b>   | <b>1,438,196</b>          | <b>2,537,414</b>    | <b>(1,531,554)</b>           | <b>-</b>       | <b>2,444,057</b>            |
| <b>Unrestricted funds:</b>      |                           |                     |                              |                |                             |
| Designated funds                | 350,000                   | -                   | -                            | (350,000)      | -                           |
| <b>General funds</b>            | <b>847,159</b>            | <b>2,893,944</b>    | <b>(3,118,253)</b>           | <b>350,000</b> | <b>972,850</b>              |
| <b>Total unrestricted funds</b> | <b>1,197,159</b>          | <b>2,893,944</b>    | <b>(3,118,253)</b>           | <b>-</b>       | <b>972,850</b>              |
| <b>Total funds</b>              | <b>2,635,355</b>          | <b>5,431,358</b>    | <b>(4,649,807)</b>           | <b>-</b>       | <b>3,416,907</b>            |

**Purposes of restricted funds**

**Small grants** – A number of grants with low income or expenditure in the year grouped together

**Comic Relief** – working through Nourish the Nation (Comic Relief and Sainsburys) has continued to fund us to expand and develop. In 2024, they awarded us grants to help our geographical expansion, to provide support focussed on reducing child poverty and to enhance the holiday activities and food Programme in the communities we work.

**Cummins** – The grant was given to support the relocation to a new warehouse in the North East region

**DEFRA** – DEFRA provided funding to install freezers and chillers for the warehouses in addition to further vans to enable further expansion in the North West

**Karbon Homes** – providing a grant for the opening of more hubs and associated costs.

**Local authorities** – have provided grants for the opening of more hubs, associated costs (van, staff, training). Local authorities have also provided support funding for fuel vouchers, prepaid meters and food to be distributed through our operations and in local areas.

**The Purslow and Lyons Trusts** – have joined together to fund the expansion of our services in to Warrington and the establishing of a new region based around a warehouse in Stoke

**Regen** – Regen provided a grant to set up 1 additional Hub per week.

**Sodexo grant** – Grant for promotion of Healthy start vouchers and a project in Women Empowerment to support our members further

**Wagamama** – to support logistics of redistribution one million meals in January 2023.

**Short Straw International** – The charity provided funding to allow us to expand into Whitby and the surrounding areas

**Purposes of designated funds**

In addition to ongoing operational priorities, the charity has identified a strategic investment essential to enhancing its long-term stability: the relocation of its Greater Manchester site. This move is critical to improving the efficiency of operations in the North West and will provide a more suitable and scalable base to support the charity's growing regional footprint. It is envisaged that costs of £350,000 to complete the move will be incurred during 2025. A designated reserve of £350,000 has been set aside as of 31 December 2024 to fund these activities.

**17 Operating and finance lease commitments payable as a lessee**

The charity's total future lease payments under an operating lease is as follows for each of the following periods

|                    | Property       |                |
|--------------------|----------------|----------------|
|                    | 2024           | 2023           |
|                    | £              | £              |
| Less than one year | 156,749        | 92,838         |
| One to five years  | 320,000        | 223,353        |
| Over five years    | 302,500        | 59,430         |
|                    | <u>779,249</u> | <u>375,621</u> |

**18 Legal status of the charity**

The Bread and Butter Thing is a Charitable Incorporated Organisation, governed by a Constitution and has no share capital. The charity registered in England and Wales (Charity Number 1169383).

**THE BREAD AND BUTTER THING.**

England & Wales - Charity number 1169383

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# Accounts

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Charity Number: 1169383

# The Bread and Butter Thing

Report and financial statements

For the period ended 31 December 2023

# The Bread and Butter Thing

## Contents

### For the period ended 31 December 2023

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## The Bread and Butter Thing

### Reference and administrative information

#### For the period ended 31 December 2023

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The Charitable Incorporated Organisation was registered with the Charity Commission with the name of Heathfield Drive on 27 September 2016. The name was changed to The Bread and Butter Thing on 6 June 2017.

**Charity number** 1169383

**Registered office and operational address** The Bread and Butter Thing  
6 Meridian Place  
MANCHESTER  
M20 2QF

**Trustees** Trustees who served during the year and up to the date of this report were as follows:

|                           |                           |
|---------------------------|---------------------------|
| Will Bentley              | (Chair)                   |
| Philip Kaye               | (Treasurer)               |
| Andrew Mitchell           | (resigned 19 April 2024)  |
| Graeme Douglas            |                           |
| Greg Sage                 |                           |
| Inga Thordar              |                           |
| Mary Jennings             | (resigned 23 August 2023) |
| Frances Kitson            | (resigned 23 August 2023) |
| Elaine Leveridge          | (resigned 23 August 2023) |
| Geoffrey de Chateauevieux | (resigned 23 August 2023) |

**Key management personnel**

|                     |   |
|---------------------|---|
| Mark Game           | Chief Executive                               |
| Victoria Harper     | Chief Operations Officer                      |
| Lisa Scobbie        | Chief Financial Officer (to 30 November 2023) |
| Jane Partington FCA | Partnerships Director                         |

**Bankers** Santander  
712–716 Wilmslow Rd  
Manchester  
M20 6DQ

**Auditor** Sayer Vincent LLP  
Invicta House  
110 Golden Lane  
London  
EC1Y 0TG

## **The Bread and Butter Thing**

### **Trustees' annual report**

#### **For the period ended 31 December 2023**

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The trustees present their report and the audited financial statements for the period ended 31 December 2023.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the CIO constitution and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## **Objectives and activities, purposes and aims**

The purposes of The Bread and Butter Thing as set out in its constitution are:

The relief of financial hardship and the promotion of social inclusion among people living or working in the UK for the public benefit by providing such persons with, or with access to, goods, services and/or funds without a poverty premium which they could not obtain access to through lack of means and/or as a result of their social and financial exclusion from society as a result of one or more of the following factors: unemployment, financial hardship; youth or old age; ill health (physical or mental); substance abuse or dependency including alcohol and drugs; poor education or skills attainment; crime (either as a victim of crime or as an offender rehabilitating into society);

The protection and preservation of the environment for the public benefit by the promotion of food waste reduction and fast-moving consumer goods waste reduction by redistributing goods to people in low income households;

The promotion of good health and nutrition by providing affordable access to, and supplying, a healthy and balanced diet, and providing advice and education on a healthy and balanced diet. 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 remain 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 charity's main activities and who it tries to help are described below. As set out in its constitution, its charitable activities are undertaken to further The Bread and Butter Thing's charitable purposes for the public benefit.

## **The Bread and Butter Thing**

### **Trustees' annual report**

**For the period ended 31 December 2023**

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Our mission is to unleash the power of food and ignite long-lasting change in struggling neighbourhoods across the UK.

We build bridges out of food deserts, bringing nutritious, affordable food to the centre of the UK's most deprived communities and nourish them. We change lives. And we give voice to the people who use us – our members.

We are the everyday – the bread and butter – baked into the heart of our communities.

## **What we do**

It starts with food.

Because when you're struggling to make ends meet, knowing where your family's next meal is coming from is paramount.

Our mobile food club gives access to nutritious and affordable food taken into the heart of communities starved of money, food and resources. This low cost weekly shop provides essential produce for family eating – fresh fruit and veg, chilled goods, and cupboard staples.

But this is just the beginning.

Every week, we improve diets with a diverse variety of healthy produce and products.

Every week, our communities gather to manage the distribution of food, building friendships, skills and connections.

Every week, we diminish loneliness and reduce the stress of stretched finances.

Every week, we bring in external partners to offer bespoke and tailored support.

Every week, we listen and we learn, building understanding of the issues facing our members and give voice to their stories, amplifying them and affecting change at a local and national level.

Every week, we change lives.

Our aims:

Tackle poverty premiums by providing a reliable source of healthy and low-cost food, and other household goods to communities in need.

Strengthen community assets by working in partnership with pre-existing community projects, enhancing the services they provide.

Build resilience by enabling communities to help themselves.

## The Bread and Butter Thing

### Trustees' annual report

For the period ended 31 December 2023

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Reduce waste by working with manufacturers and distributors to identify surpluses in their supply chains which can be diverted for redistribution.

### A two-tier approach to food security

2023 has been another year in which the cost of living crisis has bitten hard. We have all learned how inflation is proving to be yet another poverty premium, the worse off being the worst affected. With inflation averaging around 6% in 2023, we asked our members for their views of how much they were impacted. Typically everything was three times as hard for our members. The Government's 2023 State of the Nation reports that "the UK is not in decline and that the UK is not a low-mobility country" and that "an exaggerated picture of gloom should not be our motivation for change".

And yet 54% of our members are renting compared to their parents living in owned or mortgaged homes. Furthermore, the majority feel that their living standards are worse than their parents at the same age. Clearly, this is not a wholly representative cohort that gives a true representation of the nation as a whole. But we cannot ignore the fact that we have communities all across the nation that are in decline.

Although inflation is declining, this does not mean life is more affordable or cheaper; it simply means it is still getting more expensive, just not as quickly as it was. Wages and benefits are not rising in line with price rises and low income families are being pushed more and more beyond the coping line. As a result, our members are being forced to borrow, just to get by. Everyday essentials such as food and energy are bought on credit.

Our members feel their lives are in social decline and yet continue to be politically engaged. Two thirds of our members intend to vote in the next general election even though the vast majority feel that, irrespective of who is in Government, they will continue to be overlooked.

Post Covid, our members have been forced to make difficult decisions every day; they have been incredibly resourceful and have 'managed'. But resources and favours are running out, and doorstep lenders are circling. The majority of borrowings our members incur is informal; from friends, family and doorstep lenders. This means most of our members' debt is invisible to policy makers.

Despite all the challenges, our members continue to 'cope'. Their resilience and agility is truly amazing and we celebrate this whilst doing what we can to stretch budgets and maximise income through our food clubs and wraparound support services.

One of our key stakeholders recently said "food clubs such as The Bread and Butter Thing are the secret weapon against food insecurity". Although this is a very positive and supportive statement, we need to show the world how food clubs create a positive addition to communities.

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2023

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With a growing number of people in the UK who are struggling, there is a growing recognition of why we should be providing two-tier support to food security. Food clubs such as The Bread and Butter Thing bridge the gap between crisis support, such as food banks, and everyday retail. More organisations and stakeholders are partnering with The Bread and Butter Thing to provide such support in a growing number of geographic regions.

During 2023, our footprint has spread into Staffordshire, Leicestershire, Nottinghamshire as well as growing further in existing regions. At the end of 2023 we had 115 hubs across England.

### Strengthening community assets

TBBT works with pre-existing community organisations identified with the support of local stakeholders. We partner with these hubs to help them serve their community more and improve the use of community assets. From the beginning we have believed in the importance of building on what is already there rather than coming into a community to start something new.

During 2023, we introduced The Big Brew Time. This is a concept where we invite our communities back into the spaces we operate from and provide them with a warm, familiar space to come and have a brew and meet their neighbours. Such activities give us more opportunities to provide additional wraparound services and, with our growing communities team, we have seen more engagement with more services than ever before.

TBBT's lively and enjoyable weekly events attract the community with around 50–80 local residents typically attending. Our approach is non-stigmatising and connects people by creating networks of trust through shared activity. 97% of members say we are good for their community and 90% enjoy coming to shop with us.

We also identify other service providers who might be able to offer support to the community, building on the footfall and audience we can guarantee. We focus on the areas where our members are most likely to benefit, for example help with fuel costs, debt issues, income maximisation and employability. Our policy is to work in partnership with organisations already providing services in these specialities. Post Covid, life is not returning to what we knew in 2019. Economic challenges created globally and nationally have meant low income families continue to struggle far more than they did pre Covid.

By bringing in these other services locally into our warm hubs, we have been able to reintroduce desperately needed face to face support. During 2023, we have worked with Morrisons Trust, The Green Doctors, Citizens Advice, Virgin Media, New Leaf, Kirklees Money Advice and many others bringing local access to their services to our hubs.

2023 has been our busiest year for wraparound services, not only because of the increasing number of hubs but also because of the volume of interactions per hub. Community partners report improved engagement with our members. The regular contact from the weekly deliveries increases footfall and connects more people with the other services which our partners offer.

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2023

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Our Connecting with Confidence project delivered in partnership with Lloyds Bank and We Are Digital ran 57 training sessions in 10 TBBT hubs, with 411 people taking part. Each session was open to TBBT members who had been identified as digitally excluded – including members without access to a smartphone, tablet or home computer. The project combined three key elements: access to kit, data for connectivity and building up confidence online. Run by We Are Digital expert trainers, the sessions provided a tablet and SIM card with six months data from Vodaphone included.

Our members also enjoy the social aspect of our service. Coming each week to chat and meet others reduces social isolation. 92% of our members feel welcome shopping with us and 31% have made new friends in the community since joining. 43% feel less alone. Members are regularly swapping recipe ideas, hints and tips on using the food we supply, contributing to better communication and building an enhanced community spirit.

### Build resilience

Our aim is to help communities to help themselves. Each of our hubs is staffed by a volunteer team made up of people from the local area who set up and manage our service each time we deliver.

We are supported by over 700 volunteers each week who give up their time on a regular basis to deliver the service. Most come to their local hub, ready to meet our staff members and to sort, pack and distribute the food and goods to their fellow members. Others work at our warehouses, collecting and organising the food for the hubs. Every week, between them, they provide more than 2,500 volunteering hours. We could not do it without them.

Volunteers are given a briefing each time and provided with training in manual handling and food safety. They also work with us to design processes, making sure service can continue whilst keeping people safe.

Throughout the inception and development of TBBT, we have consistently found that the communities in which we work have a strong pride and appetite to support themselves. The volunteers come from our communities and know most of the members we serve. They feel ownership of the service and see TBBT as part of their community.

### Reducing waste and finding new sources of surplus food and goods

2023 has been another difficult year for the food industry. Brexit, Covid and the war in Ukraine continue to challenge regular, low cost supply as well as stability of supply. All these factors continue to exacerbate inflationary impacts on food as well as supply.

Throughout the year, we have worked tirelessly to source food to redistribute, and generate the corresponding transport solutions to ensure we can continue to grow our network of food clubs to meet the demands of the cost of living shockwaves we faced.

## **The Bread and Butter Thing**

### **Trustees' annual report**

#### **For the period ended 31 December 2023**

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One of our major supporters throughout 2023 has been Morrisons. They have supported our work since our inception. During 2023, we continued working with them on engaging wider into their manufacturing sites and distribution centres, and, as a result, we have seen a 79% uplift in direct supply. In addition to this, we have started to work further up the supply chain with the Morrisons' team and have started to intercept crops that would otherwise go to waste.

Our work on reducing food waste focusses primarily on the top two aspects of the statutory guidance issued to the food industry by DEFRA in the Food Waste Hierarchy. The first priority is to minimise waste and surplus created; the second is to feed humans wherever possible with the surplus generated.

Most of the work in this year has been continuing to navigate the shifting landscape in supply chain, and how we can work closely with industry to support them and help to develop new ways of minimising waste with as little disruption and investment as possible.

Barriers to redistributing surplus food have been a consistent topic for us throughout the year. We have a good depth of knowledge and insight into surplus foods and how they so easily can be wasted. We have led the way in raising awareness surrounding the issues such as Own label when it comes to wider redistribution.

So, it is good to see that more and more redistributors are responding and becoming more agile in their responses to opportunities presented to them. Since our inception, we have always taken short dated stock and goods beyond best before dates. We welcome these becoming more standard across the sector.

As for the adoption of "own label" approvals by the retailers within the sector, we continue to applaud Morrisons and Sainsbury as they widen their approvals to more redistribution organisations, but the sector overall is still split in its opinion as to whether this is considered appropriate. We shall continue our efforts to demonstrate the tens, if not hundreds, of thousands of tonnes of food wasted due to this blind spot.

In July 2023, we carried out an anonymous survey of own-label manufacturers. We issued the survey to over 400 active members of staff in production, management and technical roles, and we received 50 responses. Clearly this is not a wholly representative picture. However, it does show that more research is required.

We have been able to demonstrate that working with The Bread and Butter Thing, alongside existing redistribution routes, can significantly reduce the amount of own label food going to waste whilst maintaining brand integrity. One size clearly does not fit all.

## The rising challenges of redistribution

During 2023, the rising costs of food and difficulties faced by industry from external factors such as labour shortages and Brexit have started to make redistribution more difficult as supplies have become more challenging.

Industry has seen many calls to action in this space too in 2023. Some of which have created unintended consequences of displacing food from ourselves and others in the sector to new projects.

We have been working closely with stakeholders of the redistribution sector in an attempt to remedy this as TBBT has had to incur more costs to acquire food from industry to keep supply levels secure. Logistics and the costs of surplus food have more than tripled on a monthly basis comparing January to December.

In response, we have recruited a new Director of Finance and Business operations to manage these costs and help keep such rising costs controlled and to a minimum.

More wider, we have actively been calling for more regulation or governance in the redistribution sector to help develop a common code of practice. Working with WRAP and other stakeholders, we are also looking to educate the food industry of the consequences of displacing existing supply from redistribution organisation to another.

TBBT believes that best practice would be supply contracts with service levels and a three year length of term minimum. These agreements should include routine reporting and engagement so that the food suppliers recognise the work provided by the redistribution organisations, as well as keeping an open dialogue.

## Achievements and performance

The charity started its activities in late 2016 and has increased its operations every year. Local access to healthy food at a good price can be a significant problem in the areas we work in, and we find that residents are keen to support us. This means that community hubs, once open, continue causing our weekly deliveries to grow and grow.

We have always seen this as a supply driven model, so we are always trying to break down barriers to redistribution and find more ways of making it easy to redistribute. In 2023, we were proud to win The Grocer Gold “waste not want not” award for our work with Worldwide Fruit. By simply identifying an operational barrier of “de-hiring” trays, we were able to unlock more than 200 tonnes of fruit to go directly to our members.

## The Bread and Butter Thing

### Trustees' annual report

For the period ended 31 December 2023

| Description                                      | At end of 2023 | At end of 2022 | At end of 2021 | At end of 2020 |
|--|----------------|----------------|----------------|----------------|
| Membership                                       | 75,000+        | 48,000+        | 23,000 +       | 14,000 +       |
| Families supported weekly                        | 7,000+         | 4,900 +        | 2,600 +        | 2,000 +        |
| Meals equivalent per week based on DEFRA figures | 265,000+       | 165,000 +      | 74,000 +       | 57,000 +       |
| Volunteer hours per month                        | 10,600+        | 9,400 +        | 5,000 +        | 3,900 +        |
| Community Hubs                                   | 115            | 81             | 53             | 36             |
| Community Hub members served                     | £1,100,000+    | £800,000 +     | £390,000 +     | £266,000 +     |

The Cost of Living crisis has had a significant impact on our model in 2023. We have seen demand outstripping our supply capabilities in most of our hubs. Couple this with the growing demand for a two tier approach to food security and we have had to meet demand requirements on many levels.

### Financial review

Income for the year was £5,431,357 (2022: £3,720,560) of which £2,474,818 (2022: £1,534,809) came from membership fees and £2,956,539 (2022: £2,185,751) from grants and donations.

During 2023 we have been fortunate to have received funding for growth from a range of funders. We have been funded to open new hubs by Durham Council, Kirklees Council, Sunderland Council and North Tyneside Council. In each case, the funding allowed us to purchase a new chilled van and to open 5 hubs in communities within their area.

In addition, Darlington Borough Council and Durham Council provided over £100,000 each for The Bread and Butter thing to distribute fuel vouchers in their respective areas.

Comic Relief have provided £814,603 (2022: £500,000) to support our national expansion by supporting two additional warehouses to allow us to grow geographically.

We continue to see growing demand from new and existing community partners, and we are continuing to develop new sources of surplus food and goods. The Bread and Butter Thing wants to bring these things together to save our members more money and ensure that surplus food is eaten by humans whenever possible.

## The Bread and Butter Thing

### Trustees' annual report

For the period ended 31 December 2023

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## Reserves policy and going concern

The Board of Trustees have reviewed the charity's finances and will endeavour to maintain reserves in unrestricted funds of at least 3 months' committed expenditure. Based on a current review of spend, this would require £779,563 to be held.

At the 31 December 2023, the charity was operating in accordance with this policy with a carried forward funds balance of £3,416,906 (2022: £2,635,356), including £972,850 unrestricted reserves (2022: £1,197,159). The board has released designated funds of £350,000 to enable strengthening of the charities processes and infrastructure for the long-term and to maintain the services at this higher level (see note 16).

## Fundraising statement

After the initial investment in a new hub, TBBT's model aims to be self-sustaining with our membership income covering the running costs once the hub is established. Therefore, the charity raises funds only to support its expansion and to invest in the wider services we can provide to our communities, members, and volunteers.

All fund-raising is carried out by the senior management team and no professional fund raisers, or commercial participators are used. There have been no complaints within the year.

## Plans for the future

The feedback we get from our members emphasises how precarious the economic position is for many families and how rapidly their situation can change: from coping to needing support to access affordable healthy food. The service provided by TBBT provides an early intervention approach by helping to prevent the families being trapped in poverty. This, alongside the community spirit we help to engender (with members able to see a friendly face and enjoy a little conversation when collecting their bags), has been more important than ever, and will continue to provide essential support throughout 2024.

TBBT has an aspiration to take our model national. During 2023 we have significantly expanded in England, moving into the Midlands and beyond. We want to do more. It has become very clear that there is a need for access to good quality low-cost food for families who are just about managing. Traditional food banks provide emergency help for people who need immediate help. They provide a vital service. However, there are many other people who struggle to afford enough good quality food to feed their families well. The impact of the choices they must make, between food and fuel or going without meals, can be seen in health inequalities, educational gaps and many other well-documented poverty premiums.

Food banks are often not designed to provide the much-needed longer-term support. In addition, many of these families do not want a handout. They want to be helped to make their money go further. The TBBT model is aimed at these communities. We will provide healthy low-cost food

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2023

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until the families get back on their feet and are able to shop as they wish. In return, the membership fee pays for the food. Hub leaders provide volunteers to run the service and the space for us to operate. This allows our communities to help themselves.

At the end of 2023, Comic Relief committed to additional funding of our geographic expansion in 2024. We will continue with our expansion, utilising collaborations with logistics partners to help us grow beyond the reach of our warehouses.

We are budgeting to have over 130 hubs by the end of the 2024. We believe this alternative type of sustainable, mid-tier food provision, generating its own income and sourcing its own food, should be a priority for the next few years to improve the health, community and well-being in low-income areas.

## Principal risk and uncertainties

The trustees have ultimate responsibility for risk management and TBBT's internal control systems. They are satisfied that appropriate systems and processes are in place to identify key risks and mitigate against them. For example: the management team reviews organisational risks and ensures that internal control measures are in place and are adequate. These controls are challenged by the Treasurer.

The trustees are responsible for ensuring that an effective system of internal financial control is maintained and operated by the charity. The system of internal financial control is based on a framework of regular management information, administrative procedures, and a system of delegation and accountability.

Like every other charity, we faced the uncertainties which came with the Covid crisis and we have also been exposed to the ever-increasing expenditure of the cost of living crisis. We have worked hard to build in contingency plans for the most likely risks and, so far, have been able to deal with situations which have arisen without missing a single delivery to a hub. We continue to face the challenges created by sickness in our volunteers and staff, and have improved our systems and processes to allow us to move quickly to deal with what arises.

We face a continuous challenge of sourcing sufficient healthy food to feed our families. During the year, we have greatly widened the number of suppliers we deal with, and have improved our infrastructure to allow us to deal with large donations quickly and efficiently. We continue to invest in this area, so our expansion is underpinned with the right food.

## Structure, governance, and management

The organisation is a Charitable Incorporated Organisation (CIO), incorporated and registered as a charity on 27 September 2016 in England and Wales.

## **The Bread and Butter Thing**

### **Trustees' annual report**

#### **For the period ended 31 December 2023**

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The CIO was established under its constitution which established the objects and powers of the charity and is governed under its constitution.

The day-to-day management of the charity is delegated to Mark Game, the Chief Executive. Trustees are required to disclose all relevant interests and register them with the trustee charity lawyer and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

The pay of the senior management team is decided by the Trustees. The aim is to pay a fair salary for the not-for-profit sector bearing in mind affordability.

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.

### **Operation of the Board of Trustees**

The Board of Trustees meets formally four times a year to review the organisation's work and services, and to agree the strategic goals for the charity. The Board also reviews its own operation, effectiveness and governance on an annual basis. The Trustees delegate the day-to-day operations and staffing of the charity to the management team. At each quarterly meeting, they review recent developments to ensure they are in line with the strategic goals agreed.

### **Appointment of trustees**

An annual review of the recruitment needs of the Board of Trustees is carried out under the leadership of the Chair, including an audit of the current knowledge, experience, skills and abilities, and how they will be affected by any Trustee departures in the future.

Trustees are appointed based on their skills and knowledge of the various sectors in which we operate. For induction and training, all new Trustees come and work with the team on site to make sure they understand the operations and can form direct relationships with the team. In addition, Trustees are expected to spend one day a year volunteering with the team.

### **Related parties and relationships with other organisations**

Throughout 2023, The Bread and Butter Thing has continued to work closely with food industry partners. We have strong working relationships with Asda, Amazon, Greencores, GreenKing, Worldwide Fruit, Soreen, Co-op, Cranswick, Kellogg's and Morrisons. They have supported us with goods and provided volunteering support and press coverage. We are hugely grateful to them all. Once again, we are especially grateful to the Morrisons team for their continued operational support and partnering with us to help us grow. Morrisons plan to continue their work with TBBT in deeper engagement in their food making sites.

## Statement of responsibilities of the Trustees

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity'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 reappointed as the charity's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees and signed on their behalf by

William Bentley  
Chair of Trustees  
26 June 2024

## Independent Auditor's report

To the members of

**The Bread and Butter Thing**

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### Opinion

We have audited the financial statements of The Bread and Butter Thing (the 'charity') for the year ended 31 December 2023 which comprise of 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 charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

### Basis for opinion

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Bread and Butter Thing'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

To the members of

**The Bread and Butter Thing**

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### 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.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## Independent Auditor's report

To the members of

The Bread and Butter Thing

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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, 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.

## Independent Auditor's report

To the members of

### The Bread and Butter Thing

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- 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](http://www.frc.org.uk/auditorsresponsibilities) This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard

12 July 2024  
Sayer Vincent LLP, Statutory Auditor  
110 Golden Lane, LONDON, EC1Y 0TG

## The Bread and Butter Thing

### Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2023

|                                    | Note | Unrestricted<br>£ | Restricted<br>£  | 2023<br>Total<br>£ | Unrestricted<br>£ | Restricted<br>£  | 2022<br>Total<br>£ |
|------------------------------------|------|-------------------|------------------|--------------------|-------------------|------------------|--------------------|
| <b>Income from:</b>                |      |                   |                  |                    |                   |                  |                    |
| Donations and Grants               | 2    | 151,005           | –                | <b>151,005</b>     | 105,201           | 3,125            | 108,326            |
| Charitable activities              | 3    | 2,742,939         | 2,537,412        | <b>5,280,352</b>   | 1,722,011         | 1,890,223        | 3,612,234          |
| <b>Total income</b>                |      | <b>2,893,944</b>  | <b>2,537,412</b> | <b>5,431,357</b>   | <b>1,827,212</b>  | <b>1,893,348</b> | <b>3,720,560</b>   |
| <b>Expenditure on:</b>             |      |                   |                  |                    |                   |                  |                    |
| Charitable activities              | 4a   | 3,118,253         | 1,531,554        | <b>4,649,807</b>   | 1,271,096         | 1,406,676        | 2,677,772          |
| <b>Total expenditure</b>           |      | <b>3,118,253</b>  | <b>1,531,554</b> | <b>4,649,807</b>   | <b>1,271,096</b>  | <b>1,406,676</b> | <b>2,677,772</b>   |
| <b>Net income for the year</b>     | 5    | <b>(224,309)</b>  | <b>1,005,858</b> | <b>781,550</b>     | <b>556,116</b>    | <b>486,672</b>   | <b>1,042,788</b>   |
| <b>Reconciliation of funds:</b>    |      |                   |                  |                    |                   |                  |                    |
| Total funds brought forward        |      | 1,197,159         | 1,438,197        | <b>2,635,356</b>   | 641,043           | 951,525          | 1,592,568          |
| <b>Total funds carried forward</b> |      | <b>972,850</b>    | <b>2,444,055</b> | <b>3,416,906</b>   | <b>1,197,159</b>  | <b>1,438,197</b> | <b>2,635,356</b>   |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16.

## The Bread and Butter Thing

### Balance sheet

As at 31 December 2023

|  | Note | £         | 2023<br>£        | £                | 2022<br>£        |
|--|------|-----------|------------------|------------------|------------------|
| <b>Fixed assets:</b>                           |      |           |                  |                  |                  |
| Tangible assets                                | 10   |           | 1,051,464        |                  | 897,127          |
| Intangible assets                              | 11   |           | 21,338           |                  | 31,379           |
|  |      |           | <u>1,072,802</u> |                  | <u>928,506</u>   |
| <b>Current assets:</b>                         |      |           |                  |                  |                  |
| Debtors  | 12   | 1,777,312 |                  | 799,715          |                  |
| Short term deposits                            |      | 935,000   |                  | 680,000          |                  |
| Cash at bank in hand                           |      | 273,907   |                  | 961,446          |                  |
|  |      |           | <u>2,986,219</u> | <u>2,441,161</u> |                  |
| <b>Liabilities:</b>                            |      |           |                  |                  |                  |
| Creditors: amounts falling due within one year | 13   | (642,115) |                  | (734,311)        |                  |
|  |      |           |                  | <u>2,344,104</u> | <u>1,706,850</u> |
| <b>Net current assets</b>                      |      |           |                  |                  |                  |
|  |      |           | <u>3,416,906</u> |                  | <u>2,635,356</u> |
| <b>Total net assets</b>                        |      |           | <u>3,416,906</u> |                  | <u>2,635,356</u> |
| <b>The funds of the charity:</b>               | 15a  |           |                  |                  |                  |
| Restricted funds                               |      |           | 2,444,057        |                  | 1,438,197        |
| Unrestricted funds                             |      |           |                  |                  |                  |
| Designated Funds                               |      |           | 350,000          |                  | 350,000          |
| General Funds                                  |      |           | 622,849          |                  | 847,159          |
| <b>Total charity funds</b>                     |      |           | <u>3,416,906</u> |                  | <u>2,635,356</u> |

Approved by the trustees on 26 June 2024 and signed on their behalf by

Name: William Bentley  
Title: Chair of Trustees

Name: Philip Kaye  
Title: Treasurer

## The Bread and Butter Thing

### Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2023

|   | Note | 2023<br>£                          | £                       | 2022<br>£                                | £  |
|---|------|------------------------------------|-------------------------|--|--|
| <b>Cash flows from operating activities</b>   |      |                                    |                         |  |  |
| Net income for the reporting period<br>(as per the statement of financial activities) |      | 781,550                            |                         | 1,042,788                                |  |
| Depreciation charges  |      | 273,961                            |                         | 161,438                                  |  |
| Amortisation charges  |      | 10,041                             |                         | 708                                      |  |
| Loss on disposal of fixed asset   |      | –                                  |                         | 9,666                                    |  |
| Interest on finance lease   |      | –                                  |                         | –  |  |
| (Increase) in debtors   |      | (977,596)                          |                         | (650,353)                                |  |
| (Decrease) / Increase in creditors  |      | (92,196)                           |                         | 577,248                                  |  |
| <b>Net cash(used in ) / provided by operating activities</b>                          |      |                                    | <b>(4,240)</b>          |  | <b>1,141,495</b>                         |
| <b>Cash flows from investing activities:</b>  |      |                                    |                         |  |  |
| Purchase of fixed assets  |      | (428,298)                          |                         | (380,250)                                |  |
| Purchase of intangible assets   |      | –                                  |                         | (32,087)                                 |  |
| <b>Net cash (used in) investing activities</b>  |      |                                    | <b>(683,298)</b>        |  | <b>(412,337)</b>                         |
| <b>Change in cash and cash equivalents in the year</b>                                |      |                                    | <b>(687,539)</b>        |  | <b>729,158</b>                           |
| Cash and cash equivalents at the beginning of the year                                |      |                                    | 961,446                 |  | 232,288                                  |
| <b>Cash and cash equivalents at the end of the year</b>                               | a    |                                    | <b>273,907</b>          |  | <b>961,446</b>                           |
| <b>Analysis of cash and cash equivalents and of net debt</b>                          |      |                                    |                         |  |  |
|   |      | <b>At 1 January<br/>2023<br/>£</b> | <b>Cash flows<br/>£</b> | <b>Other non-<br/>cash changes<br/>£</b> | <b>At 31<br/>December<br/>2023<br/>£</b> |
| Cash at bank and in hand  |      | 961,446                            | (687,539)               | –  | 273,907                                  |
| <b>Total</b>  |      | <b>961,446</b>                     | <b>(687,539)</b>        | <b>–</b>                                 | <b>273,907</b>                           |

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2023

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#### 1 Accounting policies

##### a) Statutory information

The Bread and Butter Thing is a Charitable Incorporated Organisation, governed by a Constitution and registered in England and Wales (Charity Number 1169383).

The registered office address is 6 Meridian Place, Manchester, M20 2QF.

##### b) 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), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

##### c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

##### d) Going concern

The board has considered the impact of both current requirements and future plans and the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

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.

##### e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, 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.

##### f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

##### g) Interest receivable

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.

##### h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

##### i) Expenditure and irrecoverable VAT

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

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**1 Accounting policies (continued)**

**j) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated 100% back to the charitable activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**k) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

|                       |              |
|-----------------------|--------------|
| ● Plant and Machinery | 2 – 10 years |
| ● Office Equipment    | 2– 3 years   |
| ● Motor vehicles      | 5 years      |
| ● Website & Software  | 3 years      |

**l) Debtors**

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

**m) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

**n) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**o) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## The Bread and Butter Thing

### Notes to the financial statements

For the year ended 31 December 2023

#### 2 Donations and other income

|                                   | Unrestricted<br>£ | Restricted<br>£ | 2023<br>Total<br>£ | 2022<br>Total<br>£ |
|-----------------------------------|-------------------|-----------------|--------------------|--------------------|
| Other donations and grants income | 115,019           | -               | <b>115,019</b>     | 105,703            |
| Interest                          | 35,986            | -               | <b>35,986</b>      | 2,623              |
|                                   | <b>151,005</b>    | -               | <b>151,005</b>     | <b>108,326</b>     |

Restricted income from donations in 2022 was £3,125, with the remaining £105,201 being unrestricted.

#### 3 Income from charitable activities

|   | Unrestricted<br>£ | Restricted<br>£  | 2023<br>Total<br>£ | Unrestricted<br>£ | Restricted<br>£  | 2022<br>Total<br>£ |
|---|-------------------|------------------|--------------------|-------------------|------------------|--------------------|
| Membership income                       | 2,474,818         | -                | <b>2,474,818</b>   | 1,534,809         | -                | 1,534,809          |
| Gift in Kind                            | 268,121           | -                | <b>268,121</b>     | 187,202           | -                | 187,202            |
| Trafford Housing Trust                  | -                 | -                | -                  | -                 | 92,553           | 92,553             |
| Darlington Borough Council              | -                 | -                | -                  | -                 | 172,197          | 172,197            |
| Manchester City Council Food Response   | -                 | -                | -                  | -                 | 6,505            | 6,505              |
| County Council of Durham                | -                 | 121,528          | <b>121,528</b>     | -                 | 331,738          | 331,738            |
| Tameside Council                        | -                 | -                | -                  | -                 | 14,016           | 14,016             |
| Pursloe Trust and Lyons Trust           | -                 | -                | -                  | -                 | 45,530           | 45,530             |
| Sainsburys grant                        | -                 | -                | -                  | -                 | 39,600           | 39,600             |
| Kirklees                                | -                 | -                | -                  | -                 | 250,329          | 250,329            |
| North Tyneside                          | -                 | 41,712           | <b>41,712</b>      | -                 | 38,220           | 38,220             |
| Darlington Winter Grant                 | -                 | 217,488          | <b>217,488</b>     | -                 | -                | -                  |
| Sunderland Grant                        | -                 | 93,753           | <b>93,753</b>      | -                 | -                | -                  |
| Comic Relief Grant                      | -                 | 814,603          | <b>814,603</b>     | -                 | 500,000          | 500,000            |
| Tameside fuel vouchers                  | -                 | -                | -                  | -                 | 52,000           | 52,000             |
| Other Funders                           | -                 | 184,824          | <b>184,824</b>     | -                 | 199,660          | 199,660            |
| Cheshire West                           | -                 | -                | -                  | -                 | 125,000          | 125,000            |
| Darlington fuel vouchers                | -                 | 317,755          | <b>317,755</b>     | -                 | -                | -                  |
| Durham HSF2 fuel vouchers               | -                 | 100,000          | <b>100,000</b>     | -                 | -                | -                  |
| UK shared prosperity fund               | -                 | 152,000          | <b>152,000</b>     | -                 | -                | -                  |
| Purslow/Lyons trustee-Stoke             | -                 | 250,000          | <b>250,000</b>     | -                 | -                | -                  |
| Doncaster grant                         | -                 | 150,000          | <b>150,000</b>     | -                 | -                | -                  |
| Stockton grant                          | -                 | 93,750           | <b>93,750</b>      | -                 | -                | -                  |
| Total income from charitable activities | <b>2,742,939</b>  | <b>2,537,412</b> | <b>5,280,352</b>   | <b>1,722,011</b>  | <b>1,869,223</b> | <b>3,591,234</b>   |

The gift in kind of £268,121 (2022: £187,202) is for the venue hire received free of charge during the year to conduct core activities.

The Bread and Butter Thing

Notes to the financial statements

For the year ended 31 December 2023

4a Analysis of expenditure (current year)

|                               | Charitable<br>Activities<br>£ | Governance<br>costs<br>£ | Support<br>costs<br>£ | 2023<br>Total<br>£ | 2022<br>Total<br>£ |
|-------------------------------|-------------------------------|--------------------------|-----------------------|--------------------|--------------------|
| Staff costs (Note 6)          | 1,273,588                     | 46,477                   | 418,292               | <b>1,738,356</b>   | 935,317            |
| Other staff costs             | 37,463                        | -                        | 102,445               | <b>139,908</b>     | 158,148            |
| Fuel/Transport and Hubs costs | 2,007,103                     | -                        | -                     | <b>2,007,103</b>   | 777,246            |
| Fuel Voucher Expense          | -                             | -                        | 7,356                 | <b>7,356</b>       | 310,177            |
| Warehouse costs               | 274,283                       | -                        | 388                   | <b>274,671</b>     | 179,881            |
| Combined liability insurance  | -                             | -                        | 7,356                 | <b>7,356</b>       | 7,253              |
| Depreciation                  | 204,592                       | -                        | 79,410                | <b>284,002</b>     | 162,147            |
| Legal fees                    | -                             | -                        | 31,626                | <b>31,626</b>      | 8,869              |
| Governance                    | -                             | 710                      | -                     | <b>710</b>         | 1,733              |
| Audit and accountancy         | -                             | 20,576                   | -                     | <b>20,576</b>      | 9,996              |
| Office costs                  | -                             | -                        | 76,403                | <b>76,403</b>      | 44,242             |
| Other costs                   | -                             | -                        | 61,740                | <b>61,740</b>      | 82,763             |
|                               | <b>3,797,029</b>              | <b>67,763</b>            | <b>785,016</b>        | <b>4,649,807</b>   | <b>2,677,772</b>   |
| Support costs                 | -                             | -                        | -                     | -                  | -                  |
|                               | 785,016                       | -                        | (785,016)             | -                  | -                  |
| Governance costs              | -                             | -                        | -                     | -                  | -                  |
|                               | 67,763                        | (67,763)                 | -                     | -                  | -                  |
| <b>Total expenditure 2023</b> | <b>4,649,807</b>              | <b>-</b>                 | <b>-</b>              | <b>4,649,807</b>   |                    |
| Total expenditure 2022        | 2,677,772                     | -                        | -                     |                    | 2,677,772          |

The Bread and Butter Thing

Notes to the financial statements

For the year ended 31 December 2023

4b Analysis of expenditure (prior year)

|                               | Charitable<br>Activities<br>£ | Governance<br>costs<br>£ | Support<br>costs<br>£ | 2022<br>Total<br>£      |
|-------------------------------|-------------------------------|--------------------------|-----------------------|-------------------------|
| Staff costs (Note 6)          | 839,730                       | 5,841                    | 89,746                | 935,317                 |
| Other staff costs             | 106,283                       | –                        | 51,865                | 158,148                 |
| Fuel/Transport and Hubs costs | 777,246                       | –                        | –                     | 777,246                 |
| Fuel Voucher Expense          | 310,177                       | –                        | –                     | 310,177                 |
| Warehouse costs               | 179,881                       | –                        | –                     | 179,881                 |
| Combined liability insurance  | –                             | –                        | 7,253                 | 7,253                   |
| Depreciation                  | 150,130                       | –                        | 12,017                | 162,147                 |
| Legal fees                    | –                             | –                        | 8,869                 | 8,869                   |
| Governance                    | –                             | 1,733                    | –                     | 1,733                   |
| Audit and accountancy         | –                             | 9,996                    | –                     | 9,996                   |
| Office costs                  | –                             | –                        | 44,242                | 44,242                  |
| Other costs                   | –                             | –                        | 82,763                | 82,763                  |
|                               | <u>2,363,447</u>              | <u>17,570</u>            | <u>296,755</u>        | <u>2,677,772</u>        |
| Support costs                 | 296,755                       | –                        | (296,755)             | –                       |
| Governance costs              | 17,570                        | (17,570)                 | –                     | –                       |
| <b>Total expenditure 2022</b> | <u><u>2,677,772</u></u>       | <u><u>–</u></u>          | <u><u>–</u></u>       | <u><u>2,677,772</u></u> |

**The Bread and Butter Thing**

**Notes to the financial statements**

**For the year ended 31 December 2023**

**5 Net income for the year**

This is stated after charging / (crediting):

|                                | 2023<br>£    | 2022<br>£    |
|--------------------------------|--------------|--------------|
| Depreciation                   | 273,961      | 161,438      |
| Auditor's Remuneration:        |              |              |
| Audit (excluding VAT)          | 8,500        | 7,000        |
| Other services (excluding VAT) | 1,500        | 1,400        |
|                                | <u>1,500</u> | <u>1,400</u> |

**6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

|   | 2023<br>£        | 2022<br>£      |
|---|------------------|----------------|
| Salaries and wages  | 1,557,921        | 837,953        |
| Social security costs   | 154,118          | 82,939         |
| Employer's contribution to defined contribution pension schemes | 26,317           | 14,425         |
|   | <u>1,738,356</u> | <u>935,317</u> |

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

|                   | 2023<br>No. | 2022<br>No. |
|-------------------|-------------|-------------|
| £70,000 – £79,999 | 2           | –           |
| £80,000 – £89,999 | 2           | –           |
|                   | <u>4</u>    | <u>–</u>    |

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £469,328 (2022: £263,293).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). One trustee received payment for professional services supplied to the charity at arms length (see Note 8) (2022: one).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £208 (2022: £751) incurred by 2 (2022: 3) members relating to attendance at meetings of the trustees.

**7 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 52.0 (2022: 40.7).

Staff are split across the activities of the charity as follows:

|                     | 2023<br>No. | 2022<br>No. |
|---------------------|-------------|-------------|
| Charitable activity | 46.8        | 36.6        |
| Support             | 5.2         | 4.0         |
| Governance          | 0.1         | 0.1         |
|                     | <u>52.0</u> | <u>40.7</u> |

**The Bread and Butter Thing**

**Notes to the financial statements**

**For the year ended 31 December 2023**

**8 Related party transactions**

Within the year there were transactions to the value of £12,794 (2022:1,350) between The Bread and Butter Thing and BD2, where Will Bentley is a Director. These transactions were at arms length.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties (2022: none).

**9 Taxation**

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**10 Tangible fixed assets**

|                          | Plant &<br>Machinery<br>£ | Office<br>equipment<br>£ | Motor<br>vehicles<br>£ | Website &<br>Software<br>£ | Total<br>£ |
|--------------------------|---------------------------|--------------------------|------------------------|----------------------------|------------|
| <b>Cost</b>              |                           |                          |                        |                            |            |
| At the start of the year | 391,647                   | 19,838                   | 822,008                | 35,404                     | 1,268,898  |
| Additions in year        | 46,441                    | 2,756                    | 356,594                | 22,508                     | 428,298    |
| At the end of the year   | 438,088                   | 22,594                   | 1,178,602              | 57,912                     | 1,697,196  |
| <b>Depreciation</b>      |                           |                          |                        |                            |            |
| At the start of the year | 86,978                    | 16,247                   | 253,392                | 15,155                     | 371,771    |
| Charge for the year      | 52,052                    | 1,012                    | 208,472                | 12,424                     | 273,961    |
| At the end of the year   | 139,030                   | 17,259                   | 461,864                | 27,579                     | 645,732    |
| <b>Net book value</b>    |                           |                          |                        |                            |            |
| At the end of the year   | 299,058                   | 5,335                    | 716,738                | 30,333                     | 1,051,464  |
| At the start of the year | 304,669                   | 3,591                    | 568,617                | 20,250                     | 897,127    |

All of the above assets are used for charitable purposes.

**11 Intangible fixed assets**

|                          | Website &<br>Software<br>£ | Total<br>£ |
|--------------------------|----------------------------|------------|
| <b>Cost</b>              |                            |            |
| At the start of the year | 32,087                     | 32,087     |
| At the end of the year   | 32,087                     | 32,087     |
| <b>Amortization</b>      |                            |            |
| At the start of the year | 708                        | 708        |
| Charge for the year      | 10,041                     | 10,041     |
| At the end of the year   | 10,749                     | 10,749     |
| <b>Net book value</b>    |                            |            |
| At the end of the year   | 21,338                     | 21,338     |
| At the start of the year | 31,379                     | 31,379     |

All of the above assets are used for charitable purposes.

The Bread and Butter Thing

Notes to the financial statements

For the year ended 31 December 2023

12 Debtors

|                                | 2023<br>£        | 2022<br>£      |
|--------------------------------|------------------|----------------|
| Trade debtors                  | 178,427          | 165,489        |
| Prepayments and accrued income | 1,492,243        | 453,135        |
| Other debtors                  | 106,642          | 181,091        |
|                                | <u>1,777,312</u> | <u>799,715</u> |

13 Creditors: amounts falling due within one year

|                              | 2023<br>£      | 2022<br>£      |
|------------------------------|----------------|----------------|
| Trade creditors              | 139,485        | 57,406         |
| Taxation and social security | 37,750         | 26,253         |
| Pensions                     | 11,620         | 7,072          |
| Other creditors              | 27,833         | 7,679          |
| Accruals                     | 3,402          | 43,335         |
| Deferred income (note 13)    | 422,025        | 592,566        |
|                              | <u>642,115</u> | <u>734,311</u> |

14 Deferred income

Deferred income is comprised of grants from Seven Local Authorises where funding is given in advance.

|                                       | 2023<br>£      | 2022<br>£      |
|---------------------------------------|----------------|----------------|
| Balance at the beginning of the year  | 592,566        | 92,084         |
| Amount released to income in the year | (592,566)      | (92,084)       |
| Amount deferred in the year           | 422,025        | 592,566        |
| Balance at the end of the year        | <u>422,025</u> | <u>592,566</u> |

15a Analysis of net assets between funds (current year)

|                                | General<br>unrestricted<br>£ | Restricted<br>£  | Total<br>funds<br>£ |
|--------------------------------|------------------------------|------------------|---------------------|
| Tangible fixed assets          | 334,725                      | 716,738          | 1,051,464           |
| Intangible assets              | 21,338                       | -                | 21,338              |
| Net current assets             | 616,784                      | 1,727,319        | 2,344,103           |
| Net assets at 31 December 2023 | <u>972,847</u>               | <u>2,444,057</u> | <u>3,416,905</u>    |

15b Analysis of net assets between funds (prior year)

|                                | General<br>unrestricted<br>£ | Restricted<br>£  | Total<br>funds<br>£ |
|--------------------------------|------------------------------|------------------|---------------------|
| Tangible fixed assets          | 338,364                      | 558,763          | 897,127             |
| Intangible assets              | 31,379                       | -                | 31,379              |
| Net current assets             | 827,416                      | 879,434          | 1,706,850           |
| Net assets at 31 December 2022 | <u>1,197,159</u>             | <u>1,438,197</u> | <u>2,635,356</u>    |

The Bread and Butter Thing

Notes to the financial statements

For the year ended 31 December 2023

16a Movements in funds (current year)

|                               | At 1 January<br>2023<br>£ | Income & gains<br>£ | Expenditure &<br>losses<br>£ | Transfers<br>£   | At 31 December<br>2023<br>£ |
|-------------------------------|---------------------------|---------------------|------------------------------|------------------|-----------------------------|
| <b>Restricted funds:</b>      |                           |                     |                              |                  |                             |
| 10G – small grants            | 9,936                     | 12,528              | –                            |                  | 22,464                      |
| Comic Relief Grant            | 437,500                   | 814,603             | (266,721)                    |                  | 985,382                     |
| Cummins                       | 26,734                    | –                   | (15,595)                     |                  | 11,139                      |
| DEFRA                         | 312,477                   | –                   | (52,452)                     |                  | 260,025                     |
| First Choice Homes            | 1,875                     | –                   | (2,500)                      |                  | (625)                       |
| Karbon Homes Grant            | 57,707                    | –                   | (40,348)                     |                  | 17,359                      |
| Kellogg's                     | 5,399                     | –                   | (4,999)                      |                  | 400                         |
| Local Authority               | 544,376                   | 1,394,455           | (1,092,579)                  |                  | 846,251                     |
| Morrisons Trust               | 4,063                     | –                   | (6,600)                      |                  | (2,537)                     |
| Other income                  | 3,454                     | –                   | –                            |                  | 3,454                       |
| Our Manchester                | 3,997                     | –                   | (3,999)                      |                  | (2)                         |
| Purslow Trust and Lyons Trust | 5,677                     | 275,000             | (18,732)                     |                  | 261,945                     |
| Regen                         | –                         | 25,000              | –                            |                  | 25,000                      |
| Sainsburys                    | 2                         | –                   | –                            |                  | 2                           |
| Sodexo grant                  | –                         | 15,828              | (10,361)                     |                  | 5,467                       |
| Wagamama                      | 25,000                    | –                   | (16,667)                     |                  | 8,333                       |
| <b>Total restricted funds</b> | <b>1,438,197</b>          | <b>2,537,414</b>    | <b>(1,531,554)</b>           | <b>–</b>         | <b>2,444,057</b>            |
| <b>Unrestricted funds:</b>    |                           |                     |                              |                  |                             |
| Designated funds              | 350,000                   | –                   | –                            | (350,000)        | –                           |
| <b>General funds</b>          | <b>847,159</b>            | <b>2,893,944</b>    | <b>(3,118,253)</b>           | <b>–</b>         | <b>622,849</b>              |
| <b>Total funds</b>            | <b>2,635,356</b>          | <b>5,431,357</b>    | <b>(4,649,807)</b>           | <b>(350,000)</b> | <b>3,066,906</b>            |

\* The negative balances shown in this table are due to the revenue being spread over the life of the grant as per FRS102.

The narrative to explain the purpose of each fund is given at the foot of the note below.

16b Movements in funds (prior year)

|                               | At 1 January<br>2022<br>£ | Income & gains<br>£ | Expenditure &<br>losses<br>£ | Transfers<br>£   | At 31 December<br>2022<br>£ |
|-------------------------------|---------------------------|---------------------|------------------------------|------------------|-----------------------------|
| <b>Restricted funds:</b>      |                           |                     |                              |                  |                             |
| 10G – small grants            | –                         | 12,436              | (2,500)                      |                  | 9,936                       |
| CAF Resilience Fund           | –                         | –                   | –                            |                  | –                           |
| Comic Relief Grant            | –                         | 500,000             | (62,500)                     |                  | 437,500                     |
| Cummins                       | –                         | 26,734              | –                            |                  | 26,734                      |
| DEFRA                         | 370,533                   | –                   | (58,056)                     |                  | 312,477                     |
| First Choice Homes            | –                         | 2,500               | (625)                        |                  | 1,875                       |
| Karbon Homes Grant            | –                         | 75,000              | (17,293)                     |                  | 57,707                      |
| Kellogg's                     | 11,398                    | –                   | (5,999)                      |                  | 5,399                       |
| Local Authority               | 506,498                   | 1,131,548           | (1,083,670)                  |                  | 554,376                     |
| Morrisons Trust               | 10,663                    | 25,000              | (31,600)                     |                  | 4,063                       |
| Other income                  | 3,454                     | –                   | –                            |                  | 3,454                       |
| Our Manchester                | 9,996                     | –                   | (5,999)                      |                  | 3,997                       |
| Purslow Trust and Lyons Trust | 38,983                    | 45,530              | (78,836)                     |                  | 5,677                       |
| Sainsburys                    | –                         | 39,600              | (39,598)                     |                  | 2                           |
| Salford families in need      | –                         | –                   | (10,000)                     |                  | (10,000)                    |
| Sodexo grant                  | –                         | 10,000              | (10,000)                     |                  | –                           |
| Wagamama                      | –                         | 25,000              | –                            |                  | 25,000                      |
| <b>Total restricted funds</b> | <b>951,525</b>            | <b>1,893,348</b>    | <b>(1,406,676)</b>           | <b>–</b>         | <b>1,438,197</b>            |
| <b>Unrestricted funds:</b>    |                           |                     |                              |                  |                             |
| Designated funds              | 295,000                   | –                   | (263,182)                    | 318,182          | 350,000                     |
| <b>General funds</b>          | <b>346,043</b>            | <b>1,827,212</b>    | <b>(1,007,914)</b>           | <b>(318,182)</b> | <b>847,159</b>              |
| <b>Total funds</b>            | <b>1,592,568</b>          | <b>3,720,560</b>    | <b>(2,677,772)</b>           | <b>–</b>         | <b>2,635,356</b>            |

**Purposes of restricted funds**

**10G – small grants** – A number of small grants under £5k grouped together

**Comic Relief grant**– providing grant funding for two new warehouses in two new regions plus staff

**Cummins** – The grant was given to support the partnership co-ordinator in the north east region.

**DEFRA**

During the Covid crisis, DEFRA provided funding to purchase additional food to deal with the huge demand created by the crisis. Defra have provided funding for a pilot to trial a back of store collection project, working across retailers to generate new food for redistribution. Funding was also provided to support the purpose of Freezers and chillers for the warehouses in addition to further vans.

**First Choice Homes**

A grant was provided to cover delivery costs, for a van in Oldham operating 5 days a week, including a driver's salary.

**Karbon Homes** – providing a grant for the opening of more hubs and all associated costs ( Van , staff , training )

**Kellogg's**

Kellogg's provided a grant to enable a van to be purchased and to cover the salary for a driver.

**Local authorities** – have provided grants for the opening of more hubs, associated costs (van, staff, training). Local authorities have also provided support funding for fuel vouchers, prepaid meters and food.

**Morrisons Trust** – Morrisons supported us with the upgrade of Vans.

**Other funds** – restricted funding for a specified project.

**Purposes of restricted funds (continued)**

**Our Manchester**

The grant was given to support the purchase of a van and driver to work in North Manchester.

**The Purslow and Lyons Trusts** – have joined together to fund the expansion of our services in to Warrington. 2021 has seen the Trust fund a van.

**Regen** – Regen provided a grant to set up 1 additional Hub per week.

**Sainsburys**–Grant for a mobile food pantry from Sainsbury's Helping Everyone Eat Better community Grants fund – covering costs for food planner, CDDO and transport food costs

**Sodexo grant**–Grant for promotion of Healthy start vouchers , and Women Empowerment

**Wagamama** – to support logistics of redistribution one million meals in January 2023.

**Purposes of designated funds**

In the 2022 accounts, we set aside £350k as a designated fund to invest in strengthening the charity's infrastructure making it ready for the next stage of growth. The spend is planned over an 18 month period. Food Acquisition and development of low energy meals – £250,000 and Community Resilience and volunteer management – £100,000. The Trustees have reviewed the purposes of the fund, and consider that these activities are part of the charity's objectives and therefore have released the designated fund into general funds as at 31.12.2023.

**17 Operating and finance lease commitments payable as a lessee**

The charity's total future lease payments under an operating lease is as follows for each of the following periods

|                    | Property<br>2023<br>£ | 2022<br>£ |
|--------------------|-----------------------|-----------|
| Less than one year | 92,838                | 42,524    |
| One to five years  | 223,353               | –         |
| Over five years    | 59,430                | –         |
|                    | 375,621               | 42,524    |

**18 Legal status of the charity**

The Bread and Butter Thing is a Charitable Incorporated Organisation, governed by a Constitution and has no share capital. The charity registered in England and Wales (Charity Number 1169383).

**THE BREAD AND BUTTER THING.**

England & Wales - Charity number 1169383

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# Accounts

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Charity Number: 1169383

# The Bread and Butter Thing

Report and financial statements

For the period ended 31 December 2022

# The Bread and Butter Thing

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### For the period ended 31 December 2022

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## The Bread and Butter Thing

### Reference and administrative information

For the period ended 31 December 2022

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The Charitable Incorporated Organisation was registered with the Charity Commission with the name of Heathfield Drive on 27 September 2016. The name was changed to The Bread and Butter Thing on 6 June 2017.

**Charity number** 1169383

**Registered office and operational address** The Bread and Butter Thing  
6 Meridian Place  
MANCHESTER  
M20 2QF

**Trustees** Trustees who served during the year and up to the date of this report were as follows:

Will Bentley Chair  
Paula Smith (resigned 14<sup>th</sup> June)  
Andrew Mitchell (resigned 7<sup>th</sup> September, reappointed 14<sup>th</sup> December 2022)  
Mary Jennings  
Julia Hillman (resigned 14<sup>th</sup> June)  
Louise Nicholls (resigned 14<sup>th</sup> June)  
Graeme Douglas  
Philip Kaye (Treasurer)  
Frances Kitson  
Elaine Leveridge  
Greg Sage  
Inga Thordar  
Geoffrey de Chateauvieux

**Key management personnel** Mark Game Chief Executive  
Victoria Harper Chief Operations Officer  
Lisa Scobbie Chief Financial Officer  
Jane Partington FCA Partnerships Director

**Bankers** Santander  
712–716 Wilmslow Rd  
Manchester  
M20 6DQ

**Auditor** Sayer Vincent LLP  
Chartered Accountants  
Invicta House  
108–114 Golden Lane  
LONDON  
EC1Y 0TL

# The Bread and Butter Thing

## Trustees' annual report

### For the period ended 31 December 2022

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The trustees present their report and the audited financial statements for the period ended 31 December 2022.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the CIO constitution and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## Objectives and activities

### Purposes and aims

The purposes of TBBT as set out in its constitution are:

1. The relief of financial hardship and the promotion of social inclusion among people living or working in the UK for by providing such persons with, or with access to, goods, services and/or funds without a poverty premium which they could not obtain access to through lack of means and/or as a result of their social and financial exclusion from society as a result of one or more of the following factors: unemployment, financial hardship; youth or old age; ill health (physical or mental); substance abuse or dependency including alcohol and drugs; poor education or skills attainment or crime (either as a victim of crime or as an offender rehabilitating into society);
2. The protection and preservation of the environment for the public benefit by the promotion of food waste and fast-moving consumer goods waste reduction by redistributing goods to people in low income households;
3. The promotion of good health and nutrition by providing affordable access to, and supplying, a healthy and balanced diet and providing advice and education on a healthy and balanced diet.

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 remain 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 charity's main activities and who it tries to help are described above. As set out in its constitution, its charitable activities are undertaken to further TBBT's charitable purposes for the public benefit.

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2022

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Our mission is to unleash the power of food and ignite long-lasting change in struggling neighbourhoods across the UK.

We build bridges out of food deserts, bringing nutritious, affordable food to the centre of the UK's most deprived communities and nourish them. We change lives. And we give voice to the people who use us – our members.

We are the everyday – the bread and butter – baked into the heart of our communities.

## What We Do

It starts with food.

Because when you're struggling to make ends meet, knowing where your family's next meal is coming from is paramount.

Our mobile food clubs give access to nutritious and affordable food taken into the heart of communities starved of money, food and resources. This low cost weekly shop provides essential produce for family eating – fresh fruit and veg, chilled goods and cupboard staples.

But this is just the beginning.

Every week, we improve diets with a diverse variety of healthy produce and products.

Every week, our communities gather to manage the distribution of food, building friendships, skills and connections.

Every week, we diminish loneliness and reduce the stress of stretched finances.

Every week, we bring in external partners to offer bespoke and tailored support.

Every week, we listen and we learn, building understanding of the issues facing our members and give voice to their stories, amplifying them and affecting change at a local and national level.

Every week, we change lives.

Our aims:

- Tackle poverty premiums by providing a reliable source of healthy and low-cost food and other household goods to communities in need.
- Strengthen community assets by working in partnership with pre-existing community projects, enhancing the services they provide.
- Build resilience by enabling communities to help themselves.

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2022

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- Reduce waste by working with manufacturers and distributors to identify surpluses in their supply chains which can be diverted for redistribution.

## A two-tier approach to food security

2022 has been a year in which the cost of living crisis, biting hard, has pulled over a million more people into poverty. We have all learned how inflation is proving to be yet another poverty premium, the worse off being the worst affected. With inflation averaging around 10% in 2022, we asked our members their views of how much they were impacted. Typically everything was three times as hard for our members.

Inflation feels more like 30% for our members as they have little or no residual income to soften the blow of inflation and many of the value ranges of food have been removed from supermarkets as the ingredients are simply too expensive.

Three times as many of our members, compared to the national average, are behind with their mortgage or rent. And three times as many of our members compared to national averages are behind with their energy bills.

With a growing number of people in the UK struggling, there has also been a growing recognition of why we should be providing two-tier support to food security. Food clubs such as TBBT bridge the gap between crisis support, such as food banks, and everyday retail.

More organisations and stakeholders are partnering with TBBT to provide such support in a growing number of geographic regions.

During 2022, our footprint has spread into Cheshire, Yorkshire, Sunderland and North Tyneside. This is in addition to increasing the number of hubs we operate in our existing regions.

## Strengthening Community Assets

TBBT works with pre-existing community organisations identified with the support of local stakeholders. We partner with these hubs to help them serve their community more and improve the use of community assets. From the beginning we have believed in the importance of building on what is already there rather than coming into a community to start something new.

During 2022, we introduced warm hubs: a concept to invite our communities back into the spaces we operate from and provide them with a warm, familiar space to come and have a brew and meet their neighbours. Such activities give us more opportunities to provide more wraparound services and with our growing communities team we have seen more engagement with more services than ever before.

TBBT's lively and enjoyable weekly events attract the community with around 50–80 local residents attending. Our approach is non-stigmatising and connects people by creating networks of trust through shared activity. 97% of members say we are good for their community and 90% enjoy coming to shop with us.

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2022

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We also identify other service providers who might be able to offer support to the community building on the footfall and audience we can guarantee. We focus on the areas where our members are most likely to benefit, for example help with fuel costs, debt issues, income maximisation and employability. Our policy is to work in partnership with organisations already providing services in these specialities. Post Covid, life is not returning to what we knew in 2019. Economic challenges created globally and nationally have meant low income families continue to struggle far more than they did pre Covid.

By bringing in these other services locally into our warm hubs, we have been able to reintroduce desperately needed face to face support. During 2022, we have worked with Morrisons Trust, The Green Doctors, Citizens Advice, Virgin Media, New Leaf, Kirklees Money Advice and many others bringing local access to their services to our hubs.

2022 has been our busiest year for wraparound services, not only because of the increasing number of hubs but also the volume of interactions per hub. Community partners report improved engagement with our members. The regular contact from the weekly deliveries increases footfall and connects more people with the other services which our partners offer. In addition, members are regularly swapping recipe ideas, hints and tips on using the food we supply, contributing to better communication and an enhanced community spirit.

Our members also enjoy the social aspect of our service. Coming each week to chat and meet others reduces social isolation. 92% of people feel welcome shopping with us, 31% have made new friends in the community since joining and 39% feel less alone.

#### Build Resilience

Our aim is to support communities to help themselves. Each of our hubs is staffed by a volunteer team made up of people from the local area who set up and manage our service each time we deliver.

We are supported by over 500 volunteers each week who give up their time on a regular basis to deliver the service. Most come to their local hub ready to meet our staff members and to sort, pack and distribute the food and goods to their fellow members. Others work at our warehouses, collecting and organising the food for the hubs. Every week, between them, they provide more than 1,500 volunteering hours. We could not do it without them.

Volunteers are given a briefing each time and provided with training in manual handling and food safety. They also work with us to design processes making sure service can continue whilst keeping people safe.

Throughout the inception and development of TBBT, we have consistently found that the communities in which we work have a strong pride and appetite to support themselves. The volunteers come from our communities and know most of the members we serve. They feel ownership of the service and see TBBT as part of their community.

## **Reducing Waste and finding new sources of surplus food and goods**

2022 has been a difficult year for industry. A perfect storm of Brexit, Covid and the war in Ukraine has meant that stability of supply has further exacerbated inflationary impacts on food as well as supply.

Throughout the year, we have worked tirelessly to source food to redistribute and the corresponding transport solutions to ensure we can continue to grow our network of food clubs to meet the demands of the cost of living shockwaves we faced.

One of our major supporters throughout 2022 has been Morrisons. They have supported our work since our inception. During 2022, we continued working with them on engaging wider into their manufacturing sites and distribution centres and as a result have seen a 180% uplift in direct supply. In addition to this, we have started to work further up the supply chain with the Morrisons team and have started to intercept crops that would otherwise go to waste.

Our work on reducing food waste focusses primarily on the top two aspects of the statutory guidance issued to the food industry by DEFRA in the Food Waste Hierarchy. The first priority is to minimise waste and surplus created, then second is to feed humans wherever possible with the surplus generated.

Most of the work in this year has been continuing to navigate the shifting landscape in supply chain and how we can work closely with industry to support them and help to develop new ways of minimising waste with as little disruption and investment as possible.

As a result, new partnerships have been formed by working closely with sectors of the food industry. Collaborations with organisations such as Oscar Mayer show how even surplus ingredients can provide staple sources of food for our members.

Barriers to redistributing surplus food have been a consistent topic for us throughout the year. We have a good depth of knowledge and insight into surplus foods and how they so easily can be wasted. We have led the way in raising awareness surrounding the issues such as Own label when it comes to wider redistribution.

So, it is good to see that more and more redistributors are responding and becoming more agile in their responses to opportunities presented to them. Since our inception, we have always taken short dated stock and goods beyond best before dates. We welcome these becoming more standard across the sector.

As for the adoption of "own label" approvals by the retailers within the sector, we continue to applaud Morrisons and Sainsbury's as they widen their approvals to more redistribution organisations. However, the sector overall is still split in its opinion as to whether this is considered appropriate. We shall continue our efforts to demonstrate the tens, if not hundreds, of thousands of tonnes of food wasted due to this blind spot.

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2022

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The more we engage with manufacturers and the wider food industry supply chain, the more we can see how many own label opportunities are going to waste simply because of retailer restrictions on who can take this food. The work we did with Anthesis in 2019 showed that 72% of edible food waste in supply chain is own label and our experiences with the sector only reaffirms this.

In July 2022, we carried out an anonymous survey of own label manufacturers. We issued the survey to over 400 active members of staff in production, management and technical roles and we received 50 responses. Clearly this is not a wholly representative picture as a result. However, it does show that more research is required.

Of the people responding, over 70% said that less than half of the surpluses their site generates is redistributed. The main causes for so little being redistributed were own label restrictions imposed by retailers and lack of internal resource to deal with the issue.

We have been able to demonstrate that working with TBBT, alongside existing redistribution routes, can significantly reduce the amount of own label food going to waste whilst maintaining brand integrity. One size clearly does not fit all.

## Achievements and performance

The charity started its activities in late 2016 and has increased its operations every year. Local access to healthy food at a good price is a significant problem in the areas we work in, we find that residents are keen to support us so that community hubs, once open, continue causing our weekly deliveries to grow and grow.

We have always seen this as a supply driven model, so we are always trying to break down barriers to redistribution and find more ways of making it easy to redistribute. In 2022, we were proud to win The Grocer Gold “waste not want not” award for our work with Worldwide Fruit. By simply identifying an operational barrier of “de-hiring” trays, we were able to unlock more than 200 tonnes of fruit to go directly to our members.

| Description   | At end of 2022 | At end of 2021 | At end of 2020 |
|---|----------------|----------------|----------------|
| <b>Membership</b>                                       | 48,000+        | 23,000 +       | 14,000 +       |
| <b>Families supported weekly</b>                        | 4,900 +        | 2,600 +        | 2,000 +        |
| <b>Meals equivalent per week based on DEFRA figures</b> | 165,000 +      | 74,000 +       | 57,000 +       |
| <b>Volunteer hours per month</b>                        | 9,400 +        | 5,000 +        | 3,900 +        |
| <b>Community Hubs</b>                                   | 81             | 53             | 36             |
| <b>Community Hub members served</b>                     | 800,000 +      | 390,000 +      | 266,000 +      |

The cost of living crisis has had a significant impact on our model in 2022. We have seen demand outstripping our supply capabilities in most of our hubs. Couple this with the growing demand for

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2022

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a two tier approach to food security and we have had to meet demand requirements on many levels.

We have had to strengthen our management team as well as our operational team to manage the pressures faced in order to continue to provide our service. Despite the continuing challenges of Covid on the team and the growing demands, we have managed to deliver to all of our hubs every week of the year without interruption.

### Financial review

Income for the year was £3,720,560 of which £1,534,809 came from membership fees and £2,185,751 from grants and donations.

During 2022 we have been fortunate to have received funding for growth from a range of funders. We have been funded to open new hubs by Durham Council, Kirklees Council, Sunderland Council and North Tyneside Council. In each case, the funding allowed us to purchase a new chilled van and to open 5 hubs in communities within their area.

In addition, Darlington Borough Council and Durham Council provided over £100,000 each for TBBT to distribute fuel vouchers in their respective areas. Comic Relief have provided £500,000 to support our national expansion by supporting two additional warehouses to allow us to grow geographically.

We continue to see growing demand from new and existing community partners, and we are continuing to develop new sources of surplus food and goods. TBBT wants to bring these things together to save our members more money and ensure that surplus food is eaten by humans whenever possible.

### Reserves policy and going concern

The Board of Trustees have reviewed the charity's finances and will endeavour to maintain reserves in unrestricted funds of at least 3 months committed expenditure. Based on a current review of spend, this would require £477,761 to be held.

At the 31 December 2022, the charity was operating in accordance with this policy with a carried forward funds balance of £2,635,356, including £1,197,159 unrestricted. The board has designated £350,000 towards the strengthening of the charity's processes and infrastructure for the long-term and to maintain the services at this higher level (see note 16a). Therefore, general funds at the year end are £847,159. Taking into account general funds invested in Fixed Assets, free funds are £827,416.

The board recognise that the general funds carried forward are necessary to support the continuing and rapid expansion of TBBT across England.

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2022

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Building a resilient model requires a core leadership team, as well as a growing infrastructure. As food clubs continue to be recognised for the positive impact they have within communities, TBBT will continue to pursue its aspirations to have national coverage of food clubs through TBBT expansion and support of existing community projects.

### Fundraising statement

After the initial investment, TBBT's model aims to be self-sustaining with our membership income covering the running costs once the hubs are established. Therefore, the charity raises funds only to support its expansion and to invest in the wider services we can provide to our communities, members, and volunteers.

All fund-raising is carried out by the senior management team and no professional fund raisers, or commercial participators are used. There have been no complaints within the year.

### Plans for the future

We believe that this emphasises how precarious the economic position is for many families and how rapidly their situation can change from just about managing to needing support to access affordable healthy food. The service provided by TBBT provides an early intervention approach by helping to prevent the families being trapped in poverty. This, alongside the community spirit we help to engender (with members able to see a friendly face and enjoy a little conversation when collecting their bags) has been more important than ever and will continue to provide essential support throughout 2023.

TBBT has an aspiration to take our model national. During 2022 we have significantly expanded into the North East, Yorkshire and Cheshire and we want to do more. It has become very clear that there is a need for access to good quality, low-cost food for families who are just about managing. Traditional food banks provide emergency help for people who need help immediately and provide a vital service. However, there are many other people who struggle to afford enough good quality food to feed their families well. The impact of the choices they must make, between food and fuel or going without meals, can be seen in health inequalities, educational gaps and many other well-documented poverty premiums.

Food banks are often not designed to provide the longer-term support needed. In addition, many of these families do not want a handout. They want to be helped to make their money go further. The TBBT model is aimed at these communities. We will provide healthy low-cost food until they get back on their feet and are able to shop as they wish. In return, the membership fee pays for the food, Hub leaders provide volunteers to run the service and the space for us to operate. This allows our communities to help themselves.

At the end of 2022, Comic Relief committed to funding our geographic expansion in 2023. Two new warehouses will be opened. In addition, since the year end, The Purslow Trust and Lyons Trust

## **The Bread and Butter Thing**

### **Trustees' annual report**

#### **For the period ended 31 December 2022**

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have committed to opening a third warehouse with us. Further to this, we have Grantham Council, Doncaster Council and South Holland Council all agreeing additional support for further vans. We are budgeting to have over 125 hubs by the end of the 2023. We believe this alternative type of sustainable, mid-tier food provision, generating its own income and sourcing its own food, should be a priority for the next few years to improve the health and community well-being in low-income areas.

### **Principal risk and uncertainties**

The trustees have ultimate responsibility for risk management and TBBT's internal control systems. They are satisfied that appropriate systems and processes are in place to identify key risks and mitigate against them. For example: the management team reviews organisational risks and ensures that internal control measures are in place and are adequate.

The trustees are responsible for ensuring that an effective system of internal financial control is maintained and operated by the charity. The system of internal financial control is based on a framework of regular management information, administrative procedures and a system of delegation, accountability and approval.

Like every other charity, we faced the uncertainties which came with the Covid crisis and have also been exposed to the ever-increasing running costs of the cost of living crisis. We have worked hard to build in contingency plans for the most likely risks and, so far, have been able to deal with situations which have arisen without missing a delivery. We continue to face the challenges created by sickness in our volunteers and staff and have improved our systems and processes to allow us to move quickly to deal with what arises.

We face a continuous challenge of sourcing sufficient healthy food to feed our families. During the year we have greatly widened the number of suppliers we deal with and have improved our infrastructure to allow us to deal with large donations quickly and efficiently. We continue to invest in this area, so our expansion is underpinned with the right food.

### **Structure, governance, and management**

The organisation is a Charitable Incorporated Organisation (CIO), incorporated and registered as a charity on 27 September 2016 in England and Wales.

The CIO was established under its constitution which established the objects and powers of the charity and is governed under its constitution.

The day-to-day management of the charity is delegated to Mark Game, the Chief Executive. Trustees are required to disclose all relevant interests and register them with the trustee charity lawyer and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2022

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The pay of the senior management team is decided by the Trustees. The aim is to pay a fair salary for the not-for-profit sector bearing in mind affordability.

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.

## Operation of the Board of Trustees

The Board of Trustees meets four times a year to review the organisation's work and services, and to agree the strategic goals for the charity. The Board also reviews its own operation, effectiveness and governance on an annual basis. The trustees delegate the day-to-day operations and staffing of the charity to the management team. At each quarterly meeting, they review recent developments to ensure they are in line with the strategic goals agreed.

## Appointment of trustees

An annual review of the recruitment needs of the Board of Trustees is carried out under the leadership of the Chair, including an audit of the current knowledge, experience, skills and abilities, and how they will be affected by any Trustee departures in the future.

Trustees are appointed based on their skills and knowledge of the various sectors in which we operate. For induction and training, all new trustees come and work with the team on site to make sure they understand the operations and can form direct relationships with the team. In addition, trustees are expected to spend one day a year volunteering with the team.

## Related parties and relationships with other organisations

Throughout 2022, TBBT has continued to work closely with food industry partners. We have strong working relationships with Asda, Amazon, Greencores, Greeneking, Worldwide Fruit, Sreen, Co-op, Cranswick, Kellogg's and Morrisons. They have supported us with goods as well as volunteering support and press coverage. We are hugely grateful to them all.

In addition, the new relationships with councils in the North of England, including, Warrington, Tameside, Kirklees, North Tyneside and Newcastle have been instrumental in supporting us to expand.

Once again, we are especially grateful to the Morrisons team for their continued operational support and partnering with us to help us grow. Morrisons plan to continue their work with TBBT in deeper engagement in their food making sites.

## Statement of responsibilities of the trustees

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity'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 reappointed as the charity's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees and signed on their behalf by

William Bentley  
Chair of Trustees

31 August 2023

## Independent Auditor's report

To the members of

**The Bread and Butter Thing**

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### Opinion

We have audited the financial statements of The Bread and Butter Thing (the 'charity') for the year ended 31 December 2022 which comprise of 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 charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

### Basis for opinion

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Bread and Butter Thing'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

To the members of

**The Bread and Butter Thing**

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### 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.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## Independent Auditor's report

To the members of

The Bread and Butter Thing

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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, 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.

## Independent Auditor's report

To the members of

### The Bread and Butter Thing

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- 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Date: 20 September 2023

Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

## The Bread and Butter Thing

### Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2022

|                                    | Note | Unrestricted<br>£ | Restricted<br>£  | 2022<br>Total<br>£ | Unrestricted<br>£ | Restricted<br>£  | 2021<br>Total<br>£ |
|------------------------------------|------|-------------------|------------------|--------------------|-------------------|------------------|--------------------|
| <b>Income from:</b>                |      |                   |                  |                    |                   |                  |                    |
| Donations and Grants               | 2    | 105,201           | 3,125            | <b>108,326</b>     | 59,392            | 3,454            | 62,846             |
| Charitable activities              | 3    | 1,722,011         | 1,890,223        | <b>3,612,234</b>   | 966,455           | 1,160,467        | 2,126,922          |
| <b>Total income</b>                |      | <b>1,827,212</b>  | <b>1,893,348</b> | <b>3,720,560</b>   | <b>1,025,847</b>  | <b>1,163,921</b> | <b>2,189,768</b>   |
| <b>Expenditure on:</b>             |      |                   |                  |                    |                   |                  |                    |
| Charitable activities              | 4a   | 1,271,096         | 1,406,676        | <b>2,677,772</b>   | 853,357           | 691,920          | 1,545,277          |
| <b>Total expenditure</b>           |      | <b>1,271,096</b>  | <b>1,406,676</b> | <b>2,677,772</b>   | <b>853,357</b>    | <b>691,920</b>   | <b>1,545,277</b>   |
| <b>Net income for the year</b>     | 5    | <b>556,116</b>    | <b>486,672</b>   | <b>1,042,788</b>   | <b>172,490</b>    | <b>472,001</b>   | <b>644,491</b>     |
| <b>Reconciliation of funds:</b>    |      |                   |                  |                    |                   |                  |                    |
| Total funds brought forward        |      | 641,043           | 951,525          | <b>1,592,568</b>   | 468,553           | 479,524          | 948,077            |
| <b>Total funds carried forward</b> |      | <b>1,197,159</b>  | <b>1,438,197</b> | <b>2,635,356</b>   | <b>641,043</b>    | <b>951,525</b>   | <b>1,592,568</b>   |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16.

## The Bread and Butter Thing

### Balance sheet

As at 31 December 2022

|  | Note | £                | 2022<br>£        | £                | 2021<br>£        |
|--|------|------------------|------------------|------------------|------------------|
| <b>Fixed assets:</b>                           |      |                  |                  |                  |                  |
| Tangible assets                                | 10   |                  | 897,127          |                  | 687,981          |
| Intangible assets                              | 11   |                  | 31,379           |                  | -                |
|  |      |                  | <u>928,506</u>   |                  | <u>687,981</u>   |
| <b>Current assets:</b>                         |      |                  |                  |                  |                  |
| Debtors  | 12   | 799,715          |                  | 149,362          |                  |
| Short term deposits                            |      | 680,000          |                  | 680,000          |                  |
| Cash at bank in hand                           |      | 961,446          |                  | 232,288          |                  |
|  |      | <u>2,441,161</u> |                  | <u>1,061,650</u> |                  |
| <b>Liabilities:</b>                            |      |                  |                  |                  |                  |
| Creditors: amounts falling due within one year | 13   | (734,311)        |                  | (157,063)        |                  |
|  |      |                  | <u>1,706,850</u> |                  | <u>904,587</u>   |
| <b>Net current assets</b>                      |      |                  |                  |                  |                  |
|  |      |                  | <u>2,635,356</u> |                  | <u>1,592,568</u> |
| <b>Total net assets</b>                        |      |                  |                  |                  |                  |
|  |      |                  | <u>2,635,356</u> |                  | <u>1,592,568</u> |
| <b>The funds of the charity:</b>               | 15a  |                  |                  |                  |                  |
| Restricted funds                               |      |                  | 1,438,197        |                  | 951,525          |
| Unrestricted funds                             |      |                  |                  |                  |                  |
| Designated Funds                               |      |                  | 350,000          |                  | 295,000          |
| General Funds                                  |      |                  | 847,159          |                  | 346,043          |
|  |      |                  | <u>2,635,356</u> |                  | <u>1,592,568</u> |
| <b>Total charity funds</b>                     |      |                  |                  |                  |                  |
|  |      |                  | <u>2,635,356</u> |                  | <u>1,592,568</u> |

Approved by the trustees on 31 August 2023 and signed on their behalf by

Name: William Bentley  
Title: Chair of Trustees

Name: Philip Kaye  
Title: Treasurer

## The Bread and Butter Thing

### Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2022

|   | Note | 2022<br>£        | £ | 2021<br>£        | £ |
|---|------|------------------|---|------------------|---|
| <b>Cash flows from operating activities</b>   |      |                  |   |                  |   |
| Net income/(expenditure) for the reporting period<br>(as per the statement of financial activities) |      | 1,042,788        |   | 644,491          |   |
| Depreciation charges  |      | 161,438          |   | 118,463          |   |
| Amortisation charges  |      | 708              |   | -                |   |
| Loss on disposal of fixed asset   |      | 9,666            |   | 207              |   |
| Interest on finance lease   |      | -                |   | 228              |   |
| Decrease/(increase) in debtors  |      | (650,353)        |   | (41,524)         |   |
| Increase/(Decrease) in creditors  |      | 577,248          |   | (31,538)         |   |
| <b>Net cash provided by / (used in) operating activities</b>  |      | <b>1,141,495</b> |   | <b>690,327</b>   |   |
| <b>Cash flows from investing activities:</b>  |      |                  |   |                  |   |
| Purchase of fixed assets  |      | (380,250)        |   | (505,907)        |   |
| Purchase of intangible assets   |      | (32,087)         |   | -                |   |
| <b>Net cash provided by / (used in) investing activities</b>  |      | <b>(412,337)</b> |   | <b>(505,907)</b> |   |
| <b>Cash flows from financing activities:</b>  |      |                  |   |                  |   |
| Cash flows relating to finance lease  |      | -                |   | (6,156)          |   |
| <b>Net cash provided by / (used in) financing activities</b>  |      | <b>-</b>         |   | <b>(6,156)</b>   |   |
| <b>Change in cash and cash equivalents in the year</b>  |      | <b>729,158</b>   |   | <b>(501,736)</b> |   |
| Cash and cash equivalents at the beginning of the year  |      | 232,288          |   | 734,024          |   |
| <b>Cash and cash equivalents at the end of the year</b>   | a    | <b>961,446</b>   |   | <b>232,288</b>   |   |

### Analysis of cash and cash equivalents and of net debt

|  | At 1 January<br>2022<br>£ | Cash flows<br>£ | Other non-<br>cash changes<br>£ | At 31<br>December<br>2022<br>£ |
|--|---------------------------|-----------------|---------------------------------|--------------------------------|
| Cash at bank and in hand                 | 232,288                   | 729,158         | -                               | 961,446                        |
| <b>a Total cash and cash equivalents</b> | <b>232,288</b>            | <b>729,158</b>  | <b>-</b>                        | <b>961,446</b>                 |
| Finance lease obligations                | -                         | -               | -                               | -                              |
| <b>Total</b>                             | <b>232,288</b>            | <b>729,158</b>  | <b>-</b>                        | <b>961,446</b>                 |

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2022

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#### 1 Accounting policies

##### a) Statutory information

The Bread and Butter Thing is a Charitable Incorporated Organisation, governed by a Constitution and registered in England and Wales (Charity Number 1169383).

The registered office address is 6 Meridian Place, Manchester, M20 2QF.

##### b) 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), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

##### c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

##### d) Going concern

The board has considered the impact of both current requirements and future plans and the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

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.

##### e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, 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.

##### f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

##### g) Interest receivable

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.

##### h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

##### i) Expenditure and irrecoverable VAT

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

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**1 Accounting policies (continued)**

**j) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated 100% back to the charitable activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**k) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

|                       |              |
|-----------------------|--------------|
| ● Plant and Machinery | 2 – 10 years |
| ● Office Equipment    | 2– 3 years   |
| ● Motor vehicles      | 5 years      |
| ● Website & Software  | 3 years      |

**l) Debtors**

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

**m) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

**n) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**o) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

# The Bread and Butter Thing

## Notes to the financial statements

### For the year ended 31 December 2022

#### 2 Donations and other income

|                                   | Unrestricted<br>£ | Restricted<br>£ | 2022<br>Total<br>£ | 2021<br>Total<br>£ |
|-----------------------------------|-------------------|-----------------|--------------------|--------------------|
| Other donations and grants income | 102,578           | 3,125           | 105,703            | 62,804             |
| Interest                          | 2,623             | -               | 2,623              | 42                 |
|                                   | <b>105,201</b>    | <b>3,125</b>    | <b>108,326</b>     | <b>62,846</b>      |

Restricted income from donations in 2021 was £59,392, with the remaining £3,454 being unrestricted.

#### 3 Income from charitable activities

|   | Unrestricted<br>£ | Restricted<br>£  | 2022<br>Total<br>£ | Unrestricted<br>£ | Restricted<br>£  | 2021<br>Total<br>£ |
|---|-------------------|------------------|--------------------|-------------------|------------------|--------------------|
| Membership income                       | 1,534,809         | -                | 1,534,809          | 858,185           | -                | 858,185            |
| Gift in Kind                            | 187,202           | -                | 187,202            | 108,270           | -                | 108,270            |
| Trafford Housing Trust                  | -                 | 92,553           | 92,553             | -                 | 37,503           | 37,503             |
| Darlington Borough Council              | -                 | 172,197          | 172,197            | -                 | 56,108           | 56,108             |
| Manchester City Council Food            | -                 | 6,505            | 6,505              | -                 | 55,354           | 55,354             |
| County Council of Durham                | -                 | 331,738          | 331,738            | -                 | 164,300          | 164,300            |
| Hartlepool Borough Council              | -                 | 21,000           | 21,000             | -                 | 118,241          | 118,241            |
| Tameside Council                        | -                 | 14,016           | 14,016             | -                 | 85,984           | 85,984             |
| Pursloe Trust and Lyons Trust           | -                 | 45,530           | 45,530             | -                 | 54,473           | 54,473             |
| Sainsburys grant                        | -                 | 39,600           | 39,600             | -                 | -                | -                  |
| Kirklees                                | -                 | 250,329          | 250,329            | -                 | -                | -                  |
| North Tyneside                          | -                 | 38,220           | 38,220             | -                 | -                | -                  |
| Comic Relief Grant                      | -                 | 500,000          | 500,000            | -                 | -                | -                  |
| Tameside fuel vouchers                  | -                 | 52,000           | 52,000             | -                 | -                | -                  |
| Other Funders                           | -                 | 199,660          | 199,660            | -                 | -                | -                  |
| Cheshire West                           | -                 | 125,000          | 125,000            | -                 | -                | -                  |
| DEFRA/WRAP                              | -                 | -                | -                  | -                 | 497,784          | 497,784            |
| CAF Resilience Fund                     | -                 | -                | -                  | -                 | 48,952           | 48,952             |
| Salford Families in Need                | -                 | -                | -                  | -                 | 20,000           | 20,000             |
| One Darlington Partnership              | -                 | -                | -                  | -                 | 21,768           | 21,768             |
| Total income from charitable activities | <b>1,722,011</b>  | <b>1,890,223</b> | <b>3,612,234</b>   | <b>966,455</b>    | <b>1,160,467</b> | <b>2,126,922</b>   |

The gift in kind of £187,202 (2021: £108,270) is for the venue hire received free of charge during the year to conduct core activities.

## The Bread and Butter Thing

### Notes to the financial statements

For the year ended 31 December 2022

#### 4a Analysis of expenditure (current year)

|                                  | Charitable<br>Activities<br>£ | Governance<br>costs<br>£ | Support<br>costs<br>£ | 2022<br>Total<br>£      | 2021<br>Total<br>£ |
|----------------------------------|-------------------------------|--------------------------|-----------------------|-------------------------|--------------------|
| Staff costs (Note 6)             | 839,730                       | 5,841                    | 89,746                | 935,317                 | 613,432            |
| Other staff costs                | 106,283                       | -                        | 51,865                | 158,148                 | 75,059             |
| Fuel/Transport and Hubs costs    | 777,246                       | -                        | -                     | 777,246                 | 450,315            |
| Fuel Voucher Expense             | 310,177                       | -                        | -                     | 310,177                 | -                  |
| Warehouse costs                  | 179,881                       | -                        | -                     | 179,881                 | 175,500            |
| Combined liability insurance     | -                             | -                        | 7,253                 | 7,253                   | 6,390              |
| Depreciation                     | 150,130                       | -                        | 12,017                | 162,147                 | 118,463            |
| Legal fees                       | -                             | -                        | 8,869                 | 8,869                   | -                  |
| Governance                       | -                             | 1,733                    | -                     | 1,733                   | -                  |
| Audit and accountancy            | -                             | 9,996                    | -                     | 9,996                   | 7,550              |
| Office costs                     | -                             | -                        | 44,242                | 44,242                  | 18,323             |
| Impact measurement and reporting | -                             | -                        | -                     | -                       | 65,132             |
| Other costs                      | -                             | -                        | 82,763                | 82,763                  | 15,113             |
|                                  | <u>2,363,447</u>              | <u>17,570</u>            | <u>296,755</u>        | <u>2,677,772</u>        | <u>1,545,277</u>   |
| Support costs                    | 296,755                       | -                        | (296,755)             | -                       | -                  |
| Governance costs                 | 17,570                        | (17,570)                 | -                     | -                       | -                  |
| <b>Total expenditure 2022</b>    | <b><u>2,677,772</u></b>       | <b><u>-</u></b>          | <b><u>-</u></b>       | <b><u>2,677,772</u></b> |                    |
| Total expenditure 2021           | <u>1,545,277</u>              | <u>-</u>                 | <u>-</u>              |                         | <u>1,545,277</u>   |

## The Bread and Butter Thing

### Notes to the financial statements

For the year ended 31 December 2021

#### 4b Analysis of expenditure (prior year)

|                                  | Charitable<br>Activities<br>£ | Governance<br>costs<br>£ | Support<br>costs<br>£ | 2021<br>Total<br>£      |
|----------------------------------|-------------------------------|--------------------------|-----------------------|-------------------------|
| Staff costs (Note 6)             | 517,515                       | 5,583                    | 90,335                | 613,432                 |
| Other staff costs                | 59,472                        | -                        | 15,587                | 75,059                  |
| Fuel/Transport and Hubs costs    | 450,315                       | -                        | -                     | 450,315                 |
| Warehouse costs                  | 175,113                       | -                        | 387                   | 175,500                 |
| Combined liability insurance     | -                             | -                        | 6,390                 | 6,390                   |
| Depreciation                     | 109,529                       | -                        | 8,934                 | 118,463                 |
| Legal fees                       | -                             | -                        | -                     | -                       |
| Governance                       | -                             | -                        | -                     | -                       |
| Audit and accountancy            | -                             | 7,550                    | -                     | 7,550                   |
| Office costs                     | -                             | -                        | 18,323                | 18,323                  |
| Impact measurement and reporting | 32,566                        | -                        | 32,566                | 65,132                  |
| Other costs                      | 11,113                        | -                        | 4,000                 | 15,113                  |
|                                  | <u>1,355,623</u>              | <u>13,133</u>            | <u>176,522</u>        | <u>1,545,277</u>        |
| Support costs                    | 176,522                       | -                        | (176,522)             | -                       |
| Governance costs                 | 13,133                        | (13,133)                 | -                     | -                       |
| <b>Total expenditure 2021</b>    | <b><u>1,545,277</u></b>       | <b><u>-</u></b>          | <b><u>-</u></b>       | <b><u>1,545,277</u></b> |

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2022

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#### 5 Net income for the year

This is stated after charging / (crediting):

|                                | 2022<br>£      | 2021<br>£      |
|--------------------------------|----------------|----------------|
| Depreciation                   | 161,438        | 118,463        |
| Auditor's Remunerations:       |                |                |
| Audit (excluding VAT)          | 7,000          | 6,300          |
| Other services (excluding VAT) | 1,400          | 1,200          |
|                                | <u>169,838</u> | <u>125,963</u> |

#### 6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

|   | 2022<br>£      | 2021<br>£      |
|---|----------------|----------------|
| Salaries and wages  | 837,953        | 555,292        |
| Social security costs   | 82,939         | 47,272         |
| Employer's contribution to defined contribution pension schemes | 14,425         | 10,868         |
|   | <u>935,317</u> | <u>613,432</u> |

One employee earned more than £60,000 during the year (2021: none).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £263,293 (2021: £115,572).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). One trustee received payment for professional services supplied to the charity at arms length (see Note 8) (2021: one).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £751 (2021: £228) incurred by 3 (2021: 1) members relating to attendance at meetings of the trustees.

#### 7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 40.7 (2021: 23.7).

Staff are split across the activities of the charity as follows:

|                     | 2022<br>No. | 2021<br>No. |
|---------------------|-------------|-------------|
| Charitable activity | 36.6        | 21.7        |
| Support             | 4.0         | 1.9         |
| Governance          | 0.1         | 0.1         |
|                     | <u>40.7</u> | <u>23.7</u> |

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2022

#### 8 Related party transactions

Within the year there were transactions to the value of £1,350 (2021:nil) between The Bread and Butter Thing and BD2, where Will Bentley is a Director. These transactions were at arms length.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties (2021: none).

#### 9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

#### 10 Tangible fixed assets

|                               | Plant &<br>Machinery<br>£ | Office<br>equipment<br>£ | Motor<br>vehicles<br>£ | Website &<br>Software<br>£ | Total<br>£       |
|-------------------------------|---------------------------|--------------------------|------------------------|----------------------------|------------------|
| <b>Cost</b>                   |                           |                          |                        |                            |                  |
| At the start of the year      | 378,317                   | 16,837                   | 485,235                | 17,925                     | <b>898,314</b>   |
| Additions in year             | 13,330                    | 3,001                    | 345,106                | 18,812                     | <b>380,250</b>   |
| Disposal                      | -                         | -                        | (8,333)                | (1,333)                    | <b>(9,666)</b>   |
| At the end of the year        | <b>391,647</b>            | <b>19,838</b>            | <b>822,008</b>         | <b>35,404</b>              | <b>1,268,898</b> |
| <b>Depreciation</b>           |                           |                          |                        |                            |                  |
| At the start of the year      | 38,999                    | 10,873                   | 151,241                | 9,219                      | <b>210,333</b>   |
| Charge for the year           | 47,978                    | 5,373                    | 102,151                | 5,936                      | <b>161,438</b>   |
| Disposal                      | -                         | -                        | -                      | -                          | <b>-</b>         |
| At the end of the year        | <b>86,978</b>             | <b>16,247</b>            | <b>253,392</b>         | <b>15,155</b>              | <b>371,771</b>   |
| <b>Net book value</b>         |                           |                          |                        |                            |                  |
| <b>At the end of the year</b> | <b>304,669</b>            | <b>3,591</b>             | <b>568,617</b>         | <b>20,250</b>              | <b>897,127</b>   |
| At the start of the year      | 339,317                   | 5,964                    | 333,994                | 8,706                      | 687,981          |

All of the above assets are used for charitable purposes.

#### 11 Intangible fixed assets

|                               | Website &<br>Software<br>£ | Total<br>£    |
|-------------------------------|----------------------------|---------------|
| <b>Cost</b>                   |                            |               |
| At the start of the year      | -                          | -             |
| Additions in year             | 32,087                     | <b>32,087</b> |
| Disposal                      | -                          | -             |
| At the end of the year        | <b>32,087</b>              | <b>32,087</b> |
| <b>Amortization</b>           |                            |               |
| At the start of the year      | -                          | -             |
| Charge for the year           | 708                        | <b>708</b>    |
| Disposal                      | -                          | -             |
| At the end of the year        | <b>708</b>                 | <b>708</b>    |
| <b>Net book value</b>         |                            |               |
| <b>At the end of the year</b> | <b>31,379</b>              | <b>31,379</b> |
| At the start of the year      | -                          | -             |

All of the above assets are used for charitable purposes.

# The Bread and Butter Thing

## Notes to the financial statements

### For the year ended 31 December 2022

#### 12 Debtors

|                                | 2022<br>£      | 2021<br>£      |
|--------------------------------|----------------|----------------|
| Trade debtors                  | 165,489        | 13,722         |
| Prepayments and accrued income | 60,635         | 41,471         |
| Grants receivable              | –              | 39,299         |
| Other debtors                  | 573,591        | 54,870         |
|                                | <u>799,715</u> | <u>149,362</u> |

#### 13 Creditors: amounts falling due within one year

|                              | 2022<br>£      | 2021<br>£      |
|------------------------------|----------------|----------------|
| Trade creditors              | 57,406         | 33,665         |
| Taxation and social security | 26,253         | 9,193          |
| Pensions                     | 7,072          | 2,608          |
| Other creditors              | 7,679          | 162            |
| Accruals                     | 43,335         | 19,351         |
| Deferred income (note 13)    | 592,566        | 92,084         |
|                              | <u>734,311</u> | <u>157,063</u> |

#### 14 Deferred income

Deferred income is comprised of grants from Seven Local Authorities where funding is given in advance.

|                                       | 2022<br>£      | 2021<br>£     |
|---------------------------------------|----------------|---------------|
| Balance at the beginning of the year  | 92,084         | 128,467       |
| Amount released to income in the year | (92,084)       | (128,467)     |
| Amount deferred in the year           | 592,566        | 92,084        |
|                                       | <u>592,566</u> | <u>92,084</u> |

#### 15a Analysis of net assets between funds (current year)

|                                       | General<br>unrestricted<br>£ | Restricted<br>£  | Total<br>funds<br>£ |
|---------------------------------------|------------------------------|------------------|---------------------|
| Tangible fixed assets                 | 338,364                      | 558,763          | 897,127             |
| Intangible assets                     | 31,379                       | –                | 31,379              |
| Net current assets                    | 827,416                      | 879,434          | 1,706,850           |
| <b>Net assets at 31 December 2022</b> | <u>1,197,159</u>             | <u>1,438,197</u> | <u>2,635,356</u>    |

#### 15b Analysis of net assets between funds (prior year)

|                                       | General<br>unrestricted<br>£ | Restricted<br>£ | Total<br>funds<br>£ |
|---------------------------------------|------------------------------|-----------------|---------------------|
| Tangible fixed assets                 | 30,672                       | 657,309         | 687,981             |
| Net current assets                    | 610,371                      | 294,216         | 904,587             |
| <b>Net assets at 31 December 2021</b> | <u>641,043</u>               | <u>951,525</u>  | <u>1,592,568</u>    |

# The Bread and Butter Thing

## Notes to the financial statements

### For the year ended 31 December 2022

#### 16a Movements in funds (current year)

|  | At 1 January<br>2022<br>£ | Income &<br>gains<br>£ | Expenditure<br>& losses<br>£ | Transfers<br>£   | At 31 December<br>2022<br>£ |
|--|---------------------------|------------------------|------------------------------|------------------|-----------------------------|
| <b>Restricted funds:</b>                 |                           |                        |                              |                  |                             |
| Trafford Housing Trust                   | 3,396                     | 62,504                 | (52,704)                     | -                | 13,196                      |
| One Darlington Partnership               | 26,179                    | -                      | (7,896)                      | -                | 18,283                      |
| Darlington Borough Council               | 36,924                    | 18,093                 | (19,995)                     | -                | 35,022                      |
| DEFRA Covid-19 Food Charity Grant Scheme | -                         | -                      | -                            | -                | -                           |
| Manchester City Council Food Response    | 290,819                   | 6,505                  | (175,587)                    | -                | 121,737                     |
| Tameside grant MBC                       | 37,359                    | 14,016                 | (22,786)                     | -                | 28,589                      |
| Hartlepool Borough Council               | 36,624                    | (7,260)                | (25,528)                     | -                | 3,836                       |
| County Council of Durham                 | 35,898                    | (32,354)               | (51,043)                     | -                | (47,498) *                  |
| County Council of Durham 2               | 39,299                    | -                      | -                            | -                | 39,299                      |
| DEFRA/WRAP Capital large scale           | 358,572                   | -                      | (52,452)                     | -                | 306,120                     |
| DEFRA Packing room grant                 | 11,960                    | -                      | (5,604)                      | -                | 6,356                       |
| Purslow Trust and Lyons Trust            | 38,983                    | 45,530                 | (78,836)                     | -                | 5,677                       |
| Salford families in need                 | -                         | -                      | (10,000)                     | -                | (10,000)                    |
| Morrisons Trust                          | 10,663                    | 25,000                 | (31,600)                     | -                | 4,063                       |
| Our Manchester                           | 9,996                     | -                      | (5,999)                      | -                | 3,997                       |
| Kellogg's                                | 11,398                    | -                      | (5,999)                      | -                | 5,399                       |
| First Choice Homes – small grants        | -                         | 2,500                  | (625)                        | -                | 1,875                       |
| Other income                             | 3,454                     | -                      | -                            | -                | 3,454                       |
| Hartlepool Support Fund                  | -                         | -                      | -                            | -                | -                           |
| Sainsburys                               | -                         | 39,600                 | (39,598)                     | -                | 2                           |
| Kirklees                                 | -                         | 125,329                | (67,522)                     | -                | 57,807                      |
| Kirklees 2                               | -                         | 125,000                | -                            | -                | 125,000                     |
| North Tyneside                           | -                         | 38,220                 | (67,523)                     | -                | (29,303) *                  |
| Durham HSF                               | -                         | 140,000                | (140,000)                    | -                | -                           |
| Durham 1                                 | -                         | -                      | (8,770)                      | -                | (8,770) *                   |
| Darlington Winter Grant                  | -                         | 154,104                | (182,352)                    | -                | (28,248) *                  |
| Sodexo grant                             | -                         | 10,000                 | (10,000)                     | -                | -                           |
| Durham 3 grant                           | -                         | 3,472                  | (5,764)                      | -                | (2,292) *                   |
| Sunderland Grant                         | -                         | 31,250                 | (17,293)                     | -                | 13,957                      |
| Trafford Housing Trust Grant             | -                         | 30,049                 | (1,621)                      | -                | 28,428                      |
| Karbon Homes Grant                       | -                         | 75,000                 | (17,293)                     | -                | 57,707                      |
| Comic Relief Grant                       | -                         | 500,000                | (62,500)                     | -                | 437,500                     |
| Tameside fuel vouchers                   | -                         | 52,000                 | (50,000)                     | -                | 2,000                       |
| Durham Fuel Vouchers HSF2                | -                         | 50,000                 | (50,000)                     | -                | -                           |
| Durham Fuel Voucher Grant                | -                         | 170,620                | (137,287)                    | -                | 33,333                      |
| Cheshire West                            | -                         | 125,000                | -                            | -                | 125,000                     |
| Cummins                                  | -                         | 26,734                 | -                            | -                | 26,734                      |
| Wagamama                                 | -                         | 25,000                 | -                            | -                | 25,000                      |
| Cheshire Community Foundation            | -                         | 25,000                 | -                            | -                | 25,000                      |
| 10G – small grants                       | -                         | 12,436                 | (2,500)                      | -                | 9,936                       |
| <b>Total restricted funds</b>            | <b>951,525</b>            | <b>1,893,348</b>       | <b>(1,406,676)</b>           | <b>-</b>         | <b>1,438,197</b>            |
| <b>Unrestricted funds:</b>               |                           |                        |                              |                  |                             |
| Designated funds                         | 295,000                   | -                      | (263,182)                    | 318,182          | 350,000                     |
| <b>General funds</b>                     | <b>346,043</b>            | <b>1,827,212</b>       | <b>(1,007,914)</b>           | <b>(318,182)</b> | <b>847,159</b>              |
| <b>Total funds</b>                       | <b>1,592,568</b>          | <b>3,720,560</b>       | <b>(2,677,772)</b>           | <b>-</b>         | <b>2,635,356</b>            |

\* The negative balances shown in this table are due to the revenue being spread over the life of the grant as per FRS102.

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2022

The narrative to explain the purpose of each fund is given at the foot of the note below.

#### 16b Movements in funds (prior year)

|                                       | At 1 January<br>2021<br>£ | Income &<br>gains<br>£ | Expenditure<br>& losses<br>£ | Transfers<br>£  | At 31 December<br>2021<br>£ |
|---------------------------------------|---------------------------|------------------------|------------------------------|-----------------|-----------------------------|
| <b>Restricted funds:</b>              |                           |                        |                              |                 |                             |
| Trafford Housing Trust                | -                         | 37,503                 | (34,107)                     | -               | 3,396                       |
| One Darlington Partnership            | 33,060                    | 21,768                 | (28,649)                     | -               | 26,179                      |
| Darlington Borough Council            | 40,795                    | 56,108                 | (59,980)                     | -               | 36,923                      |
| First Choice Homes                    | -                         | -                      | -                            | -               | -                           |
| DEFRA Covid-19 Food Charity Grant     | -                         | -                      | -                            | -               | -                           |
| DEFRA/WRAP Small Scale Food Waste     | -                         | 45,856                 | (45,855)                     | -               | 1                           |
| Manchester City Council Food Response | 355,012                   | 55,354                 | (119,547)                    | -               | 290,819                     |
| CAF Resilience Fund                   | -                         | 48,952                 | (48,952)                     | -               | 0                           |
| Tameside grant MBC                    | -                         | 85,984                 | (48,625)                     | -               | 37,359                      |
| Hartlepool Borough Council            | -                         | 118,241                | (81,617)                     | -               | 36,624                      |
| County Council of Durham              | -                         | 125,001                | (89,103)                     | -               | 35,898                      |
| County Council of Durham 2            | -                         | 39,299                 | -                            | -               | 39,299                      |
| DEFRA/WRAP Capital large scale        | -                         | 401,928                | (43,356)                     | -               | 358,572                     |
| DEFRA Packing room grant              | -                         | 50,000                 | (38,040)                     | -               | 11,960                      |
| Purslow Trust and Lyons Trust         | -                         | 54,473                 | (15,490)                     | -               | 38,983                      |
| Salford families in need              | -                         | 20,000                 | (20,000)                     | -               | -                           |
| Morrisons Trust                       | 16,663                    | -                      | (6,000)                      | -               | 10,663                      |
| Our Manchester                        | 15,996                    | -                      | (6,000)                      | -               | 9,996                       |
| Kellogg's                             | 17,998                    | -                      | (6,600)                      | -               | 11,398                      |
| other income                          | -                         | 3,454                  | -                            | -               | 3,454                       |
| <b>Total restricted funds</b>         | <b>479,524</b>            | <b>1,163,921</b>       | <b>(691,920)</b>             | <b>-</b>        | <b>951,525</b>              |
| <b>Unrestricted funds:</b>            |                           |                        |                              |                 |                             |
| Designated funds                      | 250,000                   | -                      | (27,777)                     | 72,777          | 295,000                     |
| <b>General funds</b>                  | <b>218,553</b>            | <b>1,025,847</b>       | <b>(825,580)</b>             | <b>(72,777)</b> | <b>346,043</b>              |
| <b>Total funds</b>                    | <b>948,077</b>            | <b>2,189,768</b>       | <b>(1,545,277)</b>           | <b>-</b>        | <b>1,592,568</b>            |

**Purposes of restricted funds**

**Manchester City Council Food Response**

Manchester City Council set up a city-wide food response to support residents in need through the Covid crisis. We have been funded to support Manchester residents with deliveries of food and other essential items through the immediate crisis and its after effects.

**DEFRA Covid-19 Food Charity Grant Scheme**

During the Covid crisis, DEFRA provided funding to purchase additional food to deal with the huge demand created by the crisis.

**DEFRA/WRAP Small Scale Food Waste Prevention Grant**

Defra have provided funding for a pilot to trial a back of store collection project, working across retailers to generate new food for redistribution.

**Durham County Council** – have provided funding to allow us to expand in Durham and to establish a warehouse for local redistribution working with Darlington and Hartlepool.

**Tameside Council** – have provided funding for an expansion of the service into Tameside out of our Greater Manchester warehouse.

**DEFRA/WRAP Capital large scale Grant** – this was funding provided to support the purpose of Freezers and chillers for the warehouses in addition to further vans.

**Hartlepool Borough Council** – have provided funding to allow us to expand further in the Tees Valley and to establish a warehouse for local redistribution working with Durham and Darlington

**One Darlington Partnership**

One Darlington Partnership provided funds for the purchase of a van, with another £85,000 committed for 2020 to enable deliveries in the Darlington area.

**Darlington Borough Council**

Darlington Borough Council have provided funding to allow us to expand further in the Tees Valley and to establish a warehouse for local redistribution working with Durham and Hartlepool.

**Trafford Housing Trust**

Trafford Housing provided a grant to support a van and driver working in Trafford for one day a week. In 2020 they further supported us to open 3 new hubs in Trafford during the Covid crisis.

**The Purslow and Lyons Trusts** – have joined together to fund the expansion of our services in to Warrington. 2021 has seen the Trust fund a van.

**Our Manchester**

The grant was given to support the purchase of a van and driver to work in North Manchester.

**Cummins** – The grant was given to support the partnership co-ordinator in the north east region.

**Cheshire West/ Cheshire Community Foundation** – The grant was awarded to support a Van for the Ellesmere Port region.

**Wagamama** – to support logistics of redistribution one million meals in January 2023.

**Kellogg's**

Kellogg's provided a grant to enable a van to be purchased and to cover the salary for a driver.

**DEFRA Packing room grant** – DEFRA have provided funding for a pilot packing food in our Trafford warehouse.

**CAF Resilience Fund**

The CAF Resilience fund has provided a grant for the additional costs of providing support during the Covid crisis.

**Lyons Trust**

Lyons trust provided funding to purchase additional food to be delivered in the Christmas week.

**Purposes of restricted funds (continued)**

**First Choice Homes**

A grant was provided to cover delivery costs, for a van in Oldham operating 5 days a week, including a driver's salary.

**Salford families in need** – provide funding for to deliver a new hub in Salford (Barton Moss) utilising an existing van.

**Hartlepool City Council**–providing grant to support and extra bag of food for members

**Sainsburys**–Grant for a mobile food pantry from Sainsbury's Helping Everyone Eat Better community Grants fund – covering costs for food planner, CDDO and transport food costs

**Kirklees Council**– providing a grant for the opening of hubs and all associated costs ( Van , staff , training )

**North Tyneside**–Kirklees Council are providing a grant for the opening of hubs and all associated costs ( Van , staff , training )

**Durham HSF**–Durham City Council providing Household support funding for fuel vouchers and food

**Darlington Winter grant**–Darlington Council providing Household support funding for fuel vouchers and food

**Sodexo grant**–Grant for promotion of Healthy start vouchers , and Women Empowerment

**Durham 3 grant**–Durham City Council are providing a grant for the opening of more hubs and all associated costs ( Van , staff , training )

**Sunderland grant**–Sunderland City Council are providing a grant for the opening of more hubs and all associated costs ( Van , staff , training )

**Karbon Homes trust**– providing a grant for the opening of more hubs and all associated costs ( Van , staff , training )

**Comic Relief grant**– providing grant funding for two new warehouses in two new regions plus staff

**Tameside fuel vouchers**– providing Household support funding for prepaid meter members to have fuel vouchers

**Durham fuel vouchers grant**–Durham City Council providing Household support funding for prepaid meter members to have fuel vouchers

**Durham fuel vouchers HSF2**–Durham City Council providing Household support funding for prepaid meter members to have fuel vouchers – second round of funding

**Purposes of designated funds**

In the 2022 accounts, we set aside £350k as a designated fund to invest in strengthening the charity's infrastructure making it ready for the next stage of growth. The spend is planned over an 18 month period. Food Acquisition and development of low energy meals – £250,000 and Community Resilience and volunteer management – £100,000

- Food Acquisition and development of low energy meals – Each new hub we add requires approximately 0.8 tonnes of food a week. We already have 50 new hubs planned. We plan to grow the number of hubs further and need to be building the industry relationships now to make sure we are growing a supply pipeline. We need to be engaging constantly in industry looking for food and developing new contacts and sources. We need to continue to make sure we make things easy for industry. Unlocking food means we need to do the lifting when incurring logistics costs. We know that there is a lot of untapped surplus ingredients within the UK supply chain that we are not taking advantage of. Couple this with the need from our members to keep cooking as energy efficient as possible to keep it affordable and we have an opportunity to develop a range of low cost meals. Initial conversations with industry manufacturers and experts tells us we have initial support to develop a pilot.
- Community Resilience and Services – In 2023, we would like to develop our engagement with our hub leaders and volunteers.

We have already committed that one of the projects for the SLT to deliver is the development of a hub leaders forum. A space we can engage far more with our hub leaders and learn more about how best to shape services and support. In order to achieve this, we will be investing in a phase 2 project within Microsoft CRM and Field Services. A purpose built volunteer management system with reporting and data integrated within our existing system.

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2022

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#### 17 Operating and finance lease commitments payable as a lessee

The charity's total future lease payments under an operating lease is as follows for each of the following periods

|                    | Property      |               | Motor Vehicle |          |
|--------------------|---------------|---------------|---------------|----------|
|                    | 2022          | 2021          | 2022          | 2021     |
|                    | £             | £             | £             | £        |
| Less than one year | 42,524        | 53,528        | -             | -        |
| One to five years  | -             | 42,524        | -             | -        |
|                    | <u>42,524</u> | <u>96,052</u> | <u>-</u>      | <u>-</u> |

Finance lease taken out in May 2018 for the purchase of a van to aid charitable activities. In 2021 the finance lease was fully paid off.

#### 18 Legal status of the charity

The Bread and Butter Thing is a Charitable Incorporated Organisation, governed by a Constitution and has no share capital. The charity registered in England and Wales (Charity Number 1169383).

**THE BREAD AND BUTTER THING.**

England & Wales - Charity number 1169383

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# Accounts

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Charity Number: 1169383

# The Bread and Butter Thing

Report and financial statements

For the period ended 31 December 2021

# The Bread and Butter Thing

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### For the period ended 31 December 2021

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## The Bread and Butter Thing

### Reference and administrative information

For the period ended 31 December 2021

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The Charitable Incorporated Organisation was registered with the Charity Commission with the name of Heathfield Drive on 27 September 2016. The name was changed to The Bread and Butter Thing on 6 June 2017.

**Charity number** 1169383

**Registered office and operational address** The Bread and Butter Thing  
6 Meridian Place  
MANCHESTER  
M20 2QF

**Trustees** Trustees who served during the year and up to the date of this report were as follows:

|                 |       |
|-----------------|-------|
| Paula Smith     | Chair |
| Mary Jennings   |       |
| Will Bentley    |       |
| Julia Hillman   |       |
| Louise Nicholls |       |
| Graeme Douglas  |       |

|                                 |                     |                          |
|---------------------------------|---------------------|--------------------------|
| <b>Key management personnel</b> | Mark Game           | Chief Executive          |
|                                 | Victoria Harper     | Chief Operations Officer |
|                                 | Justine Garner      | Chief Financial Officer  |
|                                 | Jane Partington FCA | Partnerships Director    |

**Bankers** Santander  
712-716 Wilmslow Rd  
Manchester  
M20 6DQ

**Auditor** Sayer Vincent LLP  
Chartered Accountants  
Invicta House  
108-114 Golden Lane  
LONDON  
EC1Y 0TL

# The Bread and Butter Thing

## Trustees' annual report

### For the period ended 31 December 2021

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The trustees present their report and the audited financial statements for the period ended 31 December 2021.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the CIO constitution and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## Objectives and activities

### Purposes and aims

The purposes of The Bread and Butter Thing as set out in its constitution are:

- 1 The relief of financial hardship and the promotion of social inclusion among people living or working in the UK for the public benefit by providing such persons with, or with access to, goods, services and/or funds without a poverty premium which they could not obtain access to through lack of means and/or as a result of their social and financial exclusion from society as a result of one or more of the following factors: unemployment, financial hardship; youth or old age; ill health (physical or mental); substance abuse or dependency including alcohol and drugs; poor education or skills attainment; crime (either as a victim of crime or as an offender rehabilitating into society);
- 2 The protection and preservation of the environment for the public benefit by the promotion of food waste and fast-moving consumer goods waste reduction by redistributing goods to people in low income households;
- 3 The promotion of good health and nutrition by providing affordable access to, and supplying, a healthy and balanced diet and providing advice and education on a healthy and balanced diet.

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 remain 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 charity's main activities and who it tries to help are described below. As set out in its constitution, its charitable activities are undertaken to further The Bread and Butter Thing's charitable purposes for the public benefit.

## The Bread and Butter Thing

### Trustees' annual report

For the period ended 31 December 2021

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#### Aims:

- Tackle poverty premiums by providing a reliable source of healthy and low-cost food and other household goods to communities in need.
- Strengthen community assets by working in partnership with pre-existing community projects, enhancing the services they provide.
- Build resilience by enabling communities to help themselves.
- Reduce waste by working with manufacturers and distributors to identify surpluses in their supply chains which can be diverted for redistribution.

## Tackling poverty premiums and providing nutritious food

The charity works with pre-existing community projects in known areas of deprivation. Beneficiaries of the service are introduced through our partners who know the area already and who identify those people in need of support. Our services are delivered at their premises.

The BMJ and the Child Poverty Action Group amongst others have shown that Covid disproportionately affected our communities. Responding to the National Food Strategy Dame Louise Casey notes that “The pandemic has turned the divide between the rich and the poor into a gaping chasm. Sadly, the fact is that the less well-off you are, the more likely you are to be prey to unhealthy food, it's a slowly unfolding tragedy”.

There is a policy focus on extreme hunger and poverty accounting for 4% of the UK. Yet there are 21% who are ‘just about managing’ and struggling to access a healthy diet. TBBT’s model uniquely addresses this population at scale.

Our members come from a wide range of ages and backgrounds. They are mostly of working age and are responsible for supporting other family members. Through the provision of low-cost food and household goods, the charity reduces the price that our members must pay for these items, thus tackling the poverty premiums they would otherwise face. Members save money each week they shop with us. The average weekly saving our members report is £26.50. 86% say they can now afford to feed their family for the week.

The Bread and Butter Thing do not believe that low-cost food needs to be unhealthy or restricted in variety. We redistribute fruit and vegetables, chilled food and cupboard food every week and have regular sales of frozen items. 88% of our members tell us that they have tried new food since shopping with us and 75% eat more fruit and vegetables.

Our members also tell us that accessing household goods such as cleaners, toilet roll, washing powder can be expensive in their communities. We are constantly expanding our supply so that we can also improve access to these items.

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2021

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We are conscious that our members rely on us, and we make sure we do not let our members down. Covid has been a particular challenge over the last couple of years as many of our community partners have had to close and the recent Omicron variation has meant sickness levels amongst staff and volunteers have increased significantly. We have redesigned our service where necessary to ensure that our food deliveries have continued through the pandemic, and we have not missed a single delivery since the start of the crisis. We want to thank our staff and volunteers for the enormous commitment they have shown to make this possible.

## Strengthening Community Assets

TBBT works with pre-existing community organisations identified with the support of local stakeholders. We partner with these hubs to help them serve their community more and improve the use of community assets. From the beginning we have believed in the importance of building on what is already there rather than coming into a community to start something new.

During 2021, we have been able to increase the number of local partners we are working with by nearly 50%. On 31 December 2021, we were working with 53 community partners, 'hubs', including churches, drop-in centres, community cafes, food banks and schools. By hosting a Bread and Butter service, these projects can add to the support they provide to their community.

TBBT's lively and enjoyable weekly events attract the community with around 50–80 local residents attending. Our approach is non-stigmatising and connects people by creating networks of trust through shared activity. 97% of members say we are good for their community and 90% enjoy coming to shop with us.

We also identify other service providers who might be able to offer support to the community building on the footfall and audience we can guarantee. We focus on the areas where our members are most likely to benefit, for example help with fuel costs, debt issues, income maximisation and employability. Our policy is to work in partnership with organisations already providing services in these specialities rather than do it ourselves. Covid created challenges in bringing in these other services locally but, as the restrictions reduced, we have been able to reintroduce them. During 2021, we have worked with Citizens Advice, Electricity North West, Groundworks, Eat Well Manchester, Credit Unions, Maximus and many others bringing local access to their services to our hubs.

Community partners report improved engagement with our members. The regular contact from the weekly deliveries increases footfall and connects more people with the other services which our partners offer. In addition, members are regularly swapping recipe ideas, hints and tips on using the food we supply, contributing to better communication and an enhanced community spirit.

Our members also enjoy the social aspect of our service. Coming each week to chat and meet others reduces social isolation. 98% people feel welcome shopping with us and 59% have made new friends in the community since joining.

## **The Bread and Butter Thing**

### **Trustees' annual report**

**For the period ended 31 December 2021**

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#### **Build Resilience**

Our aim is to support communities to help themselves. Each of our hubs is staffed by a volunteer team made up of people from the local area who set up and manage our service each time we deliver.

We are supported by over 400 volunteers each week who give up their time on a regular basis to deliver the service. Most come to their local hub ready to meet our staff members and to sort, pack and distribute the food and goods to their fellow members. Others work at our warehouses, collecting and organising the food for the hubs. Every week, between them, they provide more than 1,000 volunteering hours. We could not do it without them.

Volunteers are given a briefing each time and provided with training in manual handling and food safety. They also work with us to design Covid safe processes making sure service can continue whilst keeping people safe.

Throughout the inception and development of TBBT, we have consistently found that the communities in which we work have a strong pride and appetite to support themselves. Nearly 40% of our members have expressed an interest in volunteering opportunities. The volunteers come from our communities and know most of the members we serve. They feel ownership of the service and see TBBT as part of their community.

#### **Reducing Waste and finding new sources of surplus food and goods**

2021 has been a year of continuing high demands in supermarkets as we continued to socially distance, whilst the food industry had to deal with shortages in work force, logistics and reductions in availability of goods.

Throughout the year, we have worked tirelessly to source food to redistribute and the corresponding transport solutions to ensure we can continue to grow our network of food clubs to meet the demands of the cost of living shockwaves we faced.

One of our major supporters throughout 2021 has been Morrisons. They have supported our work since our inception. During 2021, we have been working with them on engaging wider into their manufacturing sites and distribution centres and as a result have seen a 36% uplift in the food we have received from them.

Our work on reducing food waste focusses primarily on the top two aspects of the statutory guidance issued to the food industry by DEFRA in the Food Waste Hierarchy. The first priority is to minimise waste and surplus created, then second is to feed humans wherever possible with the surplus generated.

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2021

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Most of the work in this year has been understanding the shifting landscape in the pandemic and how we can work closely with industry to support them and help to develop new ways of minimising waste with as little disruption and investment as possible.

As a result, new partnerships have been formed by working closely with sectors of the food industry. Collaborations with organisations such as Worldwide Fruits show how relatively straightforward barriers such as surplus fruit being in trays that need returning can create challenges within the redistribution sector.

Barriers to redistributing surplus food have been a consistent topic for us throughout the year. We were pleased to see WRAP and IGD start to address the issues surrounding redistributing "Own Label" or supermarket branded food. We were part of the industry working group that developed WRAP's Best practice on redistributing own-label products within the supply chain.

The guidance was issued in July 2021, and it was great to see it adopted by Sainsbury's in September 2021. Although Morrisons already widely adopt such practices and have a wide array of redistribution partners, we will continue to work with the remaining retailers to encourage them to widen the number of redistribution organisations they work with to minimise the volume of surplus food going to waste.

The more we engage with manufacturers and the wider food industry supply chain, the more we can see how many own label opportunities are going to waste simply because of retailer restrictions on who can take this food. The work we did with Anthesis in 2019 showed that 72% of edible food waste in supply chain is own label and our experiences with the sector only reaffirms this.

We have been able to demonstrate that working with The Bread and Butter Thing, alongside existing redistribution routes can significantly reduce the amount of own label food going to waste whilst maintaining brand integrity. We have already demonstrated this for Asda and Coop in 2021 and look forward to sharing this evidence with other retailers during 2022.

Throughout the pandemic, we worked with DEFRA as they purchased food for us to support people shielding and isolating. However, it is pleasing to see our model expand in 2021 without any purchased food. There are literally tens of thousands of tonnes of food per annum yet to unlock and we will continue to work with industry to innovate and redistribute a growing amount and variety.

## Achievements and performance

The charity started its activities in late 2016 and has increased its operations every year. Local access to healthy food at a good price can be a significant problem in the areas we work in and we find that residents are keen to support us meaning that community hubs once open continue causing our weekly deliveries to grow and grow. In 2021, we were proud to win the Third Sector Award's Charity of the Year and the Volunteering Team of the Year recognising our impact in the communities we serve.

## The Bread and Butter Thing

### Trustees' annual report

For the period ended 31 December 2021

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Some key statistics from our work:

| Description                                      | At end of 2021   | At end of 2020   |
|--|------------------|------------------|
| Membership                                       | 23,000+          | 14,000+          |
| Number of families supported                     | 2,600+           | 2,000+           |
| Meals equivalent per week based on DEFRA figures | 74,000+          | 57,000+          |
| Volunteer hours per month                        | 5,000+ per month | 3,900+ per month |
| Community Hubs                                   | 53               | 36               |
| Value of volunteer hours                         | £ 390,000        | £ 266,000        |
| Community hub members served                     | 105,000          | 80,000           |

### Covid-19

Covid-19 had a significant impact on the charity and its operations. Immediately the first lockdown was announced most of our community hubs were forced to close. We were committed to keeping going, recognising that the need for healthy low-cost food provided locally would be greater than ever. We were able to hire at very short notice a new large indoor space in Greater Manchester. This gave us a place where we could store and pack food safely ensuring social distancing. This arrangement lasted until April 2021 when we were able to return to our usual location.

During 2021 we have added to our usual operations. We have continued to work with Manchester City Council as part of their emergency food response. In addition, we have provided additional food to support residents in Darlington, Newcastle, and Hartlepool to supplement the free school meals provision.

### Financial review

Income for the year was £2,189,768 of which £858,185 came from membership fees and £1,331,583 from grants and donations.

During 2021, we were awarded grants totalling £720,000 which will cover a 1 to 2 year period. During 2021, we have recognised income of £304,840 from grants awarded in 2019 and 2020, and £855,627 from grants awarded in 2021 as shown in Note 3.

## **The Bread and Butter Thing**

### **Trustees' annual report**

#### **For the period ended 31 December 2021**

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During 2021 we have been fortunate to have received funding for growth from a range of funders. We have been funded to open new hubs by Darlington Borough Council, Hartlepool Council and Durham Council and Tameside Public Health. In each case, the funding allowed us to purchase a new chilled van and to open 5 hubs in communities within their area.

In addition, the Purslow Trust and the Lyons Trust came together to fund our expansion into Warrington and Trafford Housing Trust have provided funds to support our central logistics. Salford Families in Need, a new charity, enabled us to open new hubs in Salford, increasing our reach across Greater Manchester.

DEFRA/WRAP provided £450,000 to enable us to build a chiller and freezer in our central warehouse and to fit out a packing room. This has increased our capacity to deliver a wide range of food safely.

We continue to see growing demand from new and existing community partners, and we are continuing to develop new sources of surplus food and goods. The Bread and Butter Thing wants to bring these things together to save our members more money and ensure that surplus food is eaten by humans whenever possible.

### **Reserves policy and going concern**

The Board of Trustees have reviewed the charity's finances and will endeavour to maintain reserves in unrestricted funds of at least 3 months committed expenditure. Based on a current review of spend, this would require £239,684 to be held.

At the 31 December 2021, the charity was operating in accordance with this policy with a carried forward funds balance of £1,592,568, including £641,043 unrestricted. The board has designated £250,000 towards the strengthening of the charities processes and infrastructure for the long-term and to maintain the services at this higher level (see note 16). Therefore, general funds at the yearend are £391,043.

### **Fundraising statement**

After the initial investment, TBBT's model aims to be self-sustaining with our membership income covering the running costs once the hubs are established. Therefore, the charity raises funds only to support its expansion and to invest in the wider services we can provide to our communities, members, and volunteers.

All fund-raising is carried out by the senior management team and no professional fund raisers, or commercial participators are used. There have been no complaints within the year.

## Plans for the future

2021 has seen the continuance of challenges caused by the Covid crisis. The impact of lockdown wasn't the same for everyone, neither will the impact of unlocking. In addition, the cost of living increases seen across many sectors will hit our members hard and create widening inequalities.

We believe that this emphasises how precarious the economic position is for many families and how rapidly their situation can change from just about managing to needing support to access affordable healthy food. The service provided by TBBT provides an early intervention approach by helping to prevent the families being trapped in poverty. This alongside the community spirit we help to engender – with members able to see a friendly face and enjoy a little conversation when collecting their bags – has been more important than ever and will continue to provide essential support throughout 2022.

TBBT has an aspiration to take our model national. During 2021 we have significantly expanded into the North East and we want to do more. It has become very clear through the Covid crisis that there is a need for access to good quality low-cost food for families who are just about managing. Traditional food banks provide emergency help for people who need help immediately and provide a vital service. However, there are many other people who struggle to afford enough good quality food to feed their families well. The impact of the choices they must make, between food and fuel or going without meals, can be seen in health inequalities, educational gaps and many other well-reported outcomes.

Food banks are often not designed to provide the longer-term support needed. In addition, many of these families do not want a handout. They want to be helped to make their money go further. The TBBT model is aimed at these communities. We will provide healthy low-cost food until they get back on their feet and are able to shop as they wish. In return, the membership fee pays for the food, Hub leaders provide volunteers to run the service and the space for us to operate. This allowed our communities to help themselves.

At the end of 2021, Durham Council committed to funding 5 new hubs which will open during 2022. In addition, since the year end, Kirklees Council (supported by Cummins Group) and North Tyneside Council have both agreed to support our expansion into Yorkshire and further into the North East. Together with the full roll-out of the Warrington van, we can already foresee 75 hubs by the end of the year.

On top of this, we are talking to many other organisations about possible funding for expansion. We believe this alternative type of sustainable, mid-tier food provision, generating its own income and sourcing its own food should be a priority for the next few years to improve the health and community well-being in low-income areas.

## Principal risk and uncertainties

The trustees have ultimate responsibility for risk management and TBBT's internal control systems. They are satisfied that appropriate systems and processes are in place to identify key risks and mitigate against them. For example: the management team reviews organisational risks and ensures that internal control measures are in place and are adequate.

The trustees are responsible for ensuring that an effective system of internal financial control is maintained and operated by the charity. The system of internal financial control is based on a framework of regular management information, administrative procedures and a system of delegation and accountability.

Like every other charity, we faced the uncertainties which came with the Covid crisis. We worked hard to build in contingency plans for the most likely risks and, so far, have been able to deal with situations which have arisen without missing a delivery. We continue to face the challenges created by sickness in our volunteers and staff and have improved our systems and processes to allow us to move quickly to deal with what arises.

We face a continuous challenge of sourcing sufficient healthy food to feed our families. During the year we have greatly widened the number of suppliers we deal with and have improved our infrastructure to allow us to deal with large donations quickly and efficiently. We continue to invest in this area, so our expansion is underpinned with the right food.

## Structure, governance, and management

The organisation is a Charitable Incorporated Organisation (CIO), incorporated and registered as a charity on 27 September 2016 in England and Wales.

The CIO was established under its constitution which established the objects and powers of the charity and is governed under its constitution.

The day-to-day management of the charity is delegated to Mark Game, the Chief Executive. Trustees are required to disclose all relevant interests and register them with the trustee charity lawyer and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

The pay of the senior management team is decided by the Trustees. The aim is to pay a fair salary for the not-for-profit sector bearing in mind affordability.

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.

## Operation of the Board of Trustees

The Board of Trustees meets four times a year to review the organisation's work and services, and to agree the strategic goals for the charity. The Board also reviews its own operation, effectiveness and governance on an annual basis. The trustees delegate the day-to-day operations and staffing of the charity to the management team. At each quarterly meeting, they review recent developments to ensure they are in line with the strategic goals agreed.

## Appointment of trustees

An annual review of the recruitment needs of the Board of Trustees is carried out under the leadership of the Chair, including an audit of the current knowledge, experience, skills and abilities, and how they will be affected by any Trustee departures in the future.

Trustees are appointed based on their skills and knowledge of the various sectors in which we operate. For induction and training, all new trustees come and work with the team on site to make sure they understand the operations and can form direct relationships with the team. In addition, every 6 months, Board meetings are held at the warehouse so that these contacts can be renewed. Finally, there is an annual gathering of trustees, community partners, member representatives and staff where trustees have an opportunity to talk to a wide range of service users and supporters.

## Related parties and relationships with other organisations

Throughout 2021, The Bread and Butter Thing has continued to work closely with food industry partners. We have strong working relationships with Asda, Amazon, Greencores, Greeneking, Worldwide Fruit, Soreen, Co-op, Cranswick, Kellogg's and Morrisons. They have supported us with goods as well as volunteering support and press coverage. We are hugely grateful to them all.

In addition, the new relationships with councils in the North of England, including, Warrington, Tameside, Kirklees, North Tyneside and Newcastle have been instrumental in supporting us to expand.

Once again, we are especially grateful to the Morrisons team for their continued operational support and partnering with us to help us grow. Morrisons plan to continue their work with TBTT in deeper engagement in their food making sites.

## Statement of responsibilities of the trustees

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2021

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- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity'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 reappointed as the charity's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees and signed on their behalf by

Paula Smith  
Chair of Trustees  
10 May 2022

## Independent Auditor's report

To the members of

**The Bread and Butter Thing**

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### Opinion

We have audited the financial statements of The Bread and Butter Thing (the 'charity') for the year ended 31 December 2021 which comprise of 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 charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

### Basis for opinion

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Bread and Butter Thing'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

To the members of

**The Bread and Butter Thing**

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### 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.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## Independent Auditor's report

To the members of

The Bread and Butter Thing

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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, 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.

## Independent Auditor's report

To the members of

### The Bread and Butter Thing

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- 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Date: 7 June 2022

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

## The Bread and Butter Thing

### Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2021

|                                    | Note | Unrestricted<br>£ | Restricted<br>£  | 2021<br>Total<br>£ | Unrestricted<br>£ | Restricted<br>£  | 2020<br>Total<br>£ |
|------------------------------------|------|-------------------|------------------|--------------------|-------------------|------------------|--------------------|
| <b>Income from:</b>                |      |                   |                  |                    |                   |                  |                    |
| Donations and Grants               | 2    | 59,392            | 3,454            | <b>62,846</b>      | 12,759            | –                | 12,759             |
| Charitable activities              | 3    | 966,455           | 1,160,467        | <b>2,126,922</b>   | 752,035           | 1,040,548        | 1,792,583          |
| <b>Total income</b>                |      | <b>1,025,847</b>  | <b>1,163,921</b> | <b>2,189,768</b>   | <b>764,794</b>    | <b>1,040,548</b> | <b>1,805,342</b>   |
| <b>Expenditure on:</b>             |      |                   |                  |                    |                   |                  |                    |
| Charitable activities              | 4a   | 853,357           | 691,920          | <b>1,545,277</b>   | 472,096           | 673,058          | 1,145,154          |
| <b>Total expenditure</b>           |      | <b>853,357</b>    | <b>691,920</b>   | <b>1,545,277</b>   | <b>472,096</b>    | <b>673,058</b>   | <b>1,145,154</b>   |
| <b>Net income for the year</b>     | 5    | <b>172,490</b>    | <b>472,001</b>   | <b>644,491</b>     | <b>292,698</b>    | <b>367,490</b>   | <b>660,188</b>     |
| <b>Reconciliation of funds:</b>    |      |                   |                  |                    |                   |                  |                    |
| Total funds brought forward        |      | 468,553           | 479,524          | <b>948,077</b>     | 175,855           | 112,034          | 287,889            |
| <b>Total funds carried forward</b> |      | <b>641,043</b>    | <b>951,525</b>   | <b>1,592,568</b>   | <b>468,553</b>    | <b>479,524</b>   | <b>948,077</b>     |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16.

## The Bread and Butter Thing

### Balance sheet

As at 31 December 2021

|  | Note | £         | 2021<br>£        | £              | 2020<br>£      |
|--|------|-----------|------------------|----------------|----------------|
| <b>Fixed assets:</b>                           |      |           |                  |                |                |
| Tangible assets                                | 10   |           | <b>687,981</b>   |                | 300,744        |
|  |      |           | <b>687,981</b>   |                | <b>300,744</b> |
| <b>Current assets:</b>                         |      |           |                  |                |                |
| Debtors  | 11   | 149,362   |                  | 107,838        |                |
| Short term deposits                            |      | 680,000   |                  | -              |                |
| Cash at bank in hand                           |      | 232,288   |                  | 734,024        |                |
|  |      |           | <b>1,061,650</b> | <b>841,862</b> |                |
| <b>Liabilities:</b>                            |      |           |                  |                |                |
| Creditors: amounts falling due within one year | 12   | (157,063) |                  | (194,529)      |                |
| <b>Net current assets</b>                      |      |           | <b>904,587</b>   |                | <b>647,333</b> |
| <b>Total assets less current liabilities</b>   |      |           | <b>1,592,568</b> |                | <b>948,077</b> |
| Creditors: amounts falling due after one year  | 14   |           | -                |                | -              |
| <b>Total net assets</b>                        |      |           | <b>1,592,568</b> |                | <b>948,077</b> |
| <b>The funds of the charity:</b>               | 15a  |           |                  |                |                |
| Restricted funds                               |      |           | <b>951,525</b>   |                | 479,524        |
| Unrestricted funds                             |      |           |                  |                |                |
| Designated Funds                               |      |           | <b>295,000</b>   |                | 250,000        |
| General Funds                                  |      |           | <b>346,043</b>   |                | 218,553        |
| <b>Total charity funds</b>                     |      |           | <b>1,592,568</b> |                | <b>948,077</b> |

Approved by the trustees on 10 May 2022 and signed on their behalf by

Name: Paula Smith  
Title: Chair of Trustees

## The Bread and Butter Thing

### Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2021

|   | Note | 2021<br>£        | £ | 2020<br>£        | £ |
|---|------|------------------|---|------------------|---|
| <b>Cash flows from operating activities</b>   |      |                  |   |                  |   |
| Net income/(expenditure) for the reporting period<br>(as per the statement of financial activities) |      | 644,491          |   | 660,188          |   |
| Depreciation charges  |      | 118,463          |   | 45,289           |   |
| Loss on disposal of fixed asset   |      | 207              |   | -                |   |
| Interest on finance lease   |      | 228              |   | 765              |   |
| (Decrease)/increase in debtors  |      | (41,524)         |   | (45,081)         |   |
| (Decrease)/increase in creditors  |      | (31,538)         |   | 137,932          |   |
| <b>Net cash provided by / (used in) operating activities</b>  |      | <b>690,327</b>   |   | <b>799,093</b>   |   |
| <b>Cash flows from investing activities:</b>  |      |                  |   |                  |   |
| Purchase of fixed assets  |      | (505,907)        |   | (247,575)        |   |
| Short term deposits   |      | -                |   | -                |   |
| <b>Net cash provided by / (used in) investing activities</b>  |      | <b>(505,907)</b> |   | <b>(247,575)</b> |   |
| <b>Cash flows from financing activities:</b>  |      |                  |   |                  |   |
| Cash flows relating to finance lease  |      | (6,156)          |   | (12,312)         |   |
| <b>Net cash provided by / (used in) financing activities</b>  |      | <b>(6,156)</b>   |   | <b>(12,312)</b>  |   |
| <b>Change in cash and cash equivalents in the year</b>  |      | <b>(501,736)</b> |   | <b>539,206</b>   |   |
| Cash and cash equivalents at the beginning of the year  |      | 734,024          |   | 194,818          |   |
| <b>Cash and cash equivalents at the end of the year</b>   | a    | <b>232,288</b>   |   | <b>734,024</b>   |   |

### Analysis of cash and cash equivalents and of net debt

|  | At 1 January<br>2021<br>£ | Cash flows<br>£  | Other non-<br>cash changes<br>£ | At 31<br>December<br>2021<br>£ |
|--|---------------------------|------------------|---------------------------------|--------------------------------|
| Cash at bank and in hand                 | 734,024                   | (501,736)        | -                               | 232,288                        |
| <b>a Total cash and cash equivalents</b> | <b>734,024</b>            | <b>(501,736)</b> | <b>-</b>                        | <b>232,288</b>                 |
| Finance lease obligations                | -                         | -                | -                               | -                              |
| <b>Total</b>                             | <b>734,024</b>            | <b>(501,736)</b> | <b>-</b>                        | <b>232,288</b>                 |

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2021

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#### 1 Accounting policies

##### a) Statutory information

The Bread and Butter Thing is a Charitable Incorporated Organisation, governed by a Constitution and registered in England and Wales (Charity Number 1169383).

The registered office address is 6 Meridian Place, Manchester, M20 2QF.

##### b) 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), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

##### c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

##### d) Going concern

The board has considered the impact of both Covid 19 and future plans and the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

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.

##### e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, 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.

##### f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

##### g) Interest receivable

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.

##### h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

##### i) Expenditure and irrecoverable VAT

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

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**1 Accounting policies (continued)**

**j) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated 100% back to the charitable activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**k) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

|                       |              |
|-----------------------|--------------|
| ● Plant and Machinery | 2 – 10 years |
| ● Office Equipment    | 2– 3 years   |
| ● Motor vehicles      | 5 years      |
| ● Website & Software  | 3 years      |

**l) Debtors**

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

**m) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

**n) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**o) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2021

#### 2 Donations and other income

|                                   | Unrestricted<br>£ | Restricted<br>£ | 2021<br>Total<br>£   | 2020<br>Total<br>£ |
|-----------------------------------|-------------------|-----------------|----------------------|--------------------|
| Other donations and grants income | 59,350            | 3,454           | <b>62,804</b>        | 12,007             |
| Interest                          | 42                | -               | <b>42</b>            | 752                |
|                                   | <u>59,392</u>     | <u>3,454</u>    | <u><b>62,846</b></u> | <u>12,759</u>      |

All income from donations in 2020, was unrestricted.

#### 3 Income from charitable activities

|  | Unrestricted<br>£ | Restricted<br>£  | 2021<br>Total<br>£      | Unrestricted<br>£ | Restricted<br>£  | 2020<br>Total<br>£ |
|--|-------------------|------------------|-------------------------|-------------------|------------------|--------------------|
| Membership income                                  | 858,185           | -                | <b>858,185</b>          | 642,547           | -                | 642,547            |
| Trafford Housing Trust                             | -                 | 37,503           | <b>37,503</b>           | -                 | 12,100           | 12,100             |
| Kellogg's  | -                 | -                | -                       | 10,000            | 23,500           | 33,500             |
| One Darlington Partnership                         | -                 | 21,768           | <b>21,768</b>           | -                 | 65,300           | 65,300             |
| Darlington Borough Council                         | -                 | 56,108           | <b>56,108</b>           | -                 | 40,795           | 40,795             |
| First Choice Homes                                 | -                 | -                | -                       | -                 | 37,500           | 37,500             |
| DEFRA Covid-19 Food Charity Grant Scheme           | -                 | -                | -                       | -                 | 110,000          | 110,000            |
| DEFRA/WRAP Small Scale Food Waste Prevention Grant | -                 | 45,856           | <b>45,856</b>           | -                 | 115,283          | 115,283            |
| DEFRA/WRAP Capital Large Scale Grant               | -                 | 401,928          | <b>401,928</b>          | -                 | -                | -                  |
| DEFRA Packing Room Grant                           | -                 | 50,000           | <b>50,000</b>           | -                 | -                | -                  |
| Manchester City Council Food Response              | -                 | 55,354           | <b>55,354</b>           | -                 | 572,922          | 572,922            |
| County Council of Durham                           | -                 | 125,001          | <b>125,001</b>          | -                 | -                | -                  |
| County Council of Durham                           | -                 | 39,299           | <b>39,299</b>           | -                 | -                | -                  |
| Hartlepool Borough Council                         | -                 | 118,241          | <b>118,241</b>          | -                 | -                | -                  |
| Lyons Trust  | -                 | -                | -                       | 10,000            | 10,000           | 20,000             |
| CAF Resilience Fund                                | -                 | 48,952           | <b>48,952</b>           | -                 | 45,148           | 45,148             |
| Tameside Council                                   | -                 | 85,984           | <b>85,984</b>           | -                 | -                | -                  |
| Amazon   | -                 | -                | -                       | 15,000            | -                | 15,000             |
| Duchy of Lancaster                                 | -                 | -                | -                       | 10,000            | -                | 10,000             |
| FareShare  | -                 | -                | -                       | 12,108            | -                | 12,108             |
| Other small grants                                 | -                 | -                | -                       | 12,580            | 8,000            | 20,580             |
| Pursloe Trust and Lyons Trust                      | -                 | 54,473           | <b>54,473</b>           | -                 | -                | -                  |
| Salford Families in Need                           | -                 | 20,000           | <b>20,000</b>           | -                 | -                | -                  |
| Gift in Kind                                       | 108,270           | -                | <b>108,270</b>          | 39,800            | -                | 39,800             |
| Total income from charitable activities            | <u>966,455</u>    | <u>1,160,467</u> | <u><b>2,126,922</b></u> | <u>752,035</u>    | <u>1,040,548</u> | <u>1,792,583</u>   |

The gift in kind of £108,270 (2020: £39,800) is for the venue hire received free of charge during the year to conduct core activities.

## The Bread and Butter Thing

### Notes to the financial statements

For the year ended 31 December 2021

#### 4a Analysis of expenditure (current year)

|                                  | Charitable<br>Activities<br>£ | Governance<br>costs<br>£ | Support<br>costs<br>£ | 2021<br>Total<br>£ | 2020<br>Total<br>£ |
|----------------------------------|-------------------------------|--------------------------|-----------------------|--------------------|--------------------|
| Staff costs (Note 6)             | 517,515                       | 5,583                    | 90,335                | <b>613,432</b>     | 392,639            |
| Other staff costs                | 59,472                        | -                        | 15,587                | <b>75,059</b>      | 52,212             |
| Other direct costs               | 450,315                       | -                        | -                     | <b>450,315</b>     | 446,320            |
| Combined liability insurance     | -                             | -                        | 6,390                 | <b>6,390</b>       | 4,228              |
| Depreciation                     | 109,529                       | -                        | 8,934                 | <b>118,463</b>     | 45,185             |
| Legal fees                       | -                             | -                        | -                     | -                  | 5,642              |
| Governance                       | -                             | -                        | -                     | -                  | 847                |
| Audit and accountancy            | -                             | 7,550                    | -                     | <b>7,550</b>       | 8,375              |
| Office costs                     | -                             | -                        | 18,323                | <b>18,323</b>      | 11,490             |
| Impact measurement and reporting | 32,566                        | -                        | 32,566                | <b>65,132</b>      | -                  |
| Other costs                      | 11,113                        | -                        | 4,000                 | <b>15,113</b>      | 47,682             |
| Warehouse costs                  | 175,113                       | -                        | 387                   | <b>175,500</b>     | 130,534            |
|                                  | <b>1,355,623</b>              | <b>13,133</b>            | <b>176,522</b>        | <b>1,545,277</b>   | <b>1,145,154</b>   |
| Support costs                    | 176,522                       | -                        | (176,522)             | -                  | -                  |
| Governance costs                 | 13,133                        | (13,133)                 | -                     | -                  | -                  |
| <b>Total expenditure 2021</b>    | <b>1,545,277</b>              | <b>-</b>                 | <b>-</b>              | <b>1,545,277</b>   |                    |
| Total expenditure 2020           | 1,145,154                     | -                        | -                     |                    | <b>1,145,154</b>   |

## The Bread and Butter Thing

### Notes to the financial statements

For the year ended 31 December 2021

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#### 4b Analysis of expenditure (prior year)

|                               | Charitable<br>Activities<br>£ | Governance<br>costs<br>£ | Support<br>costs<br>£ | 2020<br>Total<br>£ |
|-------------------------------|-------------------------------|--------------------------|-----------------------|--------------------|
| Staff costs (Note 6)          | 302,889                       | 5,250                    | 84,500                | 392,639            |
| Other staff costs             | 45,378                        | -                        | 6,834                 | 52,212             |
| Other direct costs            | 446,320                       | -                        | -                     | 446,320            |
| Combined liability insurance  | -                             | -                        | 4,228                 | 4,228              |
| Depreciation                  | 37,036                        | -                        | 8,149                 | 45,185             |
| Legal fees                    | -                             | -                        | 5,642                 | 5,642              |
| Governance                    | -                             | 847                      | -                     | 847                |
| Audit and accountancy         | -                             | 8,375                    | -                     | 8,375              |
| Office costs                  | -                             | -                        | 11,490                | 11,490             |
| Other costs                   | -                             | -                        | 47,682                | 47,682             |
| Warehouse costs               | 130,534                       | -                        | -                     | 130,534            |
|                               | <hr/>                         | <hr/>                    | <hr/>                 | <hr/>              |
|                               | 962,157                       | 14,472                   | 168,525               | 1,145,154          |
| Support costs                 | 168,525                       | -                        | (168,525)             | -                  |
| Governance costs              | 14,472                        | (14,472)                 | -                     | -                  |
|                               | <hr/>                         | <hr/>                    | <hr/>                 | <hr/>              |
| <b>Total expenditure 2020</b> | <b>1,145,154</b>              | <b>-</b>                 | <b>-</b>              | <b>1,145,154</b>   |

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2021

##### 5 Net income for the year

This is stated after charging / (crediting):

|                                | 2021           | 2020          |
|--------------------------------|----------------|---------------|
|                                | £              | £             |
| Depreciation                   | 118,463        | 45,289        |
| Auditor's Remunerations:       |                |               |
| Audit (excluding VAT)          | 6,300          | 6,000         |
| Other services (excluding VAT) | 1,200          | 1,200         |
|                                | <u>118,463</u> | <u>45,289</u> |

##### 6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

|   | 2021           | 2020           |
|---|----------------|----------------|
|   | £              | £              |
| Salaries and wages  | 555,292        | 356,603        |
| Social security costs   | 47,272         | 28,965         |
| Employer's contribution to defined contribution pension schemes | 10,868         | 7,071          |
|   | <u>613,432</u> | <u>392,639</u> |

No employee earned more than £60,000 during the year (2020: none).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £115,572 (2020: £108,300).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). One trustee received payment for professional services supplied to the charity at arms length (see Note 8) (2020: one).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £228 (2020: £242) incurred by 1 (2020: 1) members relating to attendance at meetings of the trustees.

##### 7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 23.7 (2020: 13.6).

Staff are split across the activities of the charity as follows:

|                     | 2021        | 2020        |
|---------------------|-------------|-------------|
|                     | No.         | No.         |
| Charitable activity | 21.7        | 11.6        |
| Support             | 1.9         | 1.9         |
| Governance          | 0.1         | 0.1         |
|                     | <u>23.7</u> | <u>13.6</u> |

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2021

#### 8 Related party transactions

There was one related party transaction to disclose for 2021 (2020: 1). £4,555 was paid to BD2 (2020: £8,174.60); the marketing business of Will Bentley (a trustee), for the use of professional services. All transactions were performed on an arms length basis.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties (2020: none).

#### 9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

#### 10 Tangible fixed assets

|                               | Plant &<br>Machinery<br>£ | Office<br>equipment<br>£ | Motor<br>vehicles<br>£ | Website &<br>Software<br>£ | Total<br>£     |
|-------------------------------|---------------------------|--------------------------|------------------------|----------------------------|----------------|
| <b>Cost</b>                   |                           |                          |                        |                            |                |
| At the start of the year      | 123,786                   | 10,813                   | 245,714                | 12,405                     | <b>392,718</b> |
| Additions in year             | 254,531                   | 6,335                    | 239,521                | 5,520                      | <b>505,907</b> |
| Disposal                      | -                         | (311)                    | -                      | -                          | <b>(311)</b>   |
| At the end of the year        | <b>378,317</b>            | <b>16,837</b>            | <b>485,235</b>         | <b>17,925</b>              | <b>898,314</b> |
| <b>Depreciation</b>           |                           |                          |                        |                            |                |
| At the start of the year      | 2,966                     | 7,004                    | 77,745                 | 4,259                      | <b>91,974</b>  |
| Charge for the year           | 36,033                    | 3,974                    | 73,496                 | 4,960                      | <b>118,463</b> |
| Disposal                      | -                         | (104)                    | -                      | -                          | <b>(104)</b>   |
| At the end of the year        | <b>38,999</b>             | <b>10,873</b>            | <b>151,241</b>         | <b>9,219</b>               | <b>210,333</b> |
| <b>Net book value</b>         |                           |                          |                        |                            |                |
| <b>At the end of the year</b> | <b>339,317</b>            | <b>5,964</b>             | <b>333,994</b>         | <b>8,706</b>               | <b>687,981</b> |
| At the start of the year      | 120,820                   | 3,809                    | 167,969                | 8,146                      | 300,744        |

All of the above assets are used for charitable purposes.

#### 11 Debtors

|                                | 2021<br>£      | 2020<br>£      |
|--------------------------------|----------------|----------------|
| Trade debtors                  | 13,722         | -              |
| Prepayments and accrued income | 41,471         | 22,050         |
| Grants receivable              | 39,299         | 45,148         |
| Other debtors                  | 54,870         | 40,640         |
|                                | <b>149,362</b> | <b>107,838</b> |

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2021

#### 12 Creditors: amounts falling due within one year

|                                 | 2021<br>£      | 2020<br>£      |
|---------------------------------|----------------|----------------|
| Amounts due under finance lease | -              | 5,929          |
| Trade creditors                 | 33,665         | 30,284         |
| Taxation and social security    | 9,193          | 12,567         |
| Pensions                        | 2,608          | 1,899          |
| Other creditors                 | 162            | 4,884          |
| Accruals                        | 19,351         | 10,499         |
| Deferred income (note 13)       | 92,084         | 128,467        |
|                                 | <u>157,063</u> | <u>194,529</u> |

#### 13 Deferred income

Deferred income is comprised of Darlington Borough Council, and Trafford homes grants, Tameside MBC, and Hartlepool Borough Council, where funding is given in advance.

|                                       | 2021<br>£     | 2020<br>£      |
|---------------------------------------|---------------|----------------|
| Balance at the beginning of the year  | 128,467       | 36,000         |
| Amount released to income in the year | (128,467)     | (36,000)       |
| Amount deferred in the year           | 92,084        | 128,467        |
| Balance at the end of the year        | <u>92,084</u> | <u>128,467</u> |

#### 14 Creditors: amounts falling due after one year

|   | 2021<br>£ | 2020<br>£    |
|---|-----------|--------------|
| Amounts due under finance lease (Note 17) | -         | 5,929        |
|   | <u>-</u>  | <u>5,929</u> |

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2021

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##### 15a Analysis of net assets between funds (current year)

|                                       | General<br>unrestricted<br>£ | Restricted<br>£ | Total<br>funds<br>£ |
|---------------------------------------|------------------------------|-----------------|---------------------|
| Tangible fixed assets                 | 30,672                       | 657,309         | <b>687,981</b>      |
| Net current assets                    | 610,371                      | 294,216         | <b>904,587</b>      |
| <b>Net assets at 31 December 2021</b> | <b>641,043</b>               | <b>951,525</b>  | <b>1,592,568</b>    |

##### 15b Analysis of net assets between funds (prior year)

|                                       | General<br>unrestricted<br>£ | Restricted<br>£ | Total<br>funds<br>£ |
|---------------------------------------|------------------------------|-----------------|---------------------|
| Tangible fixed assets                 | 176,232                      | 124,512         | <b>300,744</b>      |
| Net current assets                    | 292,321                      | 355,012         | <b>647,333</b>      |
| <b>Net assets at 31 December 2020</b> | <b>468,553</b>               | <b>479,524</b>  | <b>948,077</b>      |

# The Bread and Butter Thing

## Notes to the financial statements

### For the year ended 31 December 2021

#### 16a Movements in funds (current year)

|   | At 1 January<br>2021<br>£ | Income &<br>gains<br>£ | Expenditure<br>& losses<br>£ | Transfers<br>£  | At 31<br>December<br>2021<br>£ |
|---|---------------------------|------------------------|------------------------------|-----------------|--------------------------------|
| <b>Restricted funds:</b>                              |                           |                        |                              |                 |                                |
| Trafford Housing Trust                                | -                         | 37,503                 | (34,107)                     | -               | 3,396                          |
| One Darlington Partnership                            | 33,060                    | 21,768                 | (28,649)                     | -               | 26,179                         |
| Darlington Borough Council                            | 40,795                    | 56,108                 | (59,980)                     | -               | 36,923                         |
| DEFRA/WRAP Small Scale Food Waste<br>Prevention Grant | -                         | 45,856                 | (45,855)                     | -               | 1                              |
| Manchester City Council Food Response                 | 355,012                   | 55,354                 | (119,547)                    | -               | 290,819                        |
| CAF Resilience Fund                                   | -                         | 48,952                 | (48,952)                     | -               | 0                              |
| Tameside grant MBC                                    | -                         | 85,984                 | (48,625)                     | -               | 37,359                         |
| Hartlepool Borough Council                            | -                         | 118,241                | (81,617)                     | -               | 36,624                         |
| County Council of Durham                              | -                         | 125,001                | (89,103)                     | -               | 35,898                         |
| County Council of Durham 2                            | -                         | 39,299                 | -                            | -               | 39,299                         |
| DEFRA/WRAP Capital large scale                        | -                         | 401,928                | (43,356)                     | -               | 358,572                        |
| DEFRA Packing room grant                              | -                         | 50,000                 | (38,040)                     | -               | 11,960                         |
| Purslow Trust and Lyons Trust                         | -                         | 54,473                 | (15,490)                     | -               | 38,983                         |
| Salford families in need                              | -                         | 20,000                 | (20,000)                     | -               | -                              |
| Morrisons Trust                                       | 16,663                    | -                      | (6,000)                      | -               | 10,663                         |
| Our Manchester  | 15,996                    | -                      | (6,000)                      | -               | 9,996                          |
| Kellogg's   | 17,998                    | -                      | (6,600)                      | -               | 11,398                         |
| other income  | -                         | 3,454                  | -                            | -               | 3,454                          |
| <b>Total restricted funds</b>                         | <b>479,524</b>            | <b>1,163,921</b>       | <b>(691,920)</b>             | <b>-</b>        | <b>951,525</b>                 |
| <b>Unrestricted funds:</b>                            |                           |                        |                              |                 |                                |
| Designated funds                                      | 250,000                   | -                      | (27,777)                     | 72,777          | 295,000                        |
| <b>General funds</b>                                  | <b>218,553</b>            | <b>1,025,847</b>       | <b>(825,580)</b>             | <b>(72,777)</b> | <b>346,043</b>                 |
| <b>Total funds</b>                                    | <b>948,077</b>            | <b>2,189,768</b>       | <b>(1,545,277)</b>           | <b>-</b>        | <b>1,592,568</b>               |

The narrative to explain the purpose of each fund is given at the foot of the note below.

## The Bread and Butter Thing

### Notes to the financial statements

For the year ended 31 December 2021

#### 16b Movements in funds (prior year)

|  | At 1 January<br>2020<br>£ | Income &<br>gains<br>£ | Expenditure<br>& losses<br>£ | Transfers<br>£   | At 31<br>December<br>2020<br>£ |
|--|---------------------------|------------------------|------------------------------|------------------|--------------------------------|
| <b>Restricted funds:</b>                           |                           |                        |                              |                  |                                |
| Kellogg's  | 22,996                    | 23,500                 | (28,498)                     | -                | 17,998                         |
| Our Manchester                                     | 21,996                    | -                      | (6,000)                      | -                | 15,996                         |
| Trafford Housing Trust                             | -                         | 12,100                 | (12,100)                     | -                | -                              |
| Morrisons Trust                                    | 23,063                    | -                      | (6,400)                      | -                | 16,663                         |
| One Darlington Partnership                         | 40,000                    | 65,300                 | (72,240)                     | -                | 33,060                         |
| Darlington Borough Council                         | -                         | 40,795                 | -                            | -                | 40,795                         |
| First Choice Homes                                 | 3,979                     | 37,500                 | (41,479)                     | -                | -                              |
| DEFRA Covid-19 Food Charity Grant Scheme           | -                         | 110,000                | (110,000)                    | -                | -                              |
| DEFRA/WRAP Small Scale Food Waste Prevention Grant | -                         | 115,283                | (115,283)                    | -                | -                              |
| Manchester City Council Food Response              | -                         | 572,922                | (217,910)                    | -                | 355,012                        |
| Lyons Trust  | -                         | 10,000                 | (10,000)                     | -                | -                              |
| CAF Resilience Fund                                | -                         | 45,148                 | (45,148)                     | -                | -                              |
| Other small grants                                 | -                         | 8,000                  | (8,000)                      | -                | -                              |
| <b>Total restricted funds</b>                      | <b>112,034</b>            | <b>1,040,548</b>       | <b>(673,058)</b>             | <b>-</b>         | <b>479,524</b>                 |
| <b>Unrestricted funds:</b>                         |                           |                        |                              |                  |                                |
| Designated funds                                   | -                         | -                      | -                            | 250,000          | 250,000                        |
| <b>General funds</b>                               | <b>175,855</b>            | <b>764,794</b>         | <b>(472,096)</b>             | <b>(250,000)</b> | <b>218,553</b>                 |
| <b>Total funds</b>                                 | <b>287,889</b>            | <b>1,805,342</b>       | <b>(1,145,154)</b>           | <b>-</b>         | <b>948,077</b>                 |

#### Purposes of restricted funds

##### Manchester City Council Food Response

Manchester City Council set up a city-wide food response to support residents in need through the Covid crisis. We have been funded to support Manchester residents with deliveries of food and other essential items through the immediate crisis and its after effects.

##### DEFRA Covid-19 Food Charity Grant Scheme

During the Covid crisis, DEFRA provided funding to purchase additional food to deal with the huge demand created by the crisis.

##### DEFRA/WRAP Small Scale Food Waste Prevention Grant

Defra have provided funding for a pilot to trial a back of store collection project, working across retailers to generate new food for redistribution.

**Durham County Council** – have provided funding to allow us to expand in Durham and to establish a warehouse for local redistribution working with Darlington and Hartlepool, in 2021 they committed to fund a further van.

**Tameside Council** – have provided funding for an expansion of the service into Tameside out of our Greater Manchester warehouse.

**DEFRA/WRAP Capital large scale Grant** – this was funding provided to support the purpose of Freezers and chillers for the warehouses in addition to further vans.

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2021

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##### **Purposes of restricted funds (continued)**

**Hartlepool Borough Council** – have provided funding to allow us to expand further in the Tees Valley and to establish a warehouse for local redistribution working with Durham and Darlington

##### **One Darlington Partnership**

One Darlington Partnership provided funds for the purchase of a van, with another £85,000 committed for 2020 to enable deliveries in the Darlington area.

##### **Darlington Borough Council**

Darlington Borough Council have provided funding to allow us to expand further in the Tees Valley and to establish a warehouse for local redistribution working with Durham and Hartlepool.

##### **Trafford Housing Trust**

Trafford Housing provided a grant to support a van and driver working in Trafford for one day a week. In 2020 they further supported us to open 3 new hubs in Trafford during the Covid crisis.

**The Purslow and Lyons Trusts** – have joined together to fund the expansion of our services in to Warrington. 2021 has seen the Trust fund a van.

##### **Our Manchester**

The grant was given to support the purchase of a van and driver to work in North Manchester.

##### **Kellogg's**

Kellogg's provided a grant to enable a van to be purchased and to cover the salary for a driver.

**DEFRA Packing room grant** – DEFRA have provided funding for a pilot packing food in our Trafford warehouse.

##### **CAF Resilience Fund**

The CAF Resilience fund has provided a grant for the additional costs of providing support during the Covid crisis.

##### **Lyons Trust**

Lyons trust provided funding to purchase additional food to be delivered in the Christmas week.

##### **First Choice Homes**

A grant was provided to cover delivery costs, for a van in Oldham operating 5 days a week, including a driver's salary.

**Salford families in need** – provide funding for to deliver a new hub in Salford (Barton Moss) utilising an existing van.

**Purposes of designated funds**

In 2020, in anticipation of the growth of operations, the Board designated £250,000 to be used to strengthen the charities operations and infrastructure for the long-term. Due to resource constraints arising from the impact of Covid, there has been a delay on this work and the projects are not yet complete. The Board have reviewed the status of the projects at 31 December 2021 and amended the designated funds to reflect the costs of completion at the end of the year. The revised designated funds at 31 December 2021 are £295,000.

- Securing food supply. As the operations grow, we need to open up new sources of food to enable us to supply healthy quality food to our membership every week. We are working with industry across sectors to develop innovative ways of making food available for distribution which we believe will create new sources of food for us and other distributors.
- Investing in Technology. During 2021, we have made many improvements to our existing operational systems and data capture. However, we are ambitious to build a platform which can support us, our volunteers and our members for many years to come. This transformation will continue during 2022.
- Community Resilience. We now have 400 volunteers a week. They are vital to our operations and we need to improve our communications with them to better understand their needs and recognise their achievements. In addition, now that Covid is receding, we are able to reinvigorate our work to introduce wrap around services to our hubs, better enabling them to support their communities. We estimate the time required to complete this work to be over an 18 month period .

**17 Operating and finance lease commitments payable as a lessee**

The charity's total future lease payments under an operating lease is as follows for each of the following periods

|                    | Property      |                | Motor Vehicle |              |
|--------------------|---------------|----------------|---------------|--------------|
|                    | 2021          | 2020           | 2021          | 2020         |
|                    | £             | £              | £             | £            |
| Less than one year | 53,528        | 72,790         | -             | 5,929        |
| One to five years  | 42,524        | 96,052         | -             | -            |
|                    | <b>96,052</b> | <b>168,842</b> | <b>-</b>      | <b>5,929</b> |

Finance lease taken out in May 2018 for the purchase of a van to aid charitable activities. In 2021 the finance lease was fully paid off.

**18 Legal status of the charity**

The Bread and Butter Thing is a Charitable Incorporated Organisation, governed by a Constitution and has no share capital. The charity registered in England and Wales (Charity Number 1169383).

**THE BREAD AND BUTTER THING.**

England & Wales - Charity number 1169383

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# Accounts

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Charity Number: 1169383

# The Bread and Butter Thing

Report and financial statements

For the period ended 31 December 2020

# The Bread and Butter Thing

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### For the period ended 31 December 2020

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# The Bread and Butter Thing

## Reference and administrative information

For the period ended 31 December 2020

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**Charity number** 1169383

**Registered office and operational address** The Bread and Butter Thing  
6 Meridian Place  
MANCHESTER  
M20 2QF

The Charitable Incorporated Organisation was registered with the Charity Commission with the name of Heathfield Drive on 27 September 2016. The name was changed to The Bread and Butter Thing on 6 June 2017.

**Trustees** Trustees, who served during the year and up to the date of this report were as follows:

|              |       |
|--------------|-------|
| Paula Smith  | Chair |
| Mary McGrath |       |
| Will Bentley |       |

|                 |                      |
|-----------------|----------------------|
| Julia Hillman   | (appointed 21 02 18) |
| Louise Nicholls | (appointed 21 02 18) |
| Graeme Douglas  | (appointed 26 01 19) |

**Key management personnel** Mark Game Chief Executive  
Jane Partington FCA Chief Financial Officer

**Bankers** Santander  
712-716 Wilmslow Rd  
Manchester  
M20 6DQ

**Auditors** Sayer Vincent LLP  
Chartered Accountants  
Invicta House  
108-114 Golden Lane  
LONDON  
EC1Y 0TL

# The Bread and Butter Thing

## Trustees' annual report

### For the period ended 31 December 2020

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The trustees present their report and the audited financial statements for the period ended 31 December 2020.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the CIO constitution and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## Objectives and activities

### Purposes and aims

The purposes of The Bread and Butter Thing as set out in its constitution are:

- (a) the relief of financial hardship and the promotion of social inclusion among people living or working in the UK for the public benefit by providing such persons with, or with access to, goods, services and/or funds without a poverty premium which they could not obtain access to through lack of means and/or as a result of their social and financial exclusion from society as a result of one or more of the following factors: unemployment, financial hardship; youth or old age; ill health (physical or mental); substance abuse or dependency including alcohol and drugs; poor education or skills attainment; crime (either as a victim of crime or as an offender rehabilitating into society);
- (b) the protection and preservation of the environment for the public benefit by the promotion of food waste and fast-moving consumer goods waste reduction by redistributing goods to people in low income households;
- (c) the promotion of good health and nutrition by providing affordable access to, and supplying, a healthy and balanced diet and providing advice and education on a healthy and balanced diet.

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.

## **The Bread and Butter Thing**

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#### **For the period ended 31 December 2020**

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The charity's main activities and who it tries to help are described below. As set out in its constitution, its charitable activities are undertaken to further The Bread and Butter Thing's charitable purposes for the public benefit.

#### **Aims:**

Tackle poverty premiums by providing a reliable source of healthy and low-cost food and other household goods to communities in need.

Strengthen community assets by working in partnership with pre-existing community projects, enhancing the services they provide.

Build resilience by enabling communities to help themselves.

Reduce waste by working with manufacturers and distributors to identify surpluses in their supply chains which can be diverted for redistribution.

### **Tackling poverty premiums and providing nutritious food**

The charity works with pre-existing community projects in known areas of deprivation. Beneficiaries of the service are introduced through our partners who know the area already and who identify those people in need of support. Our services are delivered at their premises.

Beneficiaries come from a wide range of ages and backgrounds. They are mostly of working age and are responsible for supporting other family members. Through the provision of low-cost food and household goods, the charity reduces the price that our members have to pay for these items, thus tackling the poverty premiums they would otherwise face. Members save money each week they shop with us. The average weekly saving our members report is £26.50. 83% say they can now afford to feed their family for the week.

The Bread and Butter Thing do not believe that low-cost food needs to be unhealthy or restricted in variety. We redistribute fruit and vegetables, chilled food and cupboard food every week and have regular sales of frozen items. 86% of our members tell us that they have tried new food since shopping with us and 77% eat more fruit and vegetables and cook more healthily.

Our members also tell us that accessing household goods such as cleaners, toilet roll, washing powder can be expensive in their communities. We are constantly expanding our supply so that we can also improve access to these items.

We are conscious that our members rely on us and we make sure we do not let our members down. Covid has been a particular challenge as many of our community partners have had to close. We have redesigned our service where necessary to ensure that our food deliveries have continued through the pandemic and we have not missed a single delivery since the start of the crisis.

## **The Bread and Butter Thing**

### **Trustees' annual report**

**For the period ended 31 December 2020**

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## **Strengthening Community Assets**

The Bread and Butter Thing always works in partnership with community projects already in place. From the beginning we have believed in the importance of building on what is already there rather than coming into a community to start something new.

At 31 December 2020, we were working with 36 community partners, 'hubs', including churches, drop in centres, community cafes, food banks and schools. By hosting a Bread and Butter service, these projects can add to the services they provide to their users.

A typical Bread and Butter service will bring in between 50 to 80 members to the hub every week. This brings the community together and enables the project to engage more and display the other services they can offer.

We also identify other service providers who might be able to offer support to the community building on the footfall and audience we can guarantee. We have worked in partnership with Citizens Advice, British Gas, Shelter, Eat Well Manchester, Maximus and many others bringing local access to their services to our hubs.

Our community partners have also reported improved engagement with their members. The regular contact from the weekly deliveries increases footfall and connects more people with the other services which our partners offer. In addition, members are regularly swapping recipe ideas, hints and tips on using the food we supply, contributing to better communication and an enhanced community spirit.

97% of our members tell us that TBBT is good for their local community with 76% saying they feel more engaged with what is happening locally.

Our members also enjoy the social aspect of our service. Coming each week to chat and meet others reduces social isolation and 69% feel less lonely since they started with us.

Covid-19 has been a significant challenge to our service. During the full lockdowns, many of our hubs had to close and we were not able to use their premises. We reengineered our service to make sure that the food was still delivered in the community although not inside the hub itself.

Each time the regulations relaxed and allowed hubs to re-open we worked with each of them to create a Covid secure environment allowing as much as possible of our normal service. We are looking forward to fully rebuilding our weekly events as soon as the situation allows.

## **Build Resilience**

Our aim is to support communities to help themselves. Each of our hubs is staffed by a volunteer team made up of people from the local area who set up and manage our service each time we deliver.

## **The Bread and Butter Thing**

### **Trustees' annual report**

#### **For the period ended 31 December 2020**

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We are supported by over 300 volunteers each week who give up their time on a regular basis to deliver the service. They come to the hub ready to meet our staff members and to sort, pack and distribute the food and goods to their fellow members. We could not do it without them.

Volunteers are given a briefing each time and provided with training in manual handling and food safety. They also work with us to design Covid safe processes making sure service can continue whilst keeping people safe.

In 2020, we were proud to have been awarded the Queens Award for Volunteer Services which recognises the impact of our volunteers, the equivalent of an MBE for the voluntary sector.

Throughout the inception and development of TBBT, we have consistently found that the communities in which we work have a strong pride and appetite to support themselves. Our volunteers know most of the members we serve in each of our hubs and feel ownership of the service and see TBBT as part of their community.

Every year TBBT holds a gathering where we recognise and celebrate our volunteers and things we have achieved together. Volunteers represent over 90% of our workforce and not only provide resource but insight into the needs of their communities and how we can improve our service. This year we hosted an online event, including the screening a special film celebrating the contribution of our volunteers. We were joined by Michael Greenwood, Deputy Lieutenant of Greater Manchester.

### **Reducing Waste and finding new sources of surplus food and goods**

TBBT is committed to the reduction of waste and the food and goods it distributes would otherwise go to waste. We are always looking for new sources of good quality food and household goods and understand the need to be agile and service-led when persuading manufacturers and retailers to provide us with goods that would otherwise go to waste.

We do not want simply to move food from one good cause to another so our team work hard on identifying new relationships and sources of food. We work closely with industry bodies and academics and know that of the edible food within industry that could be redistributed, less than 20% of it currently is. Our collaborative and open approach to developing new ways of working and providing a service-led approach to redistribution will unlock more food for TBBT and other organisations.

Until 2020, all of the food received and redistributed by TBBT would otherwise have gone to animal feed, anaerobic digestion or incineration. During 2020, DEFRA issued funds to TBBT and others to purchase food to ensure sufficient supply was available during the pandemic.

We will continue to look at purchasing food to grow our supply. However, we will only look to purchase food where it is necessary to provide a cost neutral position to organisations who are currently receiving revenue streams from alternative disposal methods such as animal feed.

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2020

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TBBT believes that if food is produced for human consumption then every effort should be made to keep it within the human food chain. As such, we will continue to work in collaboration with industry to unlock more surplus food and feed people first.

We believe that there are many untapped areas to investigate and new food to unlock. From work we did with Anthesis, we know that 72% of edible surpluses that could be unlocked are “own label” and we are working with retailers and industry bodies to address this.

During 2020 we started to work with gleaners, rescuing crops that would otherwise be ploughed back into the field and we look forward to growing this line of work in 2021. We see this as an unmeasured and untapped resource and we shall be investing time and effort into pre farm gate opportunities.

TBBT is also a founding member of a new network called Xcess. This is a network of social food redistributors that is industry focussed to create a platform or voice for the food industry and wider stakeholders to engage with independent food redistributors and to demonstrate to innovative new ways of working.

In the first four weeks of being in the public domain, Xcess has already received and redistributed over 250 pallets of food that would otherwise be wasted.

We always pay attention to our responsibilities when it comes to waste too. Like a lot of organisations there are issues that mean that we waste food. We look to keep these to a minimum and work on developing as many environmentally sound disposal means as possible. For example, any food which is left over at the end of a service is donated to other local charities making sure that everything is used. If we receive surplus food offers that are too large for us, we use the ‘pass it on’ principle and share the offer widely regionally and through the newly formed Xcess network.

## Achievements and performance

The charity started its activities in late 2016 and has increased its operations every year. Local access to healthy food at a good price can be a significant problem in the areas we work in and we find that residents are keen to support us meaning that community hubs once open continue causing our weekly deliveries to grow and grow.

Some key statistics from our work:

| Description                                      | At end of 2020 | At end of 2019 |
|--|----------------|----------------|
| Membership                                       | 14,000+        | 8,000+         |
| Number of deliveries per week                    | 2,000+         | 1,300+         |
| Meals equivalent per week based on DEFRA figures | 85,000+        | 48,000+        |

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2020

|  |                  |                  |
|--|------------------|------------------|
| Volunteer hours used                         | 3,900+ per month | 1,700+ per month |
| Community Hubs                               | 36               | 23               |
| Value of volunteer hours                     | 266,000          | 111,000          |
| Community hub members served                 | 80,000           | 49,000           |
| Total deliveries made including all activity | 121,000          | 49,000           |

### Covid-19

Covid-19 has had a significant impact on the charity and its operations. Immediately the first lockdown was announced most of our community hubs were forced to close. We were committed to keeping going, recognising that the need for healthy low cost food provided locally would be greater than ever.

Our usual service involves a group of local volunteers setting up and organising the local delivery. Covid safety meant that those volunteer groups could not come together. We needed, therefore, to find another solution.

We were able to hire at very short notice a new large indoor space in Greater Manchester. This gave us a place where we could store and pack food safely ensuring social distancing. We created Covid secure packing stations and found volunteers to come to the new location. Within 10 days of the lockdown being announced we were in our new home with up to 45 volunteers arriving every day to help pack and deliver.

During Covid we have also added to our usual operations. We have worked with Manchester City Council as part of their emergency food response. The council created a triage system for residents where their needs were assessed by a council team. The council bought together a number of charities working in the city and supported those charities to deliver emergency food to the people in need.

Deliveries peaked in May 2020 at around 4000 households a week at the start of Covid, reducing once lock down relaxed and other services were able to bring in support so that people were helped out of crisis. During 2020, we made nearly 38,000 deliveries on behalf of Manchester City Council.

Over the course of the year, we also worked with Darlington Borough Council and Trafford Council. In each case, the councils were looking to support free school meals families whose children were not in school, either because of school closures or because the family had to self-isolate during term time. These councils identified that families losing the free school meal support would need

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2020

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help to feed the family. The councils funded food from TBBT so that these families received our discounted food therefore increasing what could be supplied with the funds available.

Feeding so many families caused our food volumes to increase significantly. We worked hard with our suppliers to access additional food. However, to meet the massively increased demand, we also needed to purchase food. Over the year, DEFRA provided funds directly and through Fareshare for the purchase of this additional food so that the crisis demands could be met.

### Financial review

Income for the year was £1,805,342 of which £642,547 came from membership fees and £1,162,795 from grants and donations.

During 2020, we were awarded grants totalling 1,204,859 over 2 years. During 2020, we have recognised income of £1,162,795 from grants awarded in 2019 and 2020 as shown in Note 3.

We began a partnership with Darlington Borough Council and One Darlington to introduce the TBBT service to communities in their area. These hubs have grown to capacity over the year and Darlington have awarded us further funding to introduce a second van and 5 more hubs.

In March, we were awarded funding by DEFRA/WRAP to pilot a commercial back of store pilot working across retailers to collect food from their stores nearing closure and storing it overnight before distributing it to members the next day. The pilot has started well with nearly 1 tonne of food being redistributed each week. We are now looking for funding to continue and grow the concept.

As a direct response to the Covid crisis, DEFRA awarded funding to a number of food charities to purchase food for redistribution in response to the increased need. We were awarded £110,000 and purchased 106 tonnes of food to utilise in our Covid response work.

We were lucky to be supported by many other organisations during the pandemic. We were given £20,000 by the Lyons trust to support our deliveries and then to purchase food to supplement our bags at Christmas and make sure that families had some additional food over the period. Amazon (£15,000), Kellogg's (£10,000) and the Duchy of Lancaster (£10,000) provided donations right at the start of the first lock down helping us to get the new service up and running and making sure the right PPE was in place.

We continue to see demand from new and existing community partners, and we are continuing to develop new sources of surplus food and goods. The Bread and Butter Thing wants to bring these things together to save our members more money and ensure that surplus is eaten or used by humans whenever possible.

## **The Bread and Butter Thing**

### **Trustees' annual report**

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## **Reserves policy and going concern**

The Board of Trustees have reviewed the charity's finances and will endeavour to maintain reserves in unrestricted funds of at least 3 months committed expenditure. Based on a current review of spend, this would require £147,000 to be held.

At the 31 December 2019, the charity was operating in accordance with this policy with a carried forward funds balance of £948,077, including £468,553 unrestricted. The board has designated £250,000 towards the strengthening of the charities processes and infrastructure for the long-term and to maintain the services at this higher level (see note 16). Therefore general funds at the year end are £218,553.

## **Fundraising statement**

After the initial investment, TBBT's model is self-sustaining with our membership income covering the running costs once the hubs are established. Therefore, the charity raises funds only to support its expansion and to invest in the wider services we can provide to our communities, members and volunteers.

All fund-raising is carried out by the senior management team and no professional fund raisers or commercial participators are used. There have been no complaints within the year.

## **Plans for the future**

### **Update for covid-19**

The impact of Covid-19 is continuing. We are still working with Manchester City Council on their food response. However, we are seeing a longer-term financial issue coming out of the short-term crisis. As the Government support schemes are reducing, more people, who were furloughed or were being supported in other ways are finding that they no longer have work. We are seeing growing numbers at all our hubs of people who need help to afford the healthy food they need. We expect this increased demand to continue and will be working hard to ensure we have the right food and household goods to support it.

We are finding that our hubs still have to close from time to time, whether because of Government restrictions or local self-isolation issues. We have, therefore, committed to additional space to allow us to be able to pack bags at our premises when we are not able to work at hubs. This is an additional cost but we are able to support this using the funding we have received earlier in the crisis.

We are committed to not letting people down and are building in contingency plans so that we can continue to deliver every week as we have done throughout. At present we cannot see how long the impact of Covid will be but believe we are well-placed to manage the crisis and still maintain our underlying growth plans.

## **The Bread and Butter Thing**

### **Trustees' annual report**

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#### **Future Plans**

2020 has been a year like no other, presenting significant challenges for everyone, particularly our members and the communities we serve. The unprecedented worldwide health response to the Covid-19 pandemic has resulted in significant economic disruption.

The impact of lockdown hasn't been the same for everyone, neither will the impact of unlocking and the effort to stabilise the economy. For some groups significant barriers to experiencing good health and wellbeing remain. For example people living in poverty, the long-term unemployed and those in low paid and insecure work all of whom could face widening inequalities.

Although some of the shock has been mitigated by government support schemes, 43% of our members say they are in a worse financial position than they were back in the spring. Unfortunately, historical data suggest that long-term economic consequences could persist for a generation or more.

We believe that this highlights how precarious the economic position is for many families and how rapidly their situation can change from just about managing to needing support to access affordable healthy food. The service provided by TBBT provides an early intervention approach by helping to prevent the families being trapped in poverty. This alongside the community spirit we help to engender - with members able to see a friendly face and enjoy a little conversation when collecting their bags - has been more important than ever and will continue to provide essential support throughout 2021.

Therefore, although nothing can be certain at the moment, once the immediate Covid -19 crisis abates, we intend to return to our plans for expansion and development of the service. The TBBT core service has been proved to be deliverable, valued and sustainable and we want to expand it further.

As well as directly supporting members during the crisis, we have also been working on our underlying activities and our medium term goal of taking the TBBT model national.

It has become very clear through the Covid crisis that there is a need for access to good quality low-cost food from families who are just about managing. Traditional food banks provide emergency help for people who need help immediately and provide a vital service. However, there are many other people who struggle to afford enough good quality food to feed their families well. The impact of the choices they have to make, between food and fuel or going without meals, can be seen in health inequalities, educational gaps and many other well-reported outcomes.

Food banks are often not designed to provide the longer-term support needed. In addition, many of these families do not want a handout. They want to be helped to make their money go further. The TBBT model is aimed at these communities. We will provide healthy low-cost food until they get back on their feet and are able to shop as they wish. In return, our members pay us for the

## **The Bread and Butter Thing**

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#### **For the period ended 31 December 2020**

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food, they provide volunteers to run the service and the space for us to operate. This creates communities helping themselves.

We are seeing a growth in members of people who were previously in jobs but who have lost their earnings through Covid. Our model is designed to bring support into their community and help them live better until they are able to get back to where they were. We believe this alternative type of sustainable, mid-tier food provision, generating its own income and sourcing its own food is a priority for the next few years.

At the start of 2021, we took delivery of 3 new vans. These will allow us to expand our operations in Greater Manchester and in the North East.

At 31 December 2020, we had 6 hubs in the North East and agreements to expand through a second Darlington van, Durham and Hartlepool. This will bring the numbers in the North East to 20 hubs by the end of the year, providing services to more than 1,300 families a week in the area. We have opened a second warehouse, in the North East to supply this new region.

In Greater Manchester, we are beginning a partnership with Tameside council which will also provide 5 new hubs and we will be identifying other opportunities to further expand the model.

DEFRA have also provided funding in 2021 for a new built in chiller and freezer at our Trafford Park warehouse. This will increase our capacity to safely handle chilled food and also enable us to offer frozen food regularly to members. The ability to handle frozen food will increase the sources of food we are able to access and so improve the variety and quantity of food we are able to offer our members.

Our relationship with Trafford Housing Trust is also continuing. They funded us to open 3 new temporary hubs during the summer of 2020 to tackle holiday hunger issues. They have now provided £100,000 over 2 years to fund our core expansion. This funding will be utilised in 2021 and 2022 to underpin our growth plans.

The longer-term aim of the charity continues to be to tackle a variety of poverty premiums where people on low incomes pay more for the goods and services they need. Pre Covid, we were able to introduce household sundries, toys and stationery to the regular services we offered and also to pilot services on energy, benefit and health advice working with Shelter, British Gas and Citizens Advice. Our work in these areas has continued during 2020 but at a reduced rate. We plan to increase again in 2021.

The Bread and Butter Thing also believe that we ought to play our part in helping unlock surplus food to feed people and have, since inception, worked with WRAP within the industry working groups with food charities and industry.

## The Bread and Butter Thing

### Trustees' annual report

#### For the period ended 31 December 2020

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During 2020, we collaborated with a group of independent food redistribution organisations and formed a network in the UK called Xcess, a collective voice which we can all use to raise awareness and issues such as barriers to redistribution. Xcess demonstrates a range of skills, models and novel approaches to utilising surplus food and builds strength and capacity for its members.

At the beginning of 2020, we were also partnering with Treligan to develop a national donation platform for manufacturers and alike with a view to us all using a common way of working and centralising and simplifying reporting. This project was delayed due to the need to focus on the crisis of Covid-19 and we will look to review this in 2021 and develop a refreshed approach to it.

The overall aim of The Bread and Butter Thing when working collectively with industry and other food charities is to create an open market place to make it easier for all of us to feed people in need.

We have been amazed by the support of both industry and the food charities with both initiatives and are incredibly grateful to everyone involved.

### Principal Risk and uncertainties

The trustees have ultimate responsibility for risk management and TBBT's internal control systems. They are satisfied that appropriate systems and processes are in place to identify key risks and mitigate against them. For example: the management team reviews organisational risks and ensures that internal control measures are in place and are adequate.

The trustees are responsible for ensuring that an effective system of internal financial control is maintained and operated by the charity. The system of internal financial control is based on a framework of regular management information, administrative procedures and a system of delegation and accountability.

Like every other charity, we are facing the uncertainties which come with the Covid crisis. Potential outbreaks at our hubs or in our staff could cause challenges in continuing delivery of services. We have worked hard to build in contingency plans for the most likely risks and, so far, have been able to deal with situations which have arisen without missing a delivery.

We can see that demand is likely to remain high even after the restrictions are lifted as the financial impact of the pandemic makes itself fully felt and Government support lessens. We recognise that we need to build and widen our sources of food so that we are able to do our part in dealing with the additional families in need.

### Structure, governance and management

The organisation is a Charitable Incorporated Organisation (CIO), incorporated and registered as a charity on 27 September 2016 in England and Wales.

## **The Bread and Butter Thing**

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#### **For the period ended 31 December 2020**

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The CIO was established under its constitution which established the objects and powers of the charity and is governed under its constitution.

The day to day management of the charity is delegated to Mark Game, the Chief Executive. Trustees are required to disclose all relevant interests and register them with the trustee charity lawyer and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

The pay of the senior management team is decided by the Trustees. The aim is to pay a fair salary for the not for profit sector bearing in mind affordability.

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.

### **Operation of the Board of Trustees**

The trustees are kept regularly updated with the changes resulting from the Covid-19 crisis and are reviewing the situation regularly.

The Board of Trustees meets four times a year to review the organisation's work and services, and to agree the strategic goals for the charity. The Board also reviews its own operation, effectiveness and governance on an annual basis. The trustees delegate the day to day operations and staffing of the charity to the management team. At each quarterly meeting, they review recent developments to ensure they are in line with the strategic goals agreed.

### **Appointment of trustees**

An annual review of the recruitment needs of the Board of Trustees is carried out under the leadership of the Chair, including an audit of the current knowledge, experience, skills and abilities, and how they will be affected by any Trustee departures in the future.

Trustees are appointed based on their skills and knowledge of the various sectors in which we operate. For induction and training, all new trustees come and work with the team on site to make sure they understand the operations and can form direct relationships with the team. In addition, every 6 months, Board meetings are held at the warehouse so that these contacts can be renewed. Finally, there is an annual gathering of trustees, community partners, member representatives and staff where trustees have an opportunity to talk to a wide range of service users and supporters.

### **Related parties and relationships with other organisations**

The Bread and Butter Thing has a strong working relationship with Morrisons, Co-op, Kellogg's and Amazon. Throughout 2020 they have supported us with produce and goods as well as volunteer support and press coverage. We are very grateful to them all.

## The Bread and Butter Thing

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In addition the new relationships with the councils in the North East, Darlington, Durham and Hartlepool have been instrumental in allowing us to expand.

We are particularly grateful to Morrisons for their operational support and partnering with us to help us grow over the next three years. Morrisons plan to work with TBBT in deeper engagement in their food-making sites to look to provide a further 2 million meals per year to our members.

## Statement of responsibilities of the trustees

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

## **The Bread and Butter Thing**

### **Trustees' annual report**

**For the period ended 31 December 2020**

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## **Auditor**

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

The trustees' annual report has been approved by the trustees and signed on their behalf by

Name: Paula Smith

Title: Chair of Trustees

Date: 18 May 2021

## Independent Auditor's report

To the members of

**The Bread and Butter Thing**

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### Opinion

We have audited the financial statements of The Bread and Butter Thing (the 'charity') for the year ended 31 December 2020 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 charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

### Basis for opinion

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Bread and Butter Thing'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**

To the members of

**The Bread and Butter Thing**

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### **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.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

## Independent Auditor's report

To the members of

### The Bread and Butter Thing

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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, 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

## Independent Auditor's report

To the members of

**The Bread and Butter Thing**

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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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

16 June 2021

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

## The Bread and Butter Thing

### Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2020

|                                    | Note | Unrestricted<br>£ | Restricted<br>£  | 2020<br>Total<br>£ | Unrestricted<br>£ | Restricted<br>£ | 2019<br>Total<br>£ |
|------------------------------------|------|-------------------|------------------|--------------------|-------------------|-----------------|--------------------|
| <b>Income from:</b>                |      |                   |                  |                    |                   |                 |                    |
| Donations and Grants               | 2    | 12,759            | –                | <b>12,759</b>      | 1,678             | –               | 1,678              |
| Charitable activities              | 3    | 752,035           | 1,040,548        | <b>1,792,583</b>   | 397,713           | 149,167         | 546,880            |
| <b>Total income</b>                |      | <b>764,794</b>    | <b>1,040,548</b> | <b>1,805,342</b>   | <b>399,391</b>    | <b>149,167</b>  | <b>548,558</b>     |
| <b>Expenditure on:</b>             |      |                   |                  |                    |                   |                 |                    |
| Charitable activities              | 4a   | 472,096           | 673,058          | <b>1,145,154</b>   | 377,907           | 126,133         | 504,040            |
| <b>Total expenditure</b>           |      | <b>472,096</b>    | <b>673,058</b>   | <b>1,145,154</b>   | <b>377,907</b>    | <b>126,133</b>  | <b>504,040</b>     |
| <b>Net income for the year</b>     | 5    | <b>292,698</b>    | <b>367,490</b>   | <b>660,188</b>     | <b>21,484</b>     | <b>23,034</b>   | <b>44,518</b>      |
| <b>Reconciliation of funds:</b>    |      |                   |                  |                    |                   |                 |                    |
| Total funds brought forward        |      | 175,855           | 112,034          | <b>287,889</b>     | 154,371           | 89,000          | 243,371            |
| <b>Total funds carried forward</b> |      | <b>468,553</b>    | <b>479,524</b>   | <b>948,077</b>     | <b>175,855</b>    | <b>112,034</b>  | <b>287,889</b>     |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16.

## The Bread and Butter Thing

### Balance sheet

As at 31 December 2020

|  | Note | £                | 2020<br>£      | £        | 2019<br>£ |
|--|------|------------------|----------------|----------|-----------|
| <b>Fixed assets:</b>                           |      |                  |                |          |           |
| Tangible assets                                | 10   |                  | <b>300,744</b> |          | 98,458    |
| <b>Current assets:</b>                         |      |                  |                |          |           |
| Debtors  | 11   | <b>107,838</b>   |                | 62,757   |           |
| Cash at bank in hand                           |      | <b>734,024</b>   |                | 194,818  |           |
|  |      | <b>841,862</b>   |                | 257,575  |           |
| <b>Liabilities:</b>                            |      |                  |                |          |           |
| Creditors: amounts falling due within one year | 12   | <b>(194,529)</b> |                | (62,215) |           |
| <b>Net current assets</b>                      |      |                  | <b>647,333</b> |          | 195,360   |
| <b>Total assets less current liabilities</b>   |      |                  | <b>948,077</b> |          | 293,818   |
| Creditors: amounts falling due after one year  | 14   |                  | -              |          | (5,929)   |
| <b>Total net assets</b>                        |      |                  | <b>948,077</b> |          | 287,889   |
| <b>The funds of the charity:</b>               | 15a  |                  |                |          |           |
| Restricted funds                               |      |                  | <b>479,524</b> |          | 112,034   |
| Unrestricted funds                             |      |                  |                |          |           |
| Designated Funds                               |      |                  | <b>250,000</b> |          | -         |
| General Funds                                  |      |                  | <b>218,553</b> |          | 175,855   |
| <b>Total charity funds</b>                     |      |                  | <b>948,077</b> |          | 112,034   |

Approved by the trustees on 18 May 2021 and signed on their behalf by

Name: Paula Smith  
Title: Chair of Trustees

## The Bread and Butter Thing

### Statement of cash flows

For the year ended 31 December 2020

|   | Note | 2020<br>£        | £ | 2019<br>£ | £               |
|---|------|------------------|---|-----------|-----------------|
| <b>Cash flows from operating activities</b>   |      |                  |   |           |                 |
| Net income/(expenditure) for the reporting period<br>(as per the statement of financial activities) |      | 660,188          |   | 44,518    |                 |
| Depreciation charges  |      | 45,289           |   | 29,666    |                 |
| Interest on finance lease   |      | 765              |   | 1,278     |                 |
| Decrease/(increase) in debtors  |      | (45,081)         |   | (39,476)  |                 |
| Increase/(decrease) in creditors  |      | 137,932          |   | (27,569)  |                 |
|   |      |                  |   |           |                 |
| <b>Net cash provided by / (used in) operating activities</b>  |      | <b>799,093</b>   |   |           | <b>8,417</b>    |
| <b>Cash flows from investing activities:</b>  |      |                  |   |           |                 |
| Purchase of fixed assets  |      | (247,575)        |   | (12,218)  |                 |
|   |      |                  |   |           |                 |
| <b>Net cash provided by / (used in) investing activities</b>  |      | <b>(247,575)</b> |   |           | <b>(12,218)</b> |
| <b>Cash flows from financing activities:</b>  |      |                  |   |           |                 |
| Cash flows relating to finance lease  |      | (12,312)         |   | (12,312)  |                 |
|   |      |                  |   |           |                 |
| <b>Net cash provided by / (used in) financing activities</b>  |      | <b>(12,312)</b>  |   |           | <b>(12,312)</b> |
|   |      |                  |   |           |                 |
| <b>Change in cash and cash equivalents in the year</b>  |      | <b>539,206</b>   |   |           | <b>(16,113)</b> |
| Cash and cash equivalents at the beginning of the year  |      | 194,818          |   | 210,931   |                 |
|   |      |                  |   |           |                 |
| <b>Cash and cash equivalents at the end of the year</b>   | a    | <b>734,024</b>   |   |           | <b>194,818</b>  |

### Analysis of cash and cash equivalents and of net debt

|  | At 1 January<br>2020<br>£ | Cash flows<br>£ | Other non-<br>cash<br>changes<br>£ | At 31<br>December<br>2020<br>£ |
|--|---------------------------|-----------------|------------------------------------|--------------------------------|
| Cash at bank and in hand                 | 194,818                   | 539,206         | -                                  | 734,024                        |
| <b>a Total cash and cash equivalents</b> | <b>194,818</b>            | <b>539,206</b>  | <b>-</b>                           | <b>734,024</b>                 |
| Finance lease obligations                | (17,476)                  | 12,312          | (765)                              | (5,929)                        |
| <b>Total</b>                             | <b>177,342</b>            | <b>551,518</b>  | <b>(765)</b>                       | <b>728,095</b>                 |

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2020

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#### 1 Accounting policies

##### a) Statutory information

The Bread and Butter Thing is a Charitable Incorporated Organisation, governed by a Constitution and registered in England and Wales (Charity Number 1169383).

The registered office address is 6 Meridian Place, Manchester, M20 2QF.

##### b) 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), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

##### c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

##### d) Going concern

The board has considered the impact of both Covid 19 and future plans and the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

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.

##### e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, 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.

##### f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

##### g) Interest receivable

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.

##### h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

**1 Accounting policies (continued)**

**i) Expenditure and irrecoverable VAT**

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

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**j) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated 100% back to the charitable activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**k) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

|                       |              |
|-----------------------|--------------|
| ● Plant and Machinery | 2 – 10 years |
| ● Office Equipment    | 2– 3 years   |
| ● Motor vehicles      | 5 years      |
| ● Website & Software  | 3 years      |

**l) Debtors**

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

**m) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

**n) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**o) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

# The Bread and Butter Thing

## Notes to the financial statements

### For the year ended 31 December 2020

|                                     |               |              |
|-------------------------------------|---------------|--------------|
| <b>2 Donations and other income</b> |               |              |
| All unrestricted                    | <b>2020</b>   | 2019         |
|                                     | <b>Total</b>  | <b>Total</b> |
|                                     | <b>£</b>      | <b>£</b>     |
| Other donations and grants income   | <b>12,007</b> | 525          |
| Interest                            | <b>752</b>    | 1,153        |
|                                     | <b>12,759</b> | <b>1,678</b> |

### 3 Income from charitable activities

|  | Unrestricted   | Restricted       | 2020<br>Total    | Unrestricted   | Restricted     | 2019<br>Total  |
|--|----------------|------------------|------------------|----------------|----------------|----------------|
|  | £              | £                | £                | £              | £              | £              |
| Membership income                                  | 642,547        | -                | <b>642,547</b>   | 359,333        | -              | 359,333        |
| Big Lottery  | -              | -                | -                | -              | 29,167         | 29,167         |
| Our Manchester                                     | -              | -                | -                | -              | 36,667         | 36,667         |
| Trafford Housing                                   | -              | 12,100           | <b>12,100</b>    | -              | 9,333          | 9,333          |
| Kellogg's  | 10,000         | 23,500           | <b>33,500</b>    | -              | 26,500         | 26,500         |
| Morrisons Trust                                    | -              | -                | -                | -              | -              | -              |
| One Darlington Partnership                         | -              | 65,300           | <b>65,300</b>    | -              | 40,000         | 40,000         |
| Darlington Borough Council                         | -              | 40,795           | <b>40,795</b>    | -              | -              | -              |
| First Choice Homes                                 | -              | 37,500           | <b>37,500</b>    | -              | 7,500          | 7,500          |
| DEFRA Covid-19 Food Charity Grant Scheme           | -              | 110,000          | <b>110,000</b>   | -              | -              | -              |
| DEFRA/WRAP Small Scale Food Waste Prevention Grant | -              | 115,283          | <b>115,283</b>   | -              | -              | -              |
| Manchester City Council Food Response              | -              | 572,922          | <b>572,922</b>   | -              | -              | -              |
| Lyons Trust  | 10,000         | 10,000           | <b>20,000</b>    | -              | -              | -              |
| CAF Resilience Fund                                | -              | 45,148           | <b>45,148</b>    | -              | -              | -              |
| Amazon   | 15,000         | -                | <b>15,000</b>    | -              | -              | -              |
| Duchy of Lancaster                                 | 10,000         | -                | <b>10,000</b>    | -              | -              | -              |
| FareShare  | 12,108         | -                | <b>12,108</b>    | -              | -              | -              |
| Other small grants                                 | 12,580         | 8,000            | <b>20,580</b>    | -              | -              | -              |
| Gift in Kind                                       | 39,800         | -                | <b>39,800</b>    | 38,380         | -              | 38,380         |
| Total income from charitable activities            | <b>752,035</b> | <b>1,040,548</b> | <b>1,792,583</b> | <b>397,713</b> | <b>149,167</b> | <b>546,880</b> |

The gift in kind of £39,800 (2019: £38,380) is for the venue hire received free of charge during the year to conduct core activities.

## The Bread and Butter Thing

### Notes to the financial statements

For the year ended 31 December 2020

#### 4a Analysis of expenditure (current year)

|                               | Charitable<br>Activities<br>£ | Governance<br>costs<br>£ | Support<br>costs<br>£ | 2020<br>Total<br>£ | 2019<br>Total<br>£ |
|-------------------------------|-------------------------------|--------------------------|-----------------------|--------------------|--------------------|
| Staff costs (Note 6)          | 302,889                       | 5,250                    | 84,500                | 392,639            | 224,114            |
| Other staff costs             | 45,378                        | -                        | 6,834                 | 52,212             | 39,134             |
| Other direct costs            | 446,320                       | -                        | -                     | 446,320            | 128,458            |
| Combined liability insurance  | -                             | -                        | 4,228                 | 4,228              | 2,140              |
| Depreciation                  | 37,036                        | -                        | 8,149                 | 45,185             | 29,666             |
| Legal fees                    | -                             | -                        | 5,642                 | 5,642              | 6,081              |
| Governance                    | -                             | 847                      | -                     | 847                | 3,026              |
| Audit and accountancy         | -                             | 8,375                    | -                     | 8,375              | 2,000              |
| Office costs                  | -                             | -                        | 11,490                | 11,490             | 9,493              |
| Other costs                   | -                             | -                        | 47,682                | 47,682             | 31,109             |
| Warehouse costs               | 130,534                       | -                        | -                     | 130,534            | 28,819             |
|                               | 962,157                       | 14,472                   | 168,525               | 1,145,154          | 504,040            |
| Support costs                 | 168,525                       | -                        | (168,525)             | -                  | -                  |
| Governance costs              | 14,472                        | (14,472)                 | -                     | -                  | -                  |
| <b>Total expenditure 2020</b> | <b>1,145,154</b>              | <b>-</b>                 | <b>-</b>              | <b>1,145,154</b>   | <b>504,040</b>     |
| Total expenditure 2019        | <b>504,040</b>                | <b>-</b>                 | <b>-</b>              | <b>504,040</b>     | <b>504,040</b>     |

## The Bread and Butter Thing

### Notes to the financial statements

For the year ended 31 December 2020

#### 4b Analysis of expenditure (prior year)

|                               | Charitable<br>Activities<br>£ | Governance<br>costs<br>£ | Support<br>costs<br>£ | 2019<br>Total<br>£ |
|-------------------------------|-------------------------------|--------------------------|-----------------------|--------------------|
| Staff costs (Note 6)          | 183,614                       | 4,500                    | 36,000                | 224,114            |
| Other staff costs             | 21,983                        | -                        | 17,151                | 39,134             |
| Other direct costs            | 145,726                       | -                        | -                     | 145,726            |
| Combined liability insurance  | -                             | -                        | 2,140                 | 2,140              |
| Depreciation                  | 25,200                        | -                        | 4,466                 | 29,666             |
| Legal fees                    | -                             | -                        | 6,081                 | 6,081              |
| Governance                    | -                             | 3,026                    | -                     | 3,026              |
| Audit and accountancy         | -                             | 2,000                    | -                     | 2,000              |
| Office costs                  | -                             | -                        | 9,493                 | 9,493              |
| Other costs                   | -                             | -                        | 13,841                | 13,841             |
| Warehouse costs               | 28,819                        | -                        | -                     | 28,819             |
| Support costs                 | 405,342                       | 9,526                    | 89,172                | 504,040            |
| Governance costs              | 89,172                        | -                        | (89,172)              | -                  |
|                               | 9,526                         | (9,526)                  | -                     | -                  |
| <b>Total expenditure 2019</b> | <b>504,040</b>                | <b>-</b>                 | <b>-</b>              | <b>504,040</b>     |

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2020

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#### 5 Net income for the year

This is stated after charging / (crediting):

|                                | 2020<br>£     | 2019<br>£     |
|--------------------------------|---------------|---------------|
| Depreciation                   | 45,289        | 29,666        |
| Auditor's Remunerations:       |               |               |
| Audit (excluding VAT)          | 6,000         | –             |
| Other services (excluding VAT) | 1,200         | 2,000         |
|                                | <u>45,289</u> | <u>29,666</u> |

#### 6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

|   | 2020<br>£      | 2019<br>£      |
|---|----------------|----------------|
| Salaries and wages  | 356,603        | 204,752        |
| Social security costs   | 28,965         | 15,612         |
| Employer's contribution to defined contribution pension schemes | 7,071          | 3,750          |
|   | <u>392,639</u> | <u>224,114</u> |

No employee earned more than £60,000 during the year (2019: none).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £108,300 (2019: £86,925).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). One trustee received payment for professional services supplied to the charity at arms length (see Note 8) (2019: one).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £242.00 (2019: £460.50) incurred by 1 (2019: 1) members relating to attendance at meetings of the trustees.

#### 7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 13.6 (2019: 7.1).

Staff are split across the activities of the charity as follows:

|                     | 2020<br>No. | 2019<br>No. |
|---------------------|-------------|-------------|
| Charitable activity | 11.6        | 5.3         |
| Support             | 1.9         | 1.7         |
| Governance          | 0.1         | 0.1         |
|                     | <u>13.6</u> | <u>7.1</u>  |

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2020

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#### 8 Related party transactions

There was one related party transaction to disclose for 2020 (2019: 1). £8,174.60 was paid to BD2 (2019: £11,174.70); the marketing business of Will Bentley (a trustee), for the use of professional services. All transactions were performed on an arms length basis.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties (2019: none).

#### 9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

#### 10 Tangible fixed assets

|                               | Plant &<br>Machinery<br>£ | Office<br>equipment<br>£ | Motor<br>vehicles<br>£ | Website &<br>Software<br>£ | Total<br>£ |
|-------------------------------|---------------------------|--------------------------|------------------------|----------------------------|------------|
| <b>Cost</b>                   |                           |                          |                        |                            |            |
| At the start of the year      | 6,571                     | 7,452                    | 125,930                | 5,190                      | 145,143    |
| Additions in year             | 117,215                   | 3,361                    | 119,784                | 7,215                      | 247,575    |
| At the end of the year        | 123,786                   | 10,813                   | 245,714                | 12,405                     | 392,718    |
| <b>Depreciation</b>           |                           |                          |                        |                            |            |
| At the start of the year      | 799                       | 3,856                    | 40,709                 | 1,321                      | 46,685     |
| Charge for the year           | 2,167                     | 3,148                    | 37,036                 | 2,938                      | 45,289     |
| At the end of the year        | 2,966                     | 7,004                    | 77,745                 | 4,259                      | 91,974     |
| <b>Net book value</b>         |                           |                          |                        |                            |            |
| <b>At the end of the year</b> | 120,820                   | 3,809                    | 167,969                | 8,146                      | 300,744    |
| At the start of the year      | 5,772                     | 3,596                    | 85,221                 | 3,869                      | 98,458     |

All of the above assets are used for charitable purposes.

#### 11 Debtors

|                                | 2020<br>£      | 2019<br>£ |
|--------------------------------|----------------|-----------|
| Prepayments and accrued income | 22,050         | 15,227    |
| Grants receivable              | 45,148         | 40,000    |
| Other debtors                  | 40,640         | 7,530     |
|                                | <b>107,838</b> | 62,757    |

# The Bread and Butter Thing

## Notes to the financial statements

### For the year ended 31 December 2020

#### 12 Creditors: amounts falling due within one year

|                                 | 2020<br>£      | 2019<br>£     |
|---------------------------------|----------------|---------------|
| Amounts due under finance lease | 5,929          | 11,547        |
| Trade creditors                 | 30,284         | 4,880         |
| Taxation and social security    | 12,567         | 3,018         |
| Pensions                        | 1,899          | 2,126         |
| Other creditors                 | 4,884          | –             |
| Accruals                        | 10,499         | 4,644         |
| Deferred income (note 13)       | 128,467        | 36,000        |
|                                 | <u>194,529</u> | <u>62,215</u> |

#### 13 Deferred income

Deferred income is comprised of Darlington Partnership, Darlington Borough Council, and Trafford homes grants.

|                                       | 2020<br>£      | 2019<br>£     |
|---------------------------------------|----------------|---------------|
| Balance at the beginning of the year  | 36,000         | 60,667        |
| Amount released to income in the year | (36,000)       | (60,667)      |
| Amount deferred in the year           | 128,467        | 36,000        |
| Balance at the end of the year        | <u>128,467</u> | <u>36,000</u> |

#### 14 Creditors: amounts falling due after one year

|   | 2020<br>£ | 2019<br>£    |
|---|-----------|--------------|
| Amounts due under finance lease (Note 17) | –         | 5,929        |
|   | <u>–</u>  | <u>5,929</u> |

#### 15a Analysis of net assets between funds (current year)

|                                | General<br>unrestricted<br>£ | Restricted<br>£ | Total funds<br>£ |
|--------------------------------|------------------------------|-----------------|------------------|
| Tangible fixed assets          | 176,232                      | 124,512         | 300,744          |
| Net current assets             | 292,321                      | 355,012         | 647,333          |
| Net assets at 31 December 2020 | <u>468,553</u>               | <u>479,524</u>  | <u>948,077</u>   |

## The Bread and Butter Thing

### Notes to the financial statements

#### For the year ended 31 December 2020

#### 15b Analysis of net assets between funds (prior year)

|                                       | General<br>unrestricted<br>£ | Restricted<br>£ | Total funds<br>£ |
|---------------------------------------|------------------------------|-----------------|------------------|
| Tangible fixed assets                 | 30,403                       | 68,055          | 98,458           |
| Net current assets                    | 151,381                      | 43,979          | 195,360          |
| Long term liabilities                 | (5,929)                      | -               | (5,929)          |
| <b>Net assets at 31 December 2019</b> | <b>175,855</b>               | <b>112,034</b>  | <b>287,889</b>   |

#### 16a Movements in funds (current year)

|  | At 1<br>January<br>2020<br>£ | Income &<br>gains<br>£ | Expenditure<br>& losses<br>£ | Transfers<br>£   | At 31<br>December<br>2020<br>£ |
|--|------------------------------|------------------------|------------------------------|------------------|--------------------------------|
| <b>Restricted funds:</b>                           |                              |                        |                              |                  |                                |
| Kellogg's  | 22,996                       | 23,500                 | (28,498)                     | -                | 17,998                         |
| Our Manchester                                     | 21,996                       | -                      | (6,000)                      | -                | 15,996                         |
| Trafford Housing                                   | -                            | 12,100                 | (12,100)                     | -                | -                              |
| Morrisons Trust                                    | 23,063                       | -                      | (6,400)                      | -                | 16,663                         |
| One Darlington Partnership                         | 40,000                       | 65,300                 | (72,240)                     | -                | 33,060                         |
| Darlington Borough Council                         | -                            | 40,795                 | -                            | -                | 40,795                         |
| First Choice Homes                                 | 3,979                        | 37,500                 | (41,479)                     | -                | -                              |
| DEFRA Covid-19 Food Charity Grant Scheme           | -                            | 110,000                | (110,000)                    | -                | -                              |
| DEFRA/WRAP Small Scale Food Waste Prevention Grant | -                            | 115,283                | (115,283)                    | -                | -                              |
| Manchester City Council Food Response              | -                            | 572,922                | (217,910)                    | -                | 355,012                        |
| Lyons Trust  | -                            | 10,000                 | (10,000)                     | -                | -                              |
| CAF Resilience Fund                                | -                            | 45,148                 | (45,148)                     | -                | -                              |
| Other small grants                                 | -                            | 8,000                  | (8,000)                      | -                | -                              |
| <b>Total restricted funds</b>                      | <b>112,034</b>               | <b>1,040,548</b>       | <b>(673,058)</b>             | <b>-</b>         | <b>479,524</b>                 |
| <b>Unrestricted funds:</b>                         |                              |                        |                              |                  |                                |
| Designated funds                                   | -                            | -                      | -                            | 250,000          | 250,000                        |
| <b>General funds</b>                               | <b>175,855</b>               | <b>764,794</b>         | <b>(472,096)</b>             | <b>(250,000)</b> | <b>218,553</b>                 |
| <b>Total funds</b>                                 | <b>287,889</b>               | <b>1,805,342</b>       | <b>(1,145,154)</b>           | <b>-</b>         | <b>948,077</b>                 |

The narrative to explain the purpose of each fund is given at the foot of the note below.

16b Movements in funds (prior year)

|                               | At 1<br>January<br>2019<br>£ | Income &<br>gains<br>£ | Expenditure<br>& losses<br>£ | Transfers<br>£ | At 31<br>December<br>2019<br>£ |
|-------------------------------|------------------------------|------------------------|------------------------------|----------------|--------------------------------|
| <b>Restricted funds:</b>      |                              |                        |                              |                |                                |
| Big Lottery                   | –                            | 29,167                 | (29,167)                     | –              | –                              |
| Kellogg's                     | 29,000                       | 26,500                 | (32,504)                     | –              | 22,996                         |
| Our Manchester                | 28,000                       | 36,667                 | (42,671)                     | –              | 21,996                         |
| Trafford Housing              | –                            | 9,333                  | (9,333)                      | –              | –                              |
| Morrison's Trust              | 32,000                       | –                      | (8,937)                      | –              | 23,063                         |
| One Darlington Partnership    | –                            | 40,000                 | –                            | –              | 40,000                         |
| First Choice Homes            | –                            | 7,500                  | (3,521)                      | –              | 3,979                          |
| <b>Total restricted funds</b> | <b>89,000</b>                | <b>149,167</b>         | <b>(126,133)</b>             | <b>–</b>       | <b>112,034</b>                 |
| <b>General funds</b>          | <b>154,371</b>               | <b>399,391</b>         | <b>(377,907)</b>             | <b>–</b>       | <b>175,855</b>                 |
| <b>Total funds</b>            | <b>243,371</b>               | <b>548,558</b>         | <b>(504,040)</b>             | <b>–</b>       | <b>287,889</b>                 |

**Purposes of restricted funds**

**Big Lottery**

The grant was given to support the recruitment of a further driver to guarantee year round deliveries. It was also to support the salaries of key personnel to allow the growth of the charity to continue.

**Kellogg's**

Kellogg's provided a grant to enable a van to be purchased and to cover the salary for a driver.

**Our Manchester**

The grant was given to support the purchase of a van and driver to work in North Manchester.

**Trafford Housing**

Trafford Housing provided a grant to support a van and driver working in Trafford for one day a week. In 2020 they further supported us to open 3 new hubs in Trafford during the Covid crisis.

**One Darlington Partnership**

One Darlington Partnership provided funds for the purchase of a van, with another £85,000 committed for 2020 to enable deliveries in the Darlington area.

**Darlington Borough Council**

Darlington Borough Council have provided funding to allow us to expand further in the Tees Valley and to establish a warehouse for local redistribution working with Durham and Hartlepool.

**First Choice Homes**

A grant was provided to cover delivery costs, for a van in Oldham operating 5 days a week, including a driver's salary.

**Purposes of restricted funds (continued)**

**DEFRA Covid-19 Food Charity Grant Scheme**

During the Covid crisis, DEFRA provided funding to purchase additional food to deal with the huge demand created by the crisis.

**DEFRA/WRAP Small Scale Food Waste Prevention Grant**

Defra have provided funding for a pilot to trial a back of store collection project, working across retailers to generate new food for redistribution.

**Manchester City Council Food Response**

Manchester City Council set up a city-wide food response to support residents in need through the Covid crisis. We have been funded to support Manchester residents with deliveries of food and other essential items through the immediate crisis and its after effects.

**Lyons Trust**

Lyons trust provided funding to purchase additional food to be delivered in the Christmas week.

**CAF Resilience Fund**

The CAF Resilience fund has provided a grant for the additional costs of providing support during the Covid crisis.

**Purposes of designated funds**

The Board has designated £250,000 to be used to strengthen the charities processes and infrastructure for the long-term. This will be completed as follows in the next 15 months:

- Securing food supply. The DEFRA purchased food is finishing but we still have people to feed and need to source 33 tonnes of food a week to achieve this.
- Investing in technology. Our operational system is working still but needs investment. In addition, our reporting mechanisms need work. We also have no effective CRM system operating which limits our knowledge of our members.
- Enhancing our volunteer support. We now have 300 volunteers a week and can no longer manage them without a system in place. We want to be able to build a system around them to record their achievements, communicate with them, train them. This needs investment.

**17 Operating and Finance lease commitments payable as a lessee**

The charity's total future lease payments under a finance lease is as follows for each of the following periods

|                    | Property       |          | Motor Vehicle |               |
|--------------------|----------------|----------|---------------|---------------|
|                    | 2020           | 2019     | 2020          | 2019          |
|                    | £              | £        | £             | £             |
| Less than one year | 72,790         | -        | 5,929         | 11,547        |
| One to five years  | 96,052         | -        | -             | 5,929         |
|                    | <b>168,842</b> | <b>-</b> | <b>5,929</b>  | <b>17,476</b> |

Finance lease taken out in May 2018 for the purchase of a van to aid charitable activities. The charity will own the vehicle at the end of the lease term therefore the van has been capitalised and included within fixed assets.

**18 Legal status of the charity**

The Bread and Butter Thing is a Charitable Incorporated Organisation, governed by a Constitution and has no share capital. The charity registered in England and Wales (Charity Number 1169383).