

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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Reference and administrative information

For the period ended 31 December 2020

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

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Trustees' annual report

For the period ended 31 December 2020

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.

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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.

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.

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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.

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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+

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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

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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.

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.

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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

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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.

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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.

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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.

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.

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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

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

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

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

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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. 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 £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations and Grants	2	12,759	–	12,759	1,678	–	1,678
Charitable activities	3	752,035	1,040,548	1,792,583	397,713	149,167	546,880
Total income		764,794	1,040,548	1,805,342	399,391	149,167	548,558
Expenditure on:							
Charitable activities	4a	472,096	673,058	1,145,154	377,907	126,133	504,040
Total expenditure		472,096	673,058	1,145,154	377,907	126,133	504,040
Net income for the year	5	292,698	367,490	660,188	21,484	23,034	44,518
Reconciliation of funds:							
Total funds brought forward		175,855	112,034	287,889	154,371	89,000	243,371
Total funds carried forward		468,553	479,524	948,077	175,855	112,034	287,889

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 £	£	2019 £
Fixed assets:					
Tangible assets	10		300,744		98,458
Current assets:					
Debtors	11	107,838		62,757	
Cash at bank in hand		734,024		194,818	
		841,862		257,575	
Liabilities:					
Creditors: amounts falling due within one year	12	(194,529)		(62,215)	
Net current assets			647,333		195,360
Total assets less current liabilities			948,077		293,818
Creditors: amounts falling due after one year	14		–		(5,929)
Total net assets			948,077		287,889
The funds of the charity:	15a				
Restricted funds			479,524		112,034
Unrestricted funds					
Designated Funds			250,000		–
General Funds			218,553		175,855
Total charity funds			948,077		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 £	£	2019 £	£
Cash flows from operating activities					
Net income/(expenditure) for the reporting period (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)	
Net cash provided by / (used in) operating activities			799,093		8,417
Cash flows from investing activities:					
Purchase of fixed assets		(247,575)		(12,218)	
Net cash provided by / (used in) investing activities			(247,575)		(12,218)
Cash flows from financing activities:					
Cash flows relating to finance lease		(12,312)		(12,312)	
Net cash provided by / (used in) financing activities			(12,312)		(12,312)
Change in cash and cash equivalents in the year			539,206		(16,113)
Cash and cash equivalents at the beginning of the year			194,818		210,931
Cash and cash equivalents at the end of the year	a		734,024		194,818

Analysis of cash and cash equivalents and of net debt

	At 1 January 2020 £	Cash flows £	Other non- cash changes £	At 31 December 2020 £
Cash at bank and in hand	194,818	539,206	–	734,024
a Total cash and cash equivalents	194,818	539,206	–	734,024
Finance lease obligations	(17,476)	12,312	(765)	(5,929)
Total	177,342	551,518	(765)	728,095

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

2 Donations and other income

All unrestricted	2020 Total £	2019 Total £
Other donations and grants income	12,007	525
Interest	752	1,153
	12,759	1,678

3 Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Membership income	642,547	–	642,547	359,333	–	359,333
Big Lottery	–	–	–	–	29,167	29,167
Our Manchester	–	–	–	–	36,667	36,667
Trafford Housing	–	12,100	12,100	–	9,333	9,333
Kellogg's	10,000	23,500	33,500	–	26,500	26,500
Morrisons Trust	–	–	–	–	–	–
One Darlington Partnership	–	65,300	65,300	–	40,000	40,000
Darlington Borough Council	–	40,795	40,795	–	–	–
First Choice Homes	–	37,500	37,500	–	7,500	7,500
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	572,922	–	–	–
Lyons Trust	10,000	10,000	20,000	–	–	–
CAF Resilience Fund	–	45,148	45,148	–	–	–
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	–	–	–
Gift in Kind	39,800	–	39,800	38,380	–	38,380
Total income from charitable activities	752,035	1,040,548	1,792,583	397,713	149,167	546,880

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 Activities £	Governance costs £	Support costs £	2020 Total £	2019 Total £
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)	-	-	-
Total expenditure 2020	1,145,154	-	-	1,145,154	504,040
Total expenditure 2019	504,040	-	-		504,040

The Bread and Butter Thing

Notes to the financial statements

For the year ended 31 December 2020

4b Analysis of expenditure (prior year)

	Charitable Activities £	Governance costs £	Support costs £	2019 Total £
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
	405,342	9,526	89,172	504,040
Support costs	89,172	-	(89,172)	-
Governance costs	9,526	(9,526)	-	-
Total expenditure 2019	504,040	-	-	504,040

The Bread and Butter Thing

Notes to the financial statements

For the year ended 31 December 2020

5 Net income for the year

This is stated after charging / (crediting):

	2020 £	2019 £
Depreciation	45,289	29,666
Auditor's Remunerations:		
Audit (excluding VAT)	6,000	–
Other services (excluding VAT)	1,200	2,000

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

Staff costs were as follows:

	2020 £	2019 £
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
	392,639	224,114

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 No.	2019 No.
Charitable activity	11.6	5.3
Support	1.9	1.7
Governance	0.1	0.1
	13.6	7.1

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 & Machinery £	Office equipment £	Motor vehicles £	Website & Software £	Total £
Cost					
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
Depreciation					
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
Net book value					
At the end of the year	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 £	2019 £
Prepayments and accrued income	22,050	15,227
Grants receivable	45,148	40,000
Other debtors	40,640	7,530
	107,838	62,757

12 Creditors: amounts falling due within one year

	2020 £	2019 £
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
	194,529	62,215

13 Deferred income

Deferred income is comprised of Darlington Partnership, Darlington Borough Council, and Trafford homes grants.

	2020 £	2019 £
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	128,467	36,000

14 Creditors: amounts falling due after one year

	2020 £	2019 £
Amounts due under finance lease (Note 17)	–	5,929
	–	5,929

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

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	176,232	124,512	300,744
Net current assets	292,321	355,012	647,333
Net assets at 31 December 2020	468,553	479,524	948,077

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 unrestricted £	Restricted £	Total funds £
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)
Net assets at 31 December 2019	175,855	112,034	287,889

16a Movements in funds (current year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
Kellogg's	22,996	23,500	(28,498)	–	17,998
Our Manchester	21,996	–	(6,000)	–	15,996
Trafford Housing	–	12,100	(12,100)	–	–
Morrison's 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)	–	–
Total restricted funds	112,034	1,040,548	(673,058)	–	479,524
Unrestricted funds:					
Designated funds	–	–	–	250,000	250,000
General funds	175,855	764,794	(472,096)	(250,000)	218,553
Total funds	287,889	1,805,342	(1,145,154)	–	948,077

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 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
Restricted funds:					
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)	–	–
Morrisons Trust	32,000	–	(8,937)	–	23,063
One Darlington Partnership	–	40,000	–	–	40,000
First Choice Homes	–	7,500	(3,521)	–	3,979
Total restricted funds	89,000	149,167	(126,133)	–	112,034
General funds	154,371	399,391	(377,907)	–	175,855
Total funds	243,371	548,558	(504,040)	–	287,889

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 2020 £	2019 £	Motor Vehicle 2020 £	2019 £
Less than one year	72,790	–	5,929	11,547
One to five years	96,052	–	–	5,929
	168,842	–	5,929	17,476

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).