

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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Reference and administrative information

For the period ended 31 December 2021

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	

Key management personnel	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

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Trustees' annual report

For the period ended 31 December 2021

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.

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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.

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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.

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.

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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.

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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.

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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 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:

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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

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.

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.

Independent Auditor's report

To the members of

The Bread and Butter Thing

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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

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

For the year ended 31 December 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations and Grants	2	59,392	3,454	62,846	12,759	–	12,759
Charitable activities	3	966,455	1,160,467	2,126,922	752,035	1,040,548	1,792,583
Total income		1,025,847	1,163,921	2,189,768	764,794	1,040,548	1,805,342
Expenditure on:							
Charitable activities	4a	853,357	691,920	1,545,277	472,096	673,058	1,145,154
Total expenditure		853,357	691,920	1,545,277	472,096	673,058	1,145,154
Net income for the year	5	172,490	472,001	644,491	292,698	367,490	660,188
Reconciliation of funds:							
Total funds brought forward		468,553	479,524	948,077	175,855	112,034	287,889
Total funds carried forward		641,043	951,525	1,592,568	468,553	479,524	948,077

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 £	£	2020 £
Fixed assets:					
Tangible assets	10		687,981		300,744
			687,981		300,744
Current assets:					
Debtors	11	149,362		107,838	
Short term deposits		680,000		–	
Cash at bank in hand		232,288		734,024	
			1,061,650	841,862	
Liabilities:					
Creditors: amounts falling due within one year	12	(157,063)		(194,529)	
Net current assets			904,587		647,333
Total assets less current liabilities			1,592,568		948,077
Creditors: amounts falling due after one year	14		–		–
Total net assets			1,592,568		948,077
The funds of the charity:	15a				
Restricted funds			951,525		479,524
Unrestricted funds					
Designated Funds			295,000		250,000
General Funds			346,043		218,553
Total charity funds			1,592,568		948,077

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 £	£	2020 £	£
Cash flows from operating activities					
Net income/(expenditure) for the reporting period (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	
Net cash provided by / (used in) operating activities		690,327		799,093	
Cash flows from investing activities:					
Purchase of fixed assets		(505,907)		(247,575)	
Short term deposits		–		–	
Net cash provided by / (used in) investing activities		(505,907)		(247,575)	
Cash flows from financing activities:					
Cash flows relating to finance lease		(6,156)		(12,312)	
Net cash provided by / (used in) financing activities		(6,156)		(12,312)	
Change in cash and cash equivalents in the year		(501,736)		539,206	
Cash and cash equivalents at the beginning of the year		734,024		194,818	
Cash and cash equivalents at the end of the year	a	232,288		734,024	

Analysis of cash and cash equivalents and of net debt

	At 1 January 2021 £	Cash flows £	Other non- cash changes £	At 31 December 2021 £
Cash at bank and in hand	734,024	(501,736)	–	232,288
a Total cash and cash equivalents	734,024	(501,736)	–	232,288
Finance lease obligations	–	–	–	–
Total	734,024	(501,736)	–	232,288

The Bread and Butter Thing

Notes to the financial statements

For the year ended 31 December 2021

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 £	Restricted £	2021 Total £	2020 Total £
Other donations and grants income	59,350	3,454	62,804	12,007
Interest	42	–	42	752
	59,392	3,454	62,846	12,759

All income from donations in 2020, was unrestricted.

3 Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Membership income	858,185	–	858,185	642,547	–	642,547
Trafford Housing Trust	–	37,503	37,503	–	12,100	12,100
Kellogg's	–	–	–	10,000	23,500	33,500
One Darlington Partnership	–	21,768	21,768	–	65,300	65,300
Darlington Borough Council	–	56,108	56,108	–	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	45,856	–	115,283	115,283
DEFRA/WRAP Capital Large Scale Grant	–	401,928	401,928	–	–	–
DEFRA Packing Room Grant	–	50,000	50,000	–	–	–
Manchester City Council Food Response	–	55,354	55,354	–	572,922	572,922
County Council of Durham	–	125,001	125,001	–	–	–
County Council of Durham	–	39,299	39,299	–	–	–
Hartlepool Borough Council	–	118,241	118,241	–	–	–
Lyons Trust	–	–	–	10,000	10,000	20,000
CAF Resilience Fund	–	48,952	48,952	–	45,148	45,148
Tameside Council	–	85,984	85,984	–	–	–
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	54,473	–	–	–
Salford Families in Need	–	20,000	20,000	–	–	–
Gift in Kind	108,270	–	108,270	39,800	–	39,800
Total income from charitable activities	966,455	1,160,467	2,126,922	752,035	1,040,548	1,792,583

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 Activities £	Governance costs £	Support costs £	2021 Total £	2020 Total £
Staff costs (Note 6)	517,515	5,583	90,335	613,432	392,639
Other staff costs	59,472	–	15,587	75,059	52,212
Other direct costs	450,315	–	–	450,315	446,320
Combined liability insurance	–	–	6,390	6,390	4,228
Depreciation	109,529	–	8,934	118,463	45,185
Legal fees	–	–	–	–	5,642
Governance	–	–	–	–	847
Audit and accountancy	–	7,550	–	7,550	8,375
Office costs	–	–	18,323	18,323	11,490
Impact measurement and reporting	32,566	–	32,566	65,132	–
Other costs	11,113	–	4,000	15,113	47,682
Warehouse costs	175,113	–	387	175,500	130,534
	1,355,623	13,133	176,522	1,545,277	1,145,154
Support costs	176,522	–	(176,522)	–	–
Governance costs	13,133	(13,133)	–	–	–
Total expenditure 2021	1,545,277	–	–	1,545,277	
Total expenditure 2020	1,145,154	–	–		1,145,154

The Bread and Butter Thing

Notes to the financial statements

For the year ended 31 December 2021

4b Analysis of expenditure (prior year)

	Charitable Activities £	Governance costs £	Support costs £	2020 Total £
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
	962,157	14,472	168,525	1,145,154
Support costs	168,525	–	(168,525)	–
Governance costs	14,472	(14,472)	–	–
Total expenditure 2020	1,145,154	–	–	1,145,154

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>125,963</u>	<u>52,489</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 No.	2020 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 & Machinery £	Office equipment £	Motor vehicles £	Website & Software £	Total £
Cost					
At the start of the year	123,786	10,813	245,714	12,405	392,718
Additions in year	254,531	6,335	239,521	5,520	505,907
Disposal	–	(311)	–	–	(311)
At the end of the year	378,317	16,837	485,235	17,925	898,314
Depreciation					
At the start of the year	2,966	7,004	77,745	4,259	91,974
Charge for the year	36,033	3,974	73,496	4,960	118,463
Disposal	–	(104)	–	–	(104)
At the end of the year	38,999	10,873	151,241	9,219	210,333
Net book value					
At the end of the year	339,317	5,964	333,994	8,706	687,981
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 £	2020 £
Trade debtors	13,722	–
Prepayments and accrued income	41,471	22,050
Grants receivable	39,299	45,148
Other debtors	54,870	40,640
	149,362	107,838

12 Creditors: amounts falling due within one year

	2021 £	2020 £
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 £	2020 £
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 £	2020 £
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

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

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	30,672	657,309	687,981
Net current assets	610,371	294,216	904,587
Net assets at 31 December 2021	641,043	951,525	1,592,568

15b Analysis of net assets between funds (prior 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 2021

16a Movements in funds (current year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Restricted funds:					
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 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
Total restricted funds	479,524	1,163,921	(691,920)	–	951,525
Unrestricted funds:					
Designated funds	250,000	–	(27,777)	72,777	295,000
General funds	218,553	1,025,847	(825,580)	(72,777)	346,043
Total funds	948,077	2,189,768	(1,545,277)	–	1,592,568

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 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 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)	–	–
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

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.

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 2021 £	2020 £	Motor Vehicle 2021 £	2020 £
Less than one year	53,528	72,790	–	5,929
One to five years	42,524	96,052	–	–
	<u>96,052</u>	<u>168,842</u>	<u>–</u>	<u>5,929</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).