

Charity Number: 1169383

The Bread and Butter Thing

Report and financial statements

For the period ended 31 December 2022

The Bread and Butter Thing

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Reference and administrative information

For the period ended 31 December 2022

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

Charity number 1169383

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

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

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

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

Bankers Santander
712–716 Wilmslow Rd
Manchester
M20 6DQ

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

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Trustees' annual report

For the period ended 31 December 2022

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

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

Objectives and activities

Purposes and aims

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

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

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

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

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

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

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

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

What We Do

It starts with food.

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

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

But this is just the beginning.

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

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

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

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

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

Every week, we change lives.

Our aims:

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

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

A two-tier approach to food security

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

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

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

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

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

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

Strengthening Community Assets

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

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

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

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

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

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

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

Build Resilience

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

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

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

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

Reducing Waste and finding new sources of surplus food and goods

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

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

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

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

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

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

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

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

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

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

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

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

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

Achievements and performance

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

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

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

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

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

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

Financial review

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

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

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

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

Reserves policy and going concern

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

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

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

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

Fundraising statement

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

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

Plans for the future

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

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

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

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

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

Principal risk and uncertainties

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

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

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

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

Structure, governance, and management

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

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

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

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

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

Operation of the Board of Trustees

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

Appointment of trustees

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

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

Related parties and relationships with other organisations

Throughout 2022, TBBT has continued to work closely with food industry partners. We have strong working relationships with Asda, Amazon, Greencores, Greeneking, Worldwide Fruit, 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:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

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

Auditor

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

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

William Bentley
Chair of Trustees

31 August 2023

Opinion

We have audited the financial statements of The Bread and Butter Thing (the 'charity') for the year ended 31 December 2022 which comprise of the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Bread and Butter Thing's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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: 20 September 2023

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

The Bread and Butter Thing

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

For the year ended 31 December 2022

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

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

The Bread and Butter Thing

Balance sheet

As at 31 December 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	10		897,127		687,981
Intangible assets	11		31,379		–
			<u>928,506</u>		<u>687,981</u>
Current assets:					
Debtors	12	799,715		149,362	
Short term deposits		680,000		680,000	
Cash at bank in hand		961,446		232,288	
			<u>2,441,161</u>	<u>1,061,650</u>	
Liabilities:					
Creditors: amounts falling due within one year	13	(734,311)		(157,063)	
Net current assets			1,706,850		904,587
Total net assets			<u>2,635,356</u>		<u>1,592,568</u>
The funds of the charity:	15a				
Restricted funds			1,438,197		951,525
Unrestricted funds					
Designated Funds			350,000		295,000
General Funds			847,159		346,043
			<u>2,635,356</u>		<u>1,592,568</u>
Total charity funds			<u>2,635,356</u>		<u>1,592,568</u>

Approved by the trustees on 31 August 2023 and signed on their behalf by

Name: William Bentley
Title: Chair of Trustees

Name: Philip Kaye
Title: Treasurer

The Bread and Butter Thing

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

For the year ended 31 December 2022

	Note	2022 £	£	2021 £	£
Cash flows from operating activities					
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		1,042,788		644,491	
Depreciation charges		161,438		118,463	
Amortisation charges		708		–	
Loss on disposal of fixed asset		9,666		207	
Interest on finance lease		–		228	
Decrease/(increase) in debtors		(650,353)		(41,524)	
Increase/(Decrease) in creditors		577,248		(31,538)	
Net cash provided by / (used in) operating activities			1,141,495		690,327
Cash flows from investing activities:					
Purchase of fixed assets		(380,250)		(505,907)	
Purchase of intangible assets		(32,087)		–	
Net cash provided by / (used in) investing activities			(412,337)		(505,907)
Cash flows from financing activities:					
Cash flows relating to finance lease		–		(6,156)	
Net cash provided by / (used in) financing activities			–		(6,156)
Change in cash and cash equivalents in the year			729,158		(501,736)
Cash and cash equivalents at the beginning of the year			232,288		734,024
Cash and cash equivalents at the end of the year	a		961,446		232,288

Analysis of cash and cash equivalents and of net debt

	At 1 January 2022 £	Cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	232,288	729,158	–	961,446
a Total cash and cash equivalents	232,288	729,158	–	961,446
Finance lease obligations	–	–	–	–
Total	232,288	729,158	–	961,446

1 Accounting policies

a) Statutory information

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

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

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

c) Public benefit entity

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

d) Going concern

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

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

e) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

f) Donations of gifts, services and facilities

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

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

g) Interest receivable

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

h) Fund accounting

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

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

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

i) Expenditure and irrecoverable VAT

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

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

1 Accounting policies (continued)

j) Allocation of support costs

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

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

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

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

k) Tangible fixed assets

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

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

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

l) Debtors

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

m) Cash at bank and in hand

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

n) Creditors and provisions

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

o) Financial instruments

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

2 Donations and other income

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Other donations and grants income	102,578	3,125	105,703	62,804
Interest	2,623	-	2,623	42
	105,201	3,125	108,326	62,846

Restricted income from donations in 2021 was £59,392, with the remaining £3,454 being unrestricted.

3 Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Membership income	1,534,809	-	1,534,809	858,185	-	858,185
Gift in Kind	187,202	-	187,202	108,270	-	108,270
Trafford Housing Trust	-	92,553	92,553	-	37,503	37,503
Darlington Borough Council	-	172,197	172,197	-	56,108	56,108
Manchester City Council Food	-	6,505	6,505	-	55,354	55,354
County Council of Durham	-	331,738	331,738	-	164,300	164,300
Hartlepool Borough Council	-	21,000	21,000	-	118,241	118,241
Tameside Council	-	14,016	14,016	-	85,984	85,984
Pursloe Trust and Lyons Trust	-	45,530	45,530	-	54,473	54,473
Sainsburys grant	-	39,600	39,600	-	-	-
Kirklees	-	250,329	250,329	-	-	-
North Tyneside	-	38,220	38,220	-	-	-
Comic Relief Grant	-	500,000	500,000	-	-	-
Tameside fuel vouchers	-	52,000	52,000	-	-	-
Other Funders	-	199,660	199,660	-	-	-
Cheshire West	-	125,000	125,000	-	-	-
DEFRA/WRAP	-	-	-	-	497,784	497,784
CAF Resilience Fund	-	-	-	-	48,952	48,952
Salford Families in Need	-	-	-	-	20,000	20,000
One Darlington Partnership	-	-	-	-	21,768	21,768
Total income from charitable activities	1,722,011	1,890,223	3,612,234	966,455	1,160,467	2,126,922

The gift in kind of £187,202 (2021: £108,270) is for the venue hire received free of charge during the year to conduct core activities.

The Bread and Butter Thing

Notes to the financial statements

For the year ended 31 December 2022

4a Analysis of expenditure (current year)

	Charitable Activities £	Governance costs £	Support costs £	2022 Total £	2021 Total £
Staff costs (Note 6)	839,730	5,841	89,746	935,317	613,432
Other staff costs	106,283	–	51,865	158,148	75,059
Fuel/Transport and Hubs costs	777,246	–	–	777,246	450,315
Fuel Voucher Expense	310,177	–	–	310,177	–
Warehouse costs	179,881	–	–	179,881	175,500
Combined liability insurance	–	–	7,253	7,253	6,390
Depreciation	150,130	–	12,017	162,147	118,463
Legal fees	–	–	8,869	8,869	–
Governance	–	1,733	–	1,733	–
Audit and accountancy	–	9,996	–	9,996	7,550
Office costs	–	–	44,242	44,242	18,323
Impact measurement and reporting	–	–	–	–	65,132
Other costs	–	–	82,763	82,763	15,113
	<u>2,363,447</u>	<u>17,570</u>	<u>296,755</u>	<u>2,677,772</u>	<u>1,545,277</u>
Support costs	296,755	–	(296,755)	–	–
Governance costs	17,570	(17,570)	–	–	–
Total expenditure 2022	<u><u>2,677,772</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>2,677,772</u></u>	
Total expenditure 2021	<u><u>1,545,277</u></u>	<u><u>–</u></u>	<u><u>–</u></u>		<u><u>1,545,277</u></u>

The Bread and Butter Thing

Notes to the financial statements

For the year ended 31 December 2021

4b Analysis of expenditure (prior year)

	Charitable Activities £	Governance costs £	Support costs £	2021 Total £
Staff costs (Note 6)	517,515	5,583	90,335	613,432
Other staff costs	59,472	–	15,587	75,059
Fuel/Transport and Hubs costs	450,315	–	–	450,315
Warehouse costs	175,113	–	387	175,500
Combined liability insurance	–	–	6,390	6,390
Depreciation	109,529	–	8,934	118,463
Legal fees	–	–	–	–
Governance	–	–	–	–
Audit and accountancy	–	7,550	–	7,550
Office costs	–	–	18,323	18,323
Impact measurement and reporting	32,566	–	32,566	65,132
Other costs	11,113	–	4,000	15,113
	<u>1,355,623</u>	<u>13,133</u>	<u>176,522</u>	<u>1,545,277</u>
Support costs	176,522	–	(176,522)	–
Governance costs	13,133	(13,133)	–	–
Total expenditure 2021	<u><u>1,545,277</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>1,545,277</u></u>

5 Net income for the year

This is stated after charging / (crediting):

	2022 £	2021 £
Depreciation	161,438	118,463
Auditor's Remunerations:		
Audit (excluding VAT)	7,000	6,300
Other services (excluding VAT)	1,400	1,200
	<u>169,838</u>	<u>125,963</u>

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

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	837,953	555,292
Social security costs	82,939	47,272
Employer's contribution to defined contribution pension schemes	14,425	10,868
	<u>935,317</u>	<u>613,432</u>

One employee earned more than £60,000 during the year (2021: none).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £263,293 (2021: £115,572).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). One trustee received payment for professional services supplied to the charity at arms length (see Note 8) (2021: one).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £751 (2021: £228) incurred by 3 (2021: 1) members relating to attendance at meetings of the trustees.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 40.7 (2021: 23.7).

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

	2022 No.	2021 No.
Charitable activity	36.6	21.7
Support	4.0	1.9
Governance	0.1	0.1
	<u>40.7</u>	<u>23.7</u>

The Bread and Butter Thing

Notes to the financial statements

For the year ended 31 December 2022

8 Related party transactions

Within the year there were transactions to the value of £1,350 (2021:nil) between The Bread and Butter Thing and BD2, where Will Bentley is a Director. These transactions were at arms length.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties (2021: none).

9 Taxation

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

10 Tangible fixed assets

	Plant & Machinery £	Office equipment £	Motor vehicles £	Website & Software £	Total £
Cost					
At the start of the year	378,317	16,837	485,235	17,925	898,314
Additions in year	13,330	3,001	345,106	18,812	380,250
Disposal	–	–	(8,333)	(1,333)	(9,666)
At the end of the year	391,647	19,838	822,008	35,404	1,268,898
Depreciation					
At the start of the year	38,999	10,873	151,241	9,219	210,333
Charge for the year	47,978	5,373	102,151	5,936	161,438
Disposal	–	–	–	–	–
At the end of the year	86,978	16,247	253,392	15,155	371,771
Net book value					
At the end of the year	304,669	3,591	568,617	20,250	897,127
At the start of the year	339,317	5,964	333,994	8,706	687,981

All of the above assets are used for charitable purposes.

11 Intangible fixed assets

	Website & Software £	Total £
Cost		
At the start of the year	–	–
Additions in year	32,087	32,087
Disposal	–	–
At the end of the year	32,087	32,087
Amortization		
At the start of the year	–	–
Charge for the year	708	708
Disposal	–	–
At the end of the year	708	708
Net book value		
At the end of the year	31,379	31,379
At the start of the year	–	–

All of the above assets are used for charitable purposes.

The Bread and Butter Thing

Notes to the financial statements

For the year ended 31 December 2022

12 Debtors

	2022 £	2021 £
Trade debtors	165,489	13,722
Prepayments and accrued income	60,635	41,471
Grants receivable	–	39,299
Other debtors	573,591	54,870
	799,715	149,362

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	57,406	33,665
Taxation and social security	26,253	9,193
Pensions	7,072	2,608
Other creditors	7,679	162
Accruals	43,335	19,351
Deferred income (note 13)	592,566	92,084
	734,311	157,063

14 Deferred income

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

	2022 £	2021 £
Balance at the beginning of the year	92,084	128,467
Amount released to income in the year	(92,084)	(128,467)
Amount deferred in the year	592,566	92,084
Balance at the end of the year	592,566	92,084

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

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

15b Analysis of net assets between funds (prior 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

The Bread and Butter Thing

Notes to the financial statements

For the year ended 31 December 2022

16a Movements in funds (current year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Restricted funds:					
Trafford Housing Trust	3,396	62,504	(52,704)	-	13,196
One Darlington Partnership	26,179	-	(7,896)	-	18,283
Darlington Borough Council	36,924	18,093	(19,995)	-	35,022
DEFRA Covid-19 Food Charity Grant Scheme	-	-	-	-	-
Manchester City Council Food Response	290,819	6,505	(175,587)	-	121,737
Tameside grant MBC	37,359	14,016	(22,786)	-	28,589
Hartlepool Borough Council	36,624	(7,260)	(25,528)	-	3,836
County Council of Durham	35,898	(32,354)	(51,043)	-	(47,498) *
County Council of Durham 2	39,299	-	-	-	39,299
DEFRA/WRAP Capital large scale	358,572	-	(52,452)	-	306,120
DEFRA Packing room grant	11,960	-	(5,604)	-	6,356
Purslow Trust and Lyons Trust	38,983	45,530	(78,836)	-	5,677
Salford families in need	-	-	(10,000)	-	(10,000)
Morrisons Trust	10,663	25,000	(31,600)	-	4,063
Our Manchester	9,996	-	(5,999)	-	3,997
Kellogg's	11,398	-	(5,999)	-	5,399
First Choice Homes – small grants	-	2,500	(625)	-	1,875
Other income	3,454	-	-	-	3,454
Hartlepool Support Fund	-	-	-	-	-
Sainsburys	-	39,600	(39,598)	-	2
Kirklees	-	125,329	(67,522)	-	57,807
Kirklees 2	-	125,000	-	-	125,000
North Tyneside	-	38,220	(67,523)	-	(29,303) *
Durham HSF	-	140,000	(140,000)	-	-
Durham 1	-	-	(8,770)	-	(8,770) *
Darlington Winter Grant	-	154,104	(182,352)	-	(28,248) *
Sodexo grant	-	10,000	(10,000)	-	-
Durham 3 grant	-	3,472	(5,764)	-	(2,292) *
Sunderland Grant	-	31,250	(17,293)	-	13,957
Trafford Housing Trust Grant	-	30,049	(1,621)	-	28,428
Karbon Homes Grant	-	75,000	(17,293)	-	57,707
Comic Relief Grant	-	500,000	(62,500)	-	437,500
Tameside fuel vouchers	-	52,000	(50,000)	-	2,000
Durham Fuel Vouchers HSF2	-	50,000	(50,000)	-	-
Durham Fuel Voucher Grant	-	170,620	(137,287)	-	33,333
Cheshire West	-	125,000	-	-	125,000
Cummins	-	26,734	-	-	26,734
Wagamama	-	25,000	-	-	25,000
Cheshire Community Foundation	-	25,000	-	-	25,000
10G – small grants	-	12,436	(2,500)	-	9,936
Total restricted funds	951,525	1,893,348	(1,406,676)	-	1,438,197
Unrestricted funds:					
Designated funds	295,000	-	(263,182)	318,182	350,000
General funds	346,043	1,827,212	(1,007,914)	(318,182)	847,159
Total funds	1,592,568	3,720,560	(2,677,772)	-	2,635,356

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

The Bread and Butter Thing

Notes to the financial statements

For the year ended 31 December 2022

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

16b Movements in funds (prior year)

	At 1 January 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
First Choice Homes	-	-	-	-	-
DEFRA Covid-19 Food Charity Grant	-	-	-	-	-
DEFRA/WRAP Small Scale Food Waste	-	45,856	(45,855)	-	1
Manchester City Council Food Response	355,012	55,354	(119,547)	-	290,819
CAF Resilience Fund	-	48,952	(48,952)	-	0
Tameside grant MBC	-	85,984	(48,625)	-	37,359
Hartlepool Borough Council	-	118,241	(81,617)	-	36,624
County Council of Durham	-	125,001	(89,103)	-	35,898
County Council of Durham 2	-	39,299	-	-	39,299
DEFRA/WRAP Capital large scale	-	401,928	(43,356)	-	358,572
DEFRA Packing room grant	-	50,000	(38,040)	-	11,960
Purslow Trust and Lyons Trust	-	54,473	(15,490)	-	38,983
 Salford families in need	 -	 20,000	 (20,000)	 -	 -
 Morrisons Trust	 16,663	 -	 (6,000)	 -	 10,663
Our Manchester	15,996	-	(6,000)	-	9,996
Kellogg's	17,998	-	(6,600)	-	11,398
other income	-	3,454	-	-	3,454
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

Purposes of restricted funds

Manchester City Council Food Response

Manchester City Council set up a city-wide food response to support residents in need through the Covid crisis. We have been funded to support Manchester residents with deliveries of food and other essential items through the immediate crisis and its after effects.

DEFRA Covid-19 Food Charity Grant Scheme

During the Covid crisis, DEFRA provided funding to purchase additional food to deal with the huge demand created by the crisis.

DEFRA/WRAP Small Scale Food Waste Prevention Grant

Defra have provided funding for a pilot to trial a back of store collection project, working across retailers to generate new food for redistribution.

Durham County Council – have provided funding to allow us to expand in Durham and to establish a warehouse for local redistribution working with Darlington and Hartlepool.

Tameside Council – have provided funding for an expansion of the service into Tameside out of our Greater Manchester warehouse.

DEFRA/WRAP Capital large scale Grant – this was funding provided to support the purpose of Freezers and chillers for the warehouses in addition to further vans.

Hartlepool Borough Council – have provided funding to allow us to expand further in the Tees Valley and to establish a warehouse for local redistribution working with Durham and Darlington

One Darlington Partnership

One Darlington Partnership provided funds for the purchase of a van, with another £85,000 committed for 2020 to enable deliveries in the Darlington area.

Darlington Borough Council

Darlington Borough Council have provided funding to allow us to expand further in the Tees Valley and to establish a warehouse for local redistribution working with Durham and Hartlepool.

Trafford Housing Trust

Trafford Housing provided a grant to support a van and driver working in Trafford for one day a week. In 2020 they further supported us to open 3 new hubs in Trafford during the Covid crisis.

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

Our Manchester

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

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

Cheshire West/ Cheshire Community Foundation – The grant was awarded to support a Van for the Ellesmere Port region.

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

Kellogg's

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

DEFRA Packing room grant – DEFRA have provided funding for a pilot packing food in our Trafford warehouse.

CAF Resilience Fund

The CAF Resilience fund has provided a grant for the additional costs of providing support during the Covid crisis.

Lyons Trust

Lyons trust provided funding to purchase additional food to be delivered in the Christmas week.

Purposes of restricted funds (continued)

First Choice Homes

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

Salford families in need – provide funding for to deliver a new hub in Salford (Barton Moss) utilising an existing van.

Hartlepool City Council–providing grant to support and extra bag of food for members

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

Kirklees Council– providing a grant for the opening of hubs and all associated costs (Van , staff , training)

North Tyneside–Kirklees Council are providing a grant for the opening of hubs and all associated costs (Van , staff , training)

Durham HSF–Durham City Council providing Household support funding for fuel vouchers and food

Darlington Winter grant–Darlington Council providing Household support funding for fuel vouchers and food

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

Durham 3 grant–Durham City Council are providing a grant for the opening of more hubs and all associated costs (Van , staff , training)

Sunderland grant–Sunderland City Council are providing a grant for the opening of more hubs and all associated costs (Van , staff , training)

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

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

Tameside fuel vouchers– providing Household support funding for prepaid meter members to have fuel vouchers

Durham fuel vouchers grant–Durham City Council providing Household support funding for prepaid meter members to have fuel vouchers

Durham fuel vouchers HSF2–Durham City Council providing Household support funding for prepaid meter members to have fuel vouchers – second round of funding

Purposes of designated funds

In the 2022 accounts, we set aside £350k as a designated fund to invest in strengthening the charity's infrastructure making it ready for the next stage of growth. The spend is planned over an 18 month period. Food Acquisition and development of low energy meals – £250,000 and Community Resilience and volunteer management – £100,000

- Food Acquisition and development of low energy meals – Each new hub we add requires approximately 0.8 tonnes of food a week. We already have 50 new hubs planned. We plan to grow the number of hubs further and need to be building the industry relationships now to make sure we are growing a supply pipeline. We need to be engaging constantly in industry looking for food and developing new contacts and sources. We need to continue to make sure we make things easy for industry. Unlocking food means we need to do the lifting when incurring logistics costs. We know that there is a lot of untapped surplus ingredients within the UK supply chain that we are not taking advantage of. Couple this with the need from our members to keep cooking as energy efficient as possible to keep it affordable and we have an opportunity to develop a range of low cost meals. Initial conversations with industry manufacturers and experts tells us we have initial support to develop a pilot.
- Community Resilience and Services – In 2023, we would like to develop our engagement with our hub leaders and volunteers.
We have already committed that one of the projects for the SLT to deliver is the development of a hub leaders forum. A space we can engage far more with our hub leaders and learn more about how best to shape services and support. In order to achieve this, we will be investing in a phase 2 project within Microsoft CRM and Field Services. A purpose built volunteer management system with reporting and data integrated within our existing system.

17 Operating and finance lease commitments payable as a lessee

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

	Property		Motor Vehicle	
	2022	2021	2022	2021
	£	£	£	£
Less than one year	42,524	53,528	-	-
One to five years	-	42,524	-	-
	42,524	96,052	-	-

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).