



**magic
breakfast**
fuel for learning

Annual Report and Accounts

2019-2020



“The impact Magic Breakfast has on our kids and their families is so significant. We could never imagine not having it.”

John MacPhie, Forrester High School

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From our chair

This past year has been one of unprecedented challenge due to the Covid-19 pandemic. The lockdowns, school closures and enforced remote working have impacted across the whole of our society, creating stress and worry for everyone. Imagine then, the additional pressures faced by families who have also struggled to keep their children fed. Food insecurity has been the reality for the 2.3 million children in the UK who live in families which have had to compromise on the quality or quantity of the food that they ate, or even to go without altogether during the pandemic.

This is why, when Government announced the necessity for national school closures for the vast majority of pupils, Magic Breakfast focused itself on the task of ensuring that the children in its partner schools continued to benefit from the breakfasts which they rely upon to support their learning. I am very proud of the incredible effort from the whole of the Magic Breakfast team to address this unprecedented task. We were able to rely upon the strong relationships with our network of amazing supporters to organise regular breakfast deliveries to school collection hubs, and even to deliver direct to children's homes where necessary. No child at a Magic Breakfast school has lost their access to their healthy breakfast at the start of their day; despite this pandemic. Access to a Magic Breakfast has continued uninterrupted

both in term time and, for the first time, during the school holidays too. Hunger doesn't take a holiday, especially this year of all years.

This Charity continues in its work with the Department for Education and Family Action to deliver the National School Breakfast Programme (NSBP) in England. As government funding for Phase 1 NSBP schools comes to an end in December 2020, we plan to invite them to partner with Magic Breakfast, and our Board has agreed to deploy some of the Charity's reserves to support this onboarding process in January 2021. We expect this to double the number of schools that Magic Breakfast works with. This planned growth will be a symbolic stepping stone into our five-year strategy; increasing the reach of Magic Breakfast into many more qualifying schools across the UK. It is a fitting way to start our 20th Anniversary year, marking 20 years since the Charity's founder, Carmel McConnell MBE, started delivering breakfast food to 5 schools in London after discovering that pupils there were too hungry to learn.

I would also like to take a moment to highlight the contribution of Alex Cunningham; who will leave Magic Breakfast in late 2020. Over the 12 years which Alex spent with Magic Breakfast, latterly as CEO; he was instrumental in the Charity's growth and assembled a talented and driven team and an impressive network of partners. All of whom



share in our passion to end child morning hunger for good. He leaves with our gratitude, and we wish him well in his future endeavours.

Child food poverty in the UK is growing at an alarming rate, a fact that is at least now on the national news agenda. At Magic Breakfast we offer solutions. With a model that is flexible and scaleable, without judgement or political bias, we continue to work towards our goal that no child in the UK should be too hungry to learn. This year we were able to reach 48,000 children in England and Scotland, and a further 280,000 via the NSBP, with healthy breakfasts to start each school day.

We simply could not continue to support so many children without the generosity and responsiveness of our donors and supporters. Our thanks to

them seems inadequate given the outcomes that we are able to achieve with their support. Children are fed on their arrival at school and their consequent ability to engage with their education puts Magic Breakfast's children on a path in which their chances of success are vastly improved. A heartfelt thank you then to all of our supporters – our appreciation is unbounded and we are pleased to share with you the impact of your support in this difficult time.

Joanne Thompson
Chair of Trustees

Thank you

We could not have made it through this challenging year without our wonderful supporters. From longstanding partners who have continued to be pillars of support, to new funders who have rallied behind us to Keep Breakfast Going, it is thanks to you that thousands of children across the UK have been able to start the school day with a healthy breakfast. Thank you so much for joining us in our mission to ensure no child goes hungry in the morning.

Advent International
AlixPartners
Allan & Gill Gray Philanthropy
Amazon UK
Aniela and Edward Shuckburgh
Ardian Foundation
Arla
AutoTrader
Bank of America
Bert and Aase Sams Trust
CABWI
Carlyle
Cereal Partners UK
CVC
Dishoom
Dragon School
Dunnhumby
Education Endowment Foundation
Erica Wax and Andrew Balls
FatFace Foundation
Igloo Thermo Logistics
Impetus
István Szőke
Kellogg's
Kraft Heinz
Marsh LTD

Merchant Taylors' Company
Merchant Taylors' Foundation
Missoma
Morgan Stanley International Foundation
Morrisons
Nabeel Bhanji and Sahar Meghani
Oliver Wyman
Pearson
People's Postcode Lottery
Phil Davies and family
PJT Partners
Quaker Oats UK
Queen's College Preparatory School
Reynolds
Rob Newlan
Schroders
Sounouyergon Foundation
Spitfire Audio
SUPPER London
The Adobe Foundation
The Angus Lawson Memorial Trust
The Antonio Carluccio Foundation
The Bert and Aase Sams Trust
The Childhood Trust
The Children's Food Trust
The Drapers' Charitable Fund
The Dulverton Trust
The Gigglemug Charitable Trust
The John Armitage Charitable Trust
The John Coates Charitable Trust
The Joron Charitable Trust
The Lehman Brothers Foundation Europe
The Peace Train Foundation
The Permira Foundation
The Taurus Foundation
TJC
Tropicana

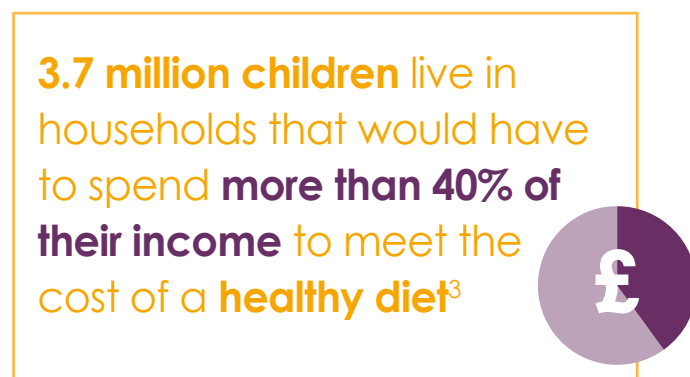


TRUSTEES' ANNUAL REPORT

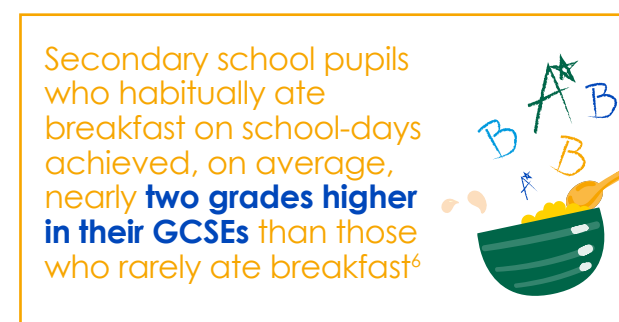
Our aim

Magic Breakfast's aim is to alleviate hunger as a barrier to education through the provision of healthy breakfasts to vulnerable schoolchildren across the UK.

This is being achieved through three key activities: **food aid**, **building capacity** in school communities to reach every child at risk of hunger, and **making the case for change** to ensure permanent funding for school breakfasts.



We know that **education is one of the best routes to enable social mobility**, which is why providing a healthy breakfast to a child who would otherwise be hungry, thus unlocking hours of learning, is so important in terms of increasing that child's potential



1 A Pereira, S Handa and G Holmqvist, "Prevalence and correlations of food insecurity among children across the globe," UNICEF, June, 2017, https://www.unicef-irc.org/publications/pdf/IWP_2017_09.pdf

2 Households Below Average Income, Statistics on the number and percentage of people living in low income households for financial years 1994/95 to 2016/17, Tables 4a and 4b. Department for Work and Pensions, 2018.

3 The Food Foundation. Affordability of the UK's Eatwell Guide, September, 2018, https://foodfoundation.org.uk/wp-content/uploads/2018/09/Affordability-of-the-Eatwell-Guide_Final_Web-Version.pdf

4 Education Policy Institute. 'Education in England: Annual Report 2020,' July, 2020, <https://epi.org.uk/publications-and-research/education-in-england-annual-report-2020/>

5 Education Endowment Foundation. 'Magic Breakfast'. November, 2016, <https://educationendowmentfoundation.org.uk/projects-and-evaluation/projects/magic-breakfast/>

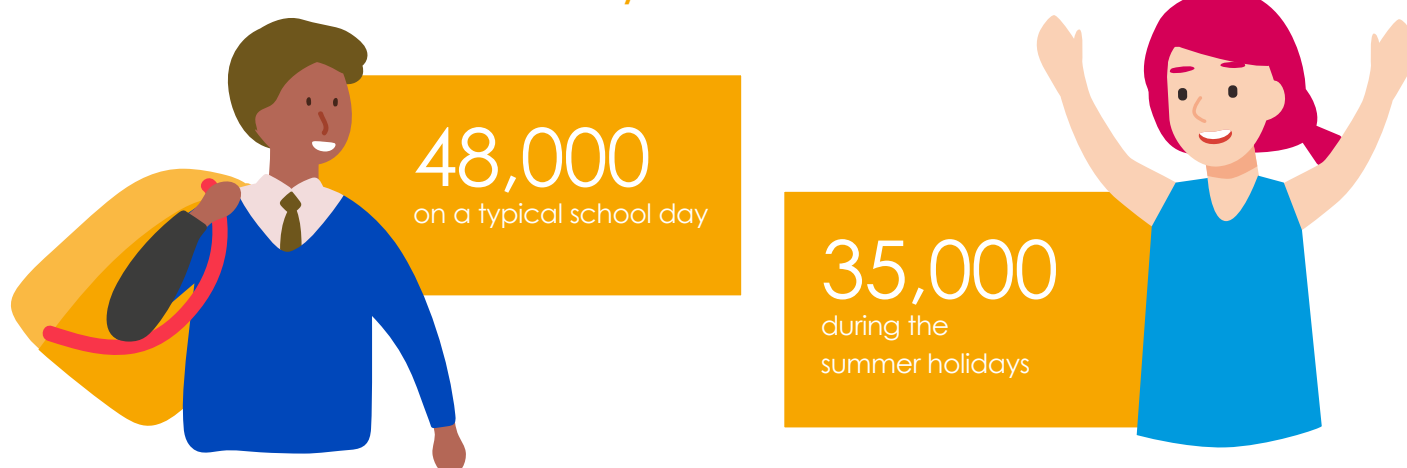
6 Adolphus, K. Lawton, Clare., and Louise Dye. Associations between habitual school-day breakfast consumption frequency and performance in British adolescents. Frontier Public Health, 20 November 2019, <https://www.frontiersin.org/articles/10.3389/fpubh.2019.00283/full>

CHARITABLE OBJECTIVE ONE

Food aid

The provision of healthy breakfasts to schools where children arrive too hungry or malnourished to learn.

Children reached in 2019/2020:



In 2020, Magic Breakfast provided partner schools



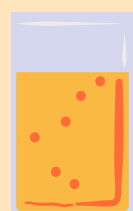
3.5m
bagels



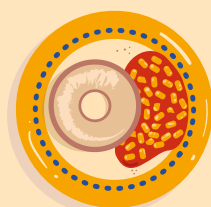
2.2m
bowls of porridge



330k
boxes of cereal



1.4m
glasses of juice



7.4m
servings of beans



3.8m
bowls of milk

CHARITABLE OBJECTIVE TWO

Building capacity

Building capacity within the school communities we work with to ensure that every child in need of a healthy breakfast has access to one and ensure the long-term sustainability of the breakfast provision within each of our partner schools.

What makes the Magic Breakfast model so powerful at reaching all children at risk of hunger, so they can start their day ready to learn, is the tailored support we provide to our partner schools. This support includes the advice of our experienced school partners, who are Magic Breakfast staff members with expert knowledge of school breakfast provision, and resources crafted from Magic Breakfast's twenty years of experience delivering breakfasts to schools. We are continually updating and adapting our resources and advice, to suit the current environment and in consultation with our partner schools. The support and advice we provide to schools covers everything from promotion and targeting to staffing a breakfast provision, with the common thread being to ensure every child at risk of hunger has access to a healthy breakfast at the start of the day, without barrier or stigma.

In providing this advice and support we are creating an environment which embeds breakfast provision as part of the school day and educates all school staff and parents on the benefits of breakfast provision.

Barriers to attendance

Barriers come in many forms; some of the most common barriers that schools experience

when trying to establish their breakfast provision are charging, timing, location, understanding amongst pupils and families and atmosphere of the provision. For example, if a school is only operating a before-school breakfast club in a hall or the canteen, with no breakfast provision for children who arrive ten minutes before the bell, or later, then children who are not able to arrive early will not be reached. These are often the children who are most in need of a breakfast. With the support of Magic Breakfast's School Partners, however, schools can overcome these barriers to attendance with innovative approaches, from breakfast monitors to playground bagel huts.

Reducing stigma

Key to an inclusive breakfast provision that enables all children at risk of hunger equal access is the removal of stigma. To reduce stigma Magic Breakfast works with schools to implement models of breakfast provision which are universal, such as classroom provision where any child can access

"I like being a bagel monitor because it's nice to know that some children don't get a breakfast and they do because of the bagels. And they can socialise. And it helps with their learning when they are full."

Pupil, Magic Breakfast partner school



‘Each class has access to ‘grab a bagel’ as they arrive in school each day. In this way we know each child is starting the day well fed. There is no stigma to accessing the service. Everyone knows it is an amazing part of our school. We share information about the service at enrolment and regularly in all parental communications. In this way, parents are able to know they have access to this service if they need it.’

Teacher, Magic Breakfast partner school

their breakfast without question when they arrive at their classroom. With breakfast being embedded into the school day as something normal and positive, no child will stand out as being at risk of hunger.

Even when a free breakfast is offered to all children, misunderstandings, stigma and additional barriers can persist. A school must put in hard work, supported by expert guidance from Magic Breakfast's School Partners, to ensure a genuine school breakfast culture is in place that all parents and children understand and feel happy to access.

More than just FSM

Magic Breakfast has always focused on ‘children at risk of hunger’ which we know is more than just those on Free School Meals (FSM). Our schools tell us that some of the children they are most concerned about are from families who are struggling, but who find themselves just above the



benefits threshold and whose families have no recourse to public funds.

As part of ensuring schools target all children at risk of hunger, a core aspect of the School Partner's role is providing advice on how to identify these children – this could include staff and teacher surveys and educating staff about the types of indicators relating to children's home circumstances that would point towards children most likely to be at risk of hunger.

The need for an inclusive, non means-tested approach to breakfast provision was shown to be crucial in the Covid-19 environment with many families finding themselves in vulnerable positions who had never experienced this need before. The inclusiveness of the Magic Breakfast model meant we were able to support families in their moment of need without waiting for benefit claims or paperwork, demonstrating the importance of this approach.

“One family has five children attending our school and their Dad works as a driver and his work has been unstable throughout lockdown. They are not eligible for benefits as Dad is self-employed and is still waiting for his self-employed grant payment. Breakfast has been a lifesaver.”

Teacher, Magic Breakfast partner school

CHARITABLE OBJECTIVE THREE

Making the case for change

We campaign for sustainable long-term funding to support school breakfasts in the most deprived areas, including educating the public at large about the importance of a healthy breakfast.

This year Magic Breakfast continued to campaign for a permanent solution to child morning hunger, starting the year with our #FUELTHEIRFUTURE campaign. As part of this campaign we held a policy round-table at Westminster with key political advisors, Members of Parliament (MPs) and stakeholders, to discuss free school breakfast legislation. This coincided with the launch of our policy report, “Making the Case for School Breakfasts”, which provides an extensive overview of proposed school breakfast legislation in England and how it can be implemented.

We also engaged our partner schools in the campaign, with over 1,000 children across England writing postcards to The Prime Minister, telling him what they love about their school breakfast provision and why they need it.

This campaign was crucial in helping to secure commitment within the Labour party manifesto to “encouraging” school breakfast clubs and helped us to gain an additional year of Government funding for school breakfasts in England.

Magic Breakfast has also been working with Feeding Britain and Emma Lewell-Buck MP on a School Breakfast Bill. The Bill would guarantee all schools with high levels of disadvantage the support they need to provide a free school breakfast to children, including funding to cover the costs of food, deliveries and staffing. This Bill was due to be read in parliament in April 2020; unfortunately, due to Covid-19 this was rescheduled to October. This additional time has allowed us to engage more MPs across the political spectrum with the Bill.

As Covid-19 shone a spotlight on the issue of food insecurity in this country, Magic Breakfast used this

leverage to highlight the issue of child morning hunger and school breakfasts as a solution to the problem. As part of raising awareness of the issue, we commissioned a YouGov survey, supported by our food and delivery partners, Arla, Heinz, Kellogg's and New York Bakery Co., which found:

78% of teachers surveyed from schools of above average levels of deprivation were concerned about the impact of child hunger on children's ability to catch up on learning lost as a result of the pandemic.

86% of teachers surveyed supported a nationwide programme to ensure children at risk of hunger have access to a free breakfast during the school term.

These findings were used to bring to the attention of parliamentarians the need for school breakfast legislation, including via a letter to the Minister for Children and Families, Vicky Ford, and the Secretary of State for Education, Gavin Williamson.

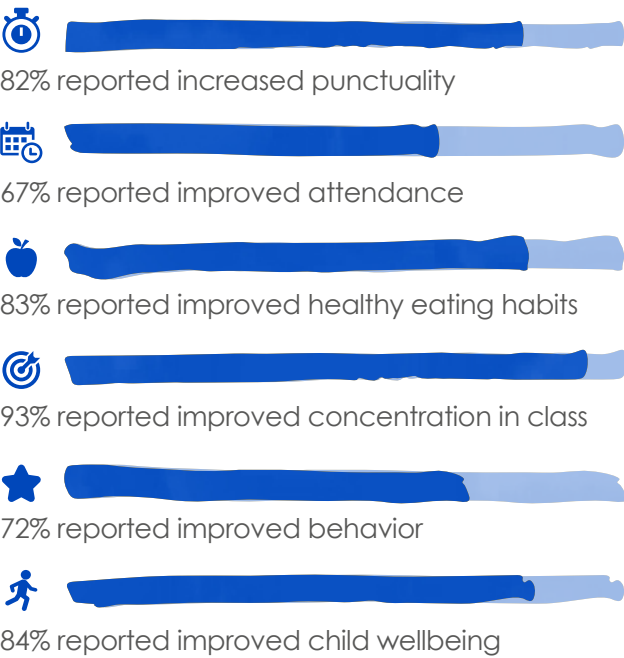
Magic Breakfast has also been investing in its communications team this year in order to raise awareness of child hunger and school breakfast as part of the solution. To this end, we were fortunate to have support from a number of celebrities in 2019/20 who helped us to spread our message including: James Corden, Dele Alli, Jennifer Saunders, Russell Tovey, Yusuf/Cat Stevens, Danyl Johnson, and Gary Lineker.

We are so grateful to all our supporters who helped us to raise awareness of this serious issue; with your support we can end child hunger, for good.

Update: The National School Breakfast Programme

The National School Breakfast Programme (NSBP), funded by the Department for Education (DfE) and delivered by Magic Breakfast, in partnership with charity Family Action, was launched in March 2018 and reached over 280,000 pupils in 1,800 partner schools in 2019/20.

The Programme has had many positive impacts for pupils in NSBP schools, with Head Teachers reporting improvements in both pupils' wellbeing and the classroom environment.



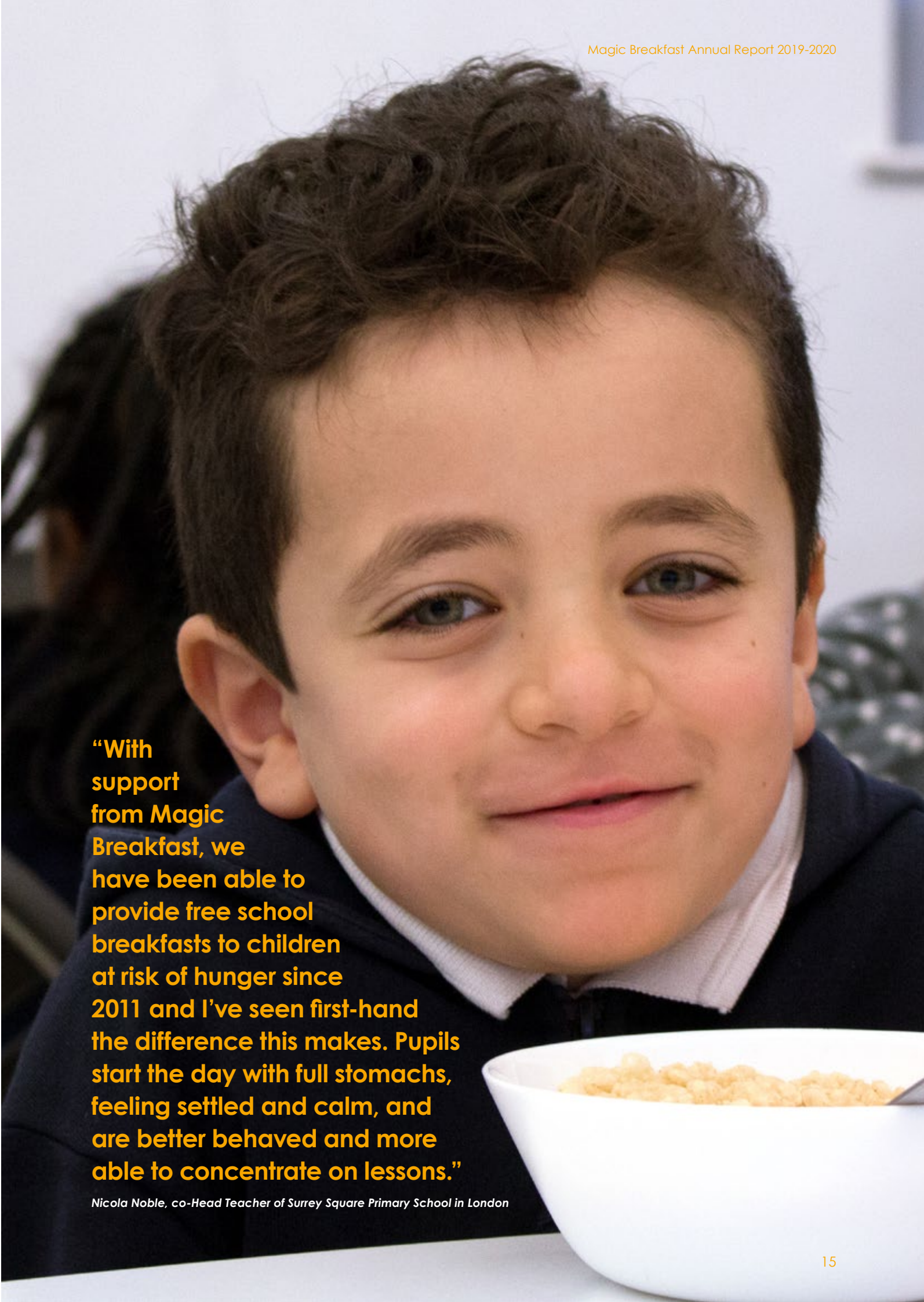
*These figures are drawn from between 342-349 Head Teachers who responded to each question as part of a Programme-wide survey.

“I have noticed increased engagement in early morning learning and that there are a greater percentage of children arriving punctually (closer to 8.30), which means they are increasingly ready to learn come 9am. Also, behaviour and willingness to contribute answers in lessons, and children not looking tired with sloped body language at tables, have also improved.”

Year 5 Teacher, Marine Academy, NSBP partner school

Due to the success of the Programme in reaching children at risk of hunger and the clear positive impacts of school breakfast provision for these pupils, the DfE extended the initial programme, due to end in March 2020, until March 2021. This extension included extending support for the initial 1,800 schools until December 2020, as well as recruiting up to 650 new schools by Autumn 2020. In light of Covid-19, and the immense strain schools are currently under, these 650 schools will receive scaled-back school partner support and the focus on the programme will be on providing food aid to help support schools to reach pupils at risk of hunger at the start of the day.

As the Programme comes to an end, Magic Breakfast and Family Action will be working with the DfE to highlight the significant impact of the programme for hundreds of thousands of children throughout England and sharing with them lessons for future Government-funded breakfast provision. In recognition of the achievements of our partnership in delivering the National School Breakfast Programme, we were very pleased to share with Family Action, the Third Sector Award for Charity Partnership of the Year in 2019.



“With support from Magic Breakfast, we have been able to provide free school breakfasts to children at risk of hunger since 2011 and I’ve seen first-hand the difference this makes. Pupils start the day with full stomachs, feeling settled and calm, and are better behaved and more able to concentrate on lessons.”

Nicola Noble, co-Head Teacher of Surrey Square Primary School in London

Achievements 2019/20

“The lockdown has really affected my family and children’s wellbeing and education. It has also affected my financial circumstances. Magic Breakfast is really helping us.”

Parent, Magic Breakfast partner school

477
schools

partnered with
Magic Breakfast
in 2019/20

Key

🏫 number of Magic Breakfast partner schools in region

💷 number of children living in poverty after housing costs*

West Midlands

🏫 59
💷 34%

South West

🏫 27
💷 25%

Scotland

🏫 39
💷 24%

North East

🏫 9
💷 35%

North West

🏫 77
💷 32%

Yorkshire and Humber

🏫 47
💷 32%

East Midlands

🏫 15
💷 26%

East of England

🏫 10
💷 27%

London

🏫 171
💷 39%

South East

🏫 23
💷 25%

*End Child Poverty. March 2020, <https://www.endchildpoverty.org.uk/child-poverty-in-your-area-201415-201819/>

Jack's story*

Written by a teacher in a Magic Breakfast partner school

Jack is one of our Year 6 pupils and comes from a family experiencing severe financial hardship. His parents do not engage with the school and the child was one of our persistent absentees, often arriving late eating sweets. He found school difficult, finding it hard to make friends.

We encouraged him to come along to breakfast club and even started a special Year 6 group to help him make friends. He initially attended one day here and there but was consistently reminded the provision was always available to him. His parents were also informed of the benefits of attending including healthy eating habits, a punctual start to the school day, booster classes on offer and the social aspect.

Slowly his attendance increased at breakfast club and through it he now has a secure friendship group. He is currently attending every day and hasn't had a day off school or been late for the past several months. The club supported him in eating a healthy breakfast (no longer arriving with sweets) and provided extra support to prepare for his SATs so he was ready to do his best.



*name changed to protect family's identity

Covid-19 response

1.9 million children

experienced food insecurity in the first six months of the pandemic. This includes: 1.1 million children not having balanced meals, 370,000 children not having enough to eat, and 400,000 children having skipped meals⁷

By the time pupils returned to school in September 2020, those from the lowest-income bracket would have had, on average,

3 weeks less learning time

than their wealthier peers⁸

An estimated

200,000 more children

are predicted to enter poverty as a result of the pandemic⁹

900,000 more children

became eligible for means tested Free School Meals as a result of the Covid-19 pandemic, an increase of 70%¹⁰



to receive deliveries and encouraged schools to send any surplus breakfast food on-site home with vulnerable pupils at the time of closure. Some schools continued to offer breakfast to those pupils still attending while others allowed families to collect breakfast food packs from the school, in a socially distanced way, or offered a home delivery service via their school network.

To help facilitate home deliveries, schools also used volunteers where needed. Magic Breakfast worked with SpareHand, an online volunteer platform, which allowed schools to link with volunteers in their area.

By May 2020, Amazon UK were supporting us to deliver food directly to children's doors. This was particularly helpful for those schools that were closed or had limited resources to support food distribution.

We also ensured we could continue to provide breakfast throughout the Easter, May half-term and Summer holidays, recognising that this year families needed our help more than ever.



Covid-19 delivery model

During Covid-19, with schools closed or only open to the children of essential workers and vulnerable pupils, Magic Breakfast had to quickly adapt its school-based delivery model in order to continue reaching all children at risk of hunger with a healthy breakfast.

From Week One of school closures, Magic Breakfast continued to deliver breakfast food to schools which were open and able

24,000 children

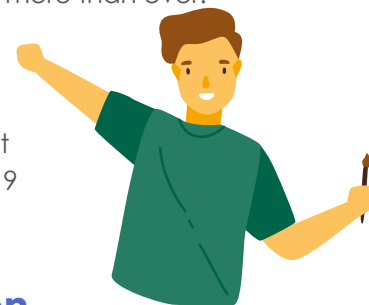
received Magic Breakfast food during 2020 Covid-19 school closures

35,000 children

received Magic Breakfast food during 2020 Summer holidays

Over a million breakfasts

were delivered by Amazon UK to children are risk of hunger during Covid-19 school closures and summer holidays 2020



St Bride's RC Primary School, Scotland

St Bride's RC Primary in Fife is situated in an area of disadvantage with 95% of pupils on roll living in areas of high deprivation. Prior to Covid-19, the school had a thriving free breakfast club targeted at children at risk of hunger and over half their roll attended breakfast club in the school's dining hall before class.

When Covid-19 forced schools to close at the end of March, Head Teacher Jo-Anne Angel knew that continuing to get healthy breakfast foods to her pupils was crucial to their wellbeing and long-term educational outcomes. With the support of Magic Breakfast, and all our partners, St Bride's RC Primary was able to keep breakfast going for 60 of their pupils during school closures. School staff worked tirelessly to ensure that all families knew about the provision and that the most vulnerable were being reached with a nutritious breakfast to start their day. The school staff hand-delivered breakfast food packs to pupils' doors every fortnight which gave them another opportunity to check in with their most vulnerable families.

The school also made sure the provision was available to all those in need over the summer holidays by using the Amazon UK home delivery service, giving school staff a much-deserved break.

When asked about the impact of Covid-19 on the school community Mrs Angel noted that she believed that poverty and child hunger had increased in the school as a result of the pandemic.

Mrs Angel further commented: "There has definitely been an increase in individual circumstances at my own school where some families are really struggling. I think the economic crisis [with the impact on jobs and income] is a big factor. We see the effects in the



classroom – lack of focus and concentration, children struggling to stay on task and general tiredness. It will also increase the poverty related attainment gap as well."

Speaking on the importance of breakfast for pupils she said: "We need to ensure that, when they arrive at school, children are equipped and ready to learn."

With this in mind, when pupils returned to school in August 2020 the priority was to make breakfast available again to all children. By September the school was able to open socially distanced breakfast provisions – including classroom and playground provisions – allowing 120 children on roll to receive a breakfast without stigma. For those unable to attend school Mrs Angel continued to use the Amazon home delivery service when necessary.

Ms Angel added: "The expectation going forward is that the situation will get worse when the furlough scheme ends. I think it's really important that schemes like the Magic Breakfast are embedded within schools around Scotland."

"Hunger prevents children from achieving their aspiration and fulfilling their capabilities."

Jo-Anne Angel, Head Teacher at St Bride's RC Primary

7 The Food Foundation. "The Impact of Coronavirus on Children's Food." September, 2020, <https://foodfoundation.org.uk/new-food-foundation-data-sept-2020/>

8 Institute for Fiscal Studies. Learning during the lockdown: real-time data on children's experiences during home learning. May 2020, <https://www.ifs.org.uk/uploads/BN288-Learning-during-the-lockdown-1.pdf>

9 The Progressive Policy Think Tank. "1.1 more people face poverty at the end of 2020 as a result of the Coronavirus pandemic, says IPPR", June 2020, <https://www.ippr.org/news-and-media/press-releases/1-1-million-more-people-face-poverty-at-end-of-2020-as-a-result-of-coronavirus-pandemic-finds-ippr>

10 Food Foundation. "Demand for Free School Meals rises sharply as the economic impact of Covid-19 on families bites," September, 2020, <https://foodfoundation.org.uk/demand-for-free-school-meals-rises-sharply-as-the-economic-impact-of-covid-19-on-families-bites/>



Reflections

Magic Breakfast is very proud of everything we have been able to achieve for children at risk of hunger this year despite the unprecedented environment.

This year Magic Breakfast was able to Keep Breakfast Going for tens of thousands of children even with schools closed from March to August in response to the Covid-19 pandemic. These closures forced us to adapt our school-based delivery model for both Magic Breakfast and National School Breakfast Programme (NSBP) partner schools. We were able to do this quickly, which reflects the dedication and flexibility of our team, suppliers and supporters, and the agility of our model.

To ensure we could continue to reach as many children as possible in this unprecedented time, we were also aware of the need to protect our fundraising from Covid-19 related income shocks. As part of this we launched the emergency appeal, 'Keeping Breakfast Going' which, by September 2020, has raised £1,000,000. This fundraising campaign has been crucial for the charity as, like many third sector organisations, significant areas of our income were cut off as a result of the pandemic. This included fundraising events being cancelled and support which we normally receive from the hospitality industry stalling.

This year, for the first time, we also continued to provide breakfast foods for pupils in all our schools during holiday periods including Easter, May half-term and Summer holidays. This decision was made as we knew children and families needed our support more than ever. Providing breakfast food to families during the holidays has allowed us to test different models of delivery, understand the cost of this provision and garner feedback from our

partner schools on what works to reach children at risk of hunger. These lessons will be key to developing a formalised approach to holiday breakfast provision in future years, ensuring holiday hunger does not prevent a child from reaching their full potential.

Alongside our usual work with schools, we have continued to campaign for a long-term solution to child hunger in the morning. This work has accelerated in the past year following the appointment of a Head of Policy and Campaigns in May 2019. This year we have engaged more MPs with the issue of child hunger in the morning, and school breakfasts as a solution to this problem. We have done this through various methods including a Westminster round-table, releasing a policy report, visits by MPs to partner schools and the School Breakfast Bill.

Although we anticipated increasing the number of schools we partner with this year, these plans were affected by the pandemic. The initial phase of the NSBP was extended until December 2020, to ensure these schools received as much of the full programme of support as possible, despite the disruption caused by school closures. As a result, we did not begin offering schools from the Programme our support for post-NSBP, as planned.

We are extremely proud of the resilience the Charity has shown in the face of the pandemic and that we have been able to continue supporting children at risk of hunger at a time of increased vulnerability and need for families. Thank you to everyone for your support!



Future plans

Over the next five years Magic Breakfast has a clear strategy to not only reach as many children at risk of hunger as possible with a healthy school breakfast, but also to safeguard the future of this provision.

As part of this we aim to significantly expand our support to schools in areas of high disadvantage. The first phase of this expansion is to act as a support lifeline for schools leaving the National School Breakfast Programme (NSBP), to ensure they can continue their vital work of safeguarding thousands of children against morning hunger. This is why, in the 2020/21 school year, we will be onboarding up to 700 partner schools from the NSBP.

We will also build on our work in the holiday provision space, looking at how we can support our partner schools to address holiday hunger and the negative impacts it has for pupils' educational attainment and wellbeing. To do this, we are working with funders to pilot holiday provision schemes in order to understand the impacts of them for pupils, schools and families, and the most effective methods of delivery.

We are also increasing our efforts to protect the future of school breakfast provision by building a compelling and well-evidenced case for a Government-led national funding solution. Alongside continued campaigning amongst Westminster MPs and beginning the year with the first reading of our School Breakfast Bill, we will

also be expanding our focus to Scotland. We will be developing a policy position for Scotland and working to influence local Government, Members of the Scottish Parliament and other key stakeholders on the importance of school breakfast provision.

Magic Breakfast will also be establishing a grassroots campaigner base, empowering a group of young people with lived experiences of hunger as a barrier to learning to advocate for school breakfasts to decision makers and influencers.

Key to delivering these aims is maintaining a strong organisation that is able to operate responsibly, effectively and efficiently. As such, Magic Breakfast will continue to invest in its systems and people – with a focus in the coming year on our logistics, administration and finance functions, to ensure the smooth onboarding of up to 750 new partner schools.

As the Covid-19 pandemic continues to create uncertainties, we expect it is likely to disrupt plans. However, we will continue to be resilient, flexible and solution-orientated with children at risk of hunger at the centre of all we do.

“Key to delivering these aims is maintaining a strong organisation that is able to operate responsibly, effectively and efficiently.”

Magic Breakfast

Environment

It is clear, in the environment that we are currently operating in, that now, more than ever, we must deliver on our mission: to end child morning hunger in the UK now and for good.

As a result of the pandemic in the UK, more children are living in poverty, more children are experiencing food insecurity, more are relying on food banks and the number of children entitled to FSM has risen by 900,000. Given this, we know that within our current partner schools the need for a healthy breakfast at the start of the day is going to be greater and we are prepared to continue to support schools with as much breakfast food as they need to reach children at risk of hunger during this time of crisis.

We also know that many schools continue to find themselves in a difficult position as the Covid-19 pandemic has resulted in even greater budget constraints. Prior to the pandemic schools were telling us that they were struggling to cover their costs within their budgets. This has been exacerbated by the crisis as schools face increased costs in order to provide a safe environment for pupils and staff, and respond to the increased mental, social and educational needs of pupils in the aftermath of school closures.

We are also conscious of the long-term impact that the pandemic is likely to have on charitable spending. Thanks to our diversified pipeline and the generosity of our supporters we have been able to maintain a robust income stream this year and will continue to monitor closely changes in our income over the coming year. Key to ensuring we are able to predict future income effectively is donor stewardship, and investment in our fundraising team has ensured we are able to steward donors appropriately.

Our ability to maintain a strong income stream in 2019/20 was also bolstered by the spotlight that has been shone on food insecurity in this country. Campaigns, such as that spearheaded by footballer Marcus Rashford, have brought to the attention of the public the issue of child



hunger in this country. This is key to not only bringing about support for vulnerable families here and now, but is also key to influencing Government policy.

This year we will also continue to keep an eye on Brexit and any further Covid-19 restrictions that may cause issues with our food supply chains. However, as we have grown and diversified the number of food and delivery partners we work with over the past year, we are confident that we can absorb any shocks to food supply, continuing to provide healthy breakfast foods to our partner schools.

Statement of public benefit

The Board of Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

All activities of the Charity, in line with the charitable objectives, are focused towards eradicating hunger in the morning and the alleviation of food poverty for schoolchildren in this country. The Charity actively takes a non-stigmatising approach in its work to make sure it can be accessed by all who need it.

As described in this report, this is achieved through the provision of healthy breakfasts and expert support to partner schools to help them

reach the most vulnerable children, engaging the whole school community in understanding the importance of eating a healthy breakfast every day, and putting in place a provision that is sustainable for the future.

More information on the purpose of the charity and main activities undertaken in relation to that purpose, as well as the public benefit created by the Charity's work, can be found under Aim on pages 8-9 and Objectives, pages 10-15.

The achievements of the Charity and its impact on beneficiaries, as well as its plans for the future, are outlined under Objectives on pages 10-15, Achievements on pages 16-19 and Future Plans on page 22.



Trustees and advisors

Trustees

Joanne Thompson, Chair of the Board of Trustees
 Phil Davies
 Andrienne d'Arenberg (appointed 25 September 2020)
 Mark Fox (appointed 25 September 2020)
 Michael Honan (appointed 17 September 2019)
 Alison Inglis-Jones
 Richard Lackmann (appointed 25 September 2020)
 John McIvor (resigned 24 June 2020)
 Nicola Noble (re-appointed 27 October 2019)
 Aniela Shuckburgh
 Paula Smith
 Emma West (appointed 17 September 2019)
 Varsha Venugopal

Company registered number

04977015

Charity registered numbers

1102510 and SC048202

Registered office

190 High Holborn
 London, WC1V 7BH

Principal operating office

Saint Magnus House
 3 Lower Thames Street
 London, EC3R 6HD

Senior management team

Alex Cunningham, Chief Executive Officer (CEO) (resigned 26 February 2021)
 Antony Kildare, Interim CEO (appointed 11 January 2021)
 Rachael Anderson, Head of Delivery (Schools)
 Sophia Dettmer, Head of Communications
 Derek Morgan, Chief Operating Officer (COO)
 Alys Remtulla, Head of Policy and Campaigns
 Emily Wilkie, Head of Fundraising

Founder

Carmel McConnell MBE

Website

magicbreakfast.com

Independent auditors

MHA MacIntyre Hudson
 6th Floor
 2 London Wall Place
 London
 EC2Y 5AU

Bankers

The Royal Bank of Scotland
 189-191 Camden High Street
 London
 NW1 7BP

Metro Bank PLC
 One Southampton Row
 London
 WC1B 5HA

Company information

a. Company status

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

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

There have been no changes in the Charity's objectives or governing document since the last annual report.

b. Structure, governance and management

Structure

Founded in 2001 by Carmel McConnell, as a result of research for the Pearson title *Change Activist*, Magic Breakfast is a charitable company dedicated to ensuring every child starts their school day with a healthy breakfast as fuel for learning. The company incorporated in November 2003 and was awarded charitable status in March 2004.

Governance

The decision-making body of the Charity is the Board of Trustees, who are responsible for the governance of the Charity and ensuring it pursues its charitable purpose. The trustees, who are also directors of the company for company law purposes, are recorded on page 25.

Magic Breakfast is a registered charity as well as a company limited by guarantee with no share capital and trustees have no personal interest in the company.

The Trustee board collectively meets quarterly and regularly within sub-committees to ensure good governance, with consideration to the Charity Governance Code, and to provide guidance for the Charity. There are six board sub-committees: Fundraising Committee, Finance, Operations and People Committee, Schools Committee, Policy and Campaigns Committee, Governance Committee and Communications Committee, whose purpose are set out in their terms of reference. These sub-committees meet between board meetings, and as required, and are made up of at least two trustees and one staff member. This structure remained in place throughout the Covid-19 pandemic.

Changes to the Board

During the financial year there were some changes to the Board, with one resignation and two appointments. There were three additional appointments subsequent to the financial year-end as detailed on page 25. We are pleased to have a full board with a broad range of skill sets.

Day-to-day management

The Trustees delegate the day-to-day management of the Charity to the CEO who provides the strategic direction and works with the Senior Management Team (SMT), made up of the COO, Head of Fundraising, Head of Communications, Head of Policy and Campaigns and Head of Delivery. This team oversee the day-to-day operational activities of the Charity.

Staffing

During this financial year the average number of staff employed by the Charity increased significantly with 42 persons employed (2019: 31).

Part of this increase was planned expansion in the communications and policy teams. In placing more resources in these teams, we can more quickly achieve our aim of no child too hungry to learn. We also increased resource in our logistics and administration team so we could continue to provide a robust service to our partner schools throughout the pandemic. Routine expansion of the fundraising team also occurred this year in order to continue providing strong stewardship for our donors and to support the diversification of our supporters to increase the resilience of the Charity to income shocks.

Magic Breakfast is very lucky to have in place a dynamic and passionate team, who strive for a collaborative, efficient and transparent working environment.

c. Method of appointment or election of Board of Trustees

The management of the charitable company is the responsibility of the Magic Breakfast Board of Trustees who are elected and co-opted under the terms of the Articles of Association. Reviews are held periodically to identify any expertise gaps and appointments are made, where required, to strengthen the Board. The most recent full review was during the 2018/19 financial year.

When an appointment to the Board is required, a role profile is drawn up that highlights the skills

needed. To advertise the role, the Board will circulate the profile within their relevant networks, alongside a public advertisement placed in appropriate channels. Interviews are then held with shortlisted applicants by the Chair of the Trustees and another member of the Board.

Prospective trustees are reviewed by existing board members through a series of one-to-one interviews with members of the Board and based on their recommendations are then invited to observe a board meeting. Following this, on the provision that the Board are satisfied and the applicant still wishes to become a trustee, they will be appointed.

d. Policies adopted for the induction and training of the Board of Trustees

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

e. Magic Outcomes Limited

Magic Breakfast wholly owns Magic Outcomes Limited which is presently used by the Charity for licensing our brand. Magic Outcomes did trade during the year under review and transactions totalled £11,355 (2019: <£1,000). See Note 13 for more information on Magic Outcomes trading activities.

Financial review

In the financial year 2019/20, the charity made a surplus of £924,085 (2019: £354,543) and saw an increase in the income raised from £3,527,793 to £5,742,820. Together with the accumulated surplus from previous years, Magic Breakfast has an accumulated surplus of unrestricted funds of £3,513,827 (2019: £2,329,644).

The decision to maintain a surplus at the outset of the 2019/20 financial year was primarily made to prepare for the end of the NSBP in March 2020. The Charity had planned to offer support packages to these schools when funding ended, however, an extension was secured to support these schools until the end of the 19/20 academic year. It was decided to carry forward this surplus to maintain our intention to support these schools once funding ended. Due to the pandemic, the Department for Education extended the programme further until end of December 2020 as a response to school closures. As a result, Magic Breakfast did not onboard any schools from the NSBP in the 2019/20 year and these plans were pushed back to the following year. In November 2020 we have now begun this onboarding process and Magic Breakfast anticipates a significant increase in costs to support these schools and anticipates the surplus to be drawn down over the coming year.

In order to mitigate lost income encountered by the Charity as a result of the pandemic, like that from cancelled events or donations from the struggling hospitality industry, Magic Breakfast launched the 'Keeping Breakfast Going' appeal. This appeal exceeded all expectations (partly due to the spotlight cast upon child hunger in the UK by campaigners such as Marcus Rashford) and raised £1,000,000 for the Charity. As this income was unexpected and raised in the latter half of the financial year this contributed to ending the financial year on a surplus. The income raised through this appeal helped to mitigate any financial loss this year and will also help support us to continue delivering breakfast provision as the pandemic continues to disrupt

education settings this year. Expenditure also increased in the 2019/20 financial year. This was significantly impacted by the pandemic which lead to increased food and delivery costs on a per child basis as food had to be individualised for children to eat at home. However, the impact of this on expenditure was less significant than anticipated due to the number of gift in kind donations we received, as well as fewer children accessing the support during school closures as school staff faced the barrier of getting food to families' homes. Food and delivery costs were also higher than usual as in previous years we have only provided term-time support to schools, however, this year we continued to provide food aid through Easter, May half-term and Summer holidays – recognising the increased need for our support. Expenditure also increased this year due to increased staffing as we prepare to support more schools this coming year.

Restricted funds carried forward as at 31 August 2020 amount to a negative balance of £173,125 (2019: £86,974). This is due to a timing difference on expenditure and receipt of funds for a grant where funds were received after the financial year end. Any other restricted funds with positive balances will be spent in accordance with our supporters' wishes and within the funding period agreed.

a. Fundraising activities and income generation

During the year Magic Breakfast's income increased from £3,527,793 in 2018/19 to £5,742,820 in 2019/20. The reason for this significant growth was primarily due to the success of our 'Keeping Breakfast Going' appeal as well as increased capacity in the fundraising team.

With the establishment of a major donor team, as part of our focus on individual donor stewardship, the Charity was able to use this capacity to increase our major gifts over the year.

We were also able to significantly increase our donated goods and services from a number

of current and new partners. This is hugely due to the investment over the last two years in our corporate fundraising team which has enabled us to maximise the opportunities of our current donors. As part of this we have been able to unlock the unique assets of supporting organisations, whether this be communications support to share the message of child hunger in the morning or breakfast foods for children. We have also been able to build connections through these organisations to others.

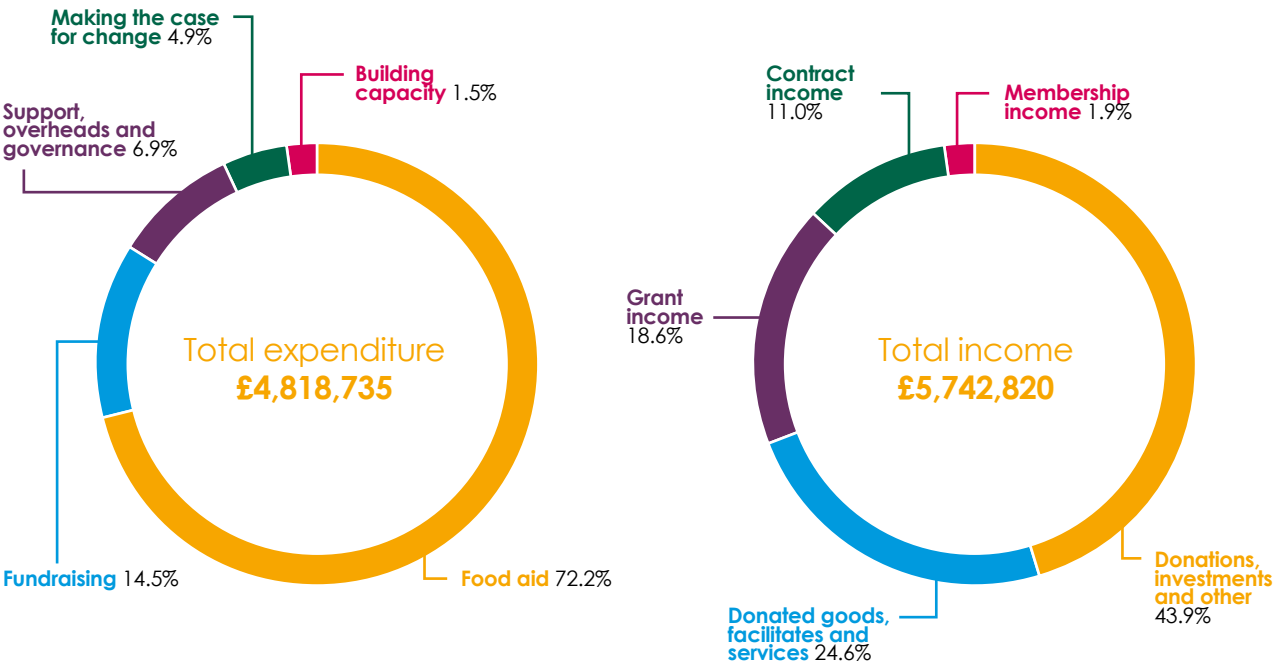
Furthermore, investment in our schools' team in the previous financial year meant we were able to increase membership income over the past financial year. Due to the pandemic it is uncertain as to the level of income this will garner in coming years as a result of the financial strain schools are under. Membership income remains a small percentage of our overall income.

As part of delivering the National School Breakfast Programme the Charity continues to receive contract funding from the Department for Education. This Programme was delivered

throughout 2019/20 with support from Magic Breakfast staff and we will continue to receive funding for this project in the 2020/21 financial year.

Due to the Covid-19 pandemic, Magic Breakfast is monitoring its fundraising strategy closely. Although the 'Keeping Breakfast Going' appeal was extremely successful, and the money raised from this will be integral for mitigating ongoing lost income during the pandemic, we expect that the current economic recession will have long-term impacts for the fundraising sector. Given this, we are focusing on ensuring we maintain strong relationships with current donors, in order to pre-empt any future loss of income and are focusing on sources of funding less impacted by the pandemic, such as Trust and Foundations, for support. We are also investing in our digital fundraising strategy which has shown to be a resilient source of income.

The breakdown of income and expenditure for the year 2019/20 can be seen below:



Fundraising compliance

During 2019/20, the Charity paid due regard to its fundraising practices in line with the guidelines set out by the Fundraising Regulator's Fundraising Code of Practice, the General Data Protection Regulation (GDPR), the Charities Act and the Charities (Protection and Social Investment) Act. The Charity is registered with the Fundraising Regulator and is committed to being an open, fair and respectful fundraiser.

The Charity establishes Commercial Participatory Agreements with its commercial participators to ensure they comply with the Fundraising Code of Practice and these are monitored by the Charity. The Charity does not engage professional fundraisers to raise funds on its behalf and direct marketing and fundraising is only undertaken where prior consent has been obtained and complies with GDPR, the Fundraising Code of Practice, the Charities Act and the Charities (Protection and Social investment) Act.

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

b. Reserves and investment reserves policy

The Board of Trustees aims to maintain a level of unrestricted reserves which equates to six months of future running costs at the year end. The target for reserves held was £2.4 million.

The Charity has adopted the policy to hold six months reserves to mitigate cash flow risks and allow for any remedial actions to be adopted in a timely manner should cash levels begin to drop significantly. When a significant change in income/ expenditure is known and provides a potential risk to future cash flow, the Charity may choose to build up a level of reserves above six months to allow these changes to be absorbed.

At the year end, the charity held £3,513,827 (2019: £2,329,644) in unrestricted reserves, the equivalent to over seven months of future running costs. The decision to build a surplus was made in order to be able to provide a strong support package to schools at the end of the NSBP – which was extended to December 2020. Furthermore, the

Charity is preparing for future shocks to its income which may come from the Covid-19 pandemic and consequent economic recession, as well as increased costs of providing breakfast to pupils at home in the event that schools are required to close, as they were from March to August 2020.

Material investment policy

Due to the nature of Magic Breakfast's charitable work, it had been considered that the most appropriate policy is to hold surplus funds in a bank deposit, with the exception of £34,009 allotted as shares in the subsidiary organisation, Magic Outcomes Limited.

c. Risk control, principal risks and uncertainties

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

The Charity has a risk management policy in place which outlines its approach to risk management and processes. To support the identification, management and mitigation of risks in a timely manner, the SMT maintain a risk register for their area of responsibility and the CEO maintains an over-arching organisation risk register. Each department's risk register is reviewed in the appropriate Trustee Sub-Committee and the full organisation risk-register is reviewed by the Governance Committee with a report submitted to the main Trustee Board.

With the principal risks being financial, financial performance is monitored against an annual budget and monthly management information on the Charity's financial position is produced to inform any decisions that will impact the Charity's financial position. This management information is reviewed monthly by the SMT. A quarterly

review is held by the Finance, Operations and People sub-committee. In addition, forecasting is undertaken and updated throughout the year to reflect changes which impact on income and expenditure.

Due to the Covid-19 pandemic and the potential risk this has for the Charity's income, operations and staff, this is now one of the Charity's principal risks. Throughout the pandemic, the Head of Fundraising and Chief Operations Officer have provided weekly updates to Senior Management and where appropriate these updates were escalated to the Board to ensure a robust monitoring of the impact of the crisis for the Charity. The Charity also diversified its food suppliers and delivery partners during the financial year as part of a routine review, however this will also help to mitigate any food shortages or delivery issues resulting from the ongoing pandemic. Weekly monitoring of the impacts of Covid-19 for the Charity continues in the 2020/21 financial year.

The onboarding of up to 750 schools from the NSBP and the associated rapid organisational growth continues to be a financial and reputational risk for the Charity. Due to the financial difficulty that many schools are in, alongside a significant increase in child hunger, Magic Breakfast is aware of the increased financial support schools may need in the coming year/s in order to be able to deliver a hunger-focused breakfast provision. Magic Breakfast continually consults with partner school to understand their circumstances and this allows the Charity to pre-empt any rise in expenditure on charitable activities. Furthermore, Magic Breakfast recently undertook a review of its supply chain in order to ensure it was operating efficiently and prudently and has increased staff numbers to manage the increased operational scale.

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

d. Related parties and trustee expenses

The Charity has considered the disclosure requirements of the Charities Statement of

Recommended Practice (SORP) for related party relationships and considers its Key Management Personnel to be the Trustees and SMT.

Related party disclosures are included in Note 22 of the accounts.

e. Key Management Personnel remuneration

The Charity performs salary benchmarking every two to three years to ensure staff and Key Management Personnel salaries are in line with the rest of the sector. This is carried out by the human resources function of the Charity. The results of this benchmarking process and any recommended changes are provided to the Finance, Operations and People sub-committee.

Where the changes are significant or include Key Management Personnel, the Finance, Operations and People sub-committee will make recommendations to the full board. In this instance, changes will only be made upon approval from the full board and will be minuted at the board meeting.

As outlined on page 25, the Key Management Personnel are considered to be Trustees and the SMT. Trustees are not remunerated for their roles as Trustees but Key Management Personnel that make up the SMT received a salary for these roles.

The SMT is made up for six staff and are listed on page 25.

f. Going concern

After making appropriate enquires, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. This includes taking into account the financial and organisational challenges created by Covid-19. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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

Trustees' responsibilities statement

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and the apply them consistently;
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP) (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable

accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the *Companies Act 2006*. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

In preparing this report, the Trustees have taken advantage of the small companies' exemption provided by Section 415A of the *Companies Act 2006*.

This report was approved by the Trustees on 17 March 2021 and signed on their behalf by:



Joanne Thompson

Chair

Date: 26 April 2021

Independent auditor's report to the members of Magic Breakfast

Opinion

We have audited the financial statements of Magic Breakfast (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the *Companies Act 2006*.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company

in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' annual report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not

been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

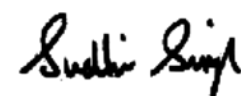
Our objectives are to obtain reasonable assurance about whether the financial

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.

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

Use of our report

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



Sudhir Singh FCA (Senior Statutory Auditor)

For and behalf of MHA MacIntyre Hudson
Chartered Accountants and Statutory Auditors
2 London Wall Place
London
EC2Y 5AU

Date: 6 May 2021

Statement of financial activities incorporating income and expenditure account for the year ended 31 August 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM					
Donations and grants	2	4,455,039	654,132	5,109,171	2,803,672
Charitable activities	3	632,645	-	632,645	722,347
Investments	4	1,004	-	1,004	1,774
TOTAL INCOME		5,088,688	654,132	5,742,820	3,527,793
EXPENDITURE ON					
Raising funds	5	774,838	48,355	823,193	679,722
Charitable activities	6	3,129,667	865,876	3,995,542	2,493,527
TOTAL EXPENDITURE		3,904,505	914,231	4,818,735	3,173,249
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		1,184,184	(260,099)	924,085	354,543
NET MOVEMENT IN FUNDS		1,184,184	(260,099)	924,085	354,543
RECONCILIATION OF FUNDS					
Total funds brought forward	18	2,329,644	86,974	2,416,618	2,062,075
TOTAL FUNDS CARRIED FORWARD		3,513,827	(173,125)	3,340,703	2,416,618

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

The notes on pages 39 to 53 form part of these financial statements.

Balance sheet as at 31 August 2020

	Note	£	2020 £	2019 £
FIXED ASSETS				
Intangible assets	12	-	-	-
Investments	13	34,009	34,009	34,009
TOTAL FIXED ASSETS		34,009		34,009
CURRENT ASSETS				
Stock	14	111,435	25,897	
Debtors	15	430,745	253,646	
Cash at bank and in hand		3,579,538	2,335,988	
TOTAL CURRENT ASSETS		4,121,718	2,615,531	
CREDITORS				
Amounts falling due within one year	16	(815,024)	(232,922)	
NET CURRENT ASSETS		3,306,694		2,382,609
NET ASSETS		3,340,703		2,416,618
CHARITY FUNDS				
Restricted funds	17	(173,125)		86,974
Unrestricted funds	17	3,513,827		2,329,644
TOTAL FUNDS		3,340,703		2,416,618

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 17 March 2021 and signed on their behalf by:



Joanne Thompson, Chair

The notes on pages 39 to 53 form part of these financial statements.

Company registration number: 04977015

Statement of cash flows
for the year ended 31 August 2020

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	19	1,242,546	660,297
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest from investments	4	1,004	1,774
NET CASH PROVIDED BY INVESTMENT ACTIVITIES		1,004	1,774
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		1,243,550	662,071
Cash and cash equivalents brought forward		2,335,988	1,673,917
CASH AND CASH EQUIVALENTS CARRIED FORWARD	20	3,579,538	2,335,988

The notes on pages 39 to 53 form part of these financial statements.

1. Accounting policies

1.1 General information and basis of preparation

Magic Breakfast is a charitable company registered with the Charity Commission (Charity Registered Numbers 1102510 and SC048202) and Registrar of Companies (Company Registration Number 04977015) in England and Wales. The address of the registered office is given in the Charity information on page 25 of these financial statements. The nature of the Charity's operations and principal activities are detailed in the Trustees' Annual Report.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the *Companies Act 2006*.

Magic Breakfast meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest pound.

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

The accounting policies have been reviewed in light of Covid-19 and it has been determined that there is no need to change anything at this time, but the Charity will continue to keep this under review.

1.2 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 25. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

1.3 Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

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

1.4 Income recognition

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

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

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably.

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

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

1.5 Expenditure recognition

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

Expenditure is categorised under the following headings:

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

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

1.6 Support costs allocation

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

Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements. The analysis of governance costs is included in Note 9.

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

The analysis of these costs is included in Note 8.

1.7 Intangible fixed assets and amortisation

Identifiable development expenditure is capitalised to the extent that:

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

Provision is made for any impairment.

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

Software - 33.3% straight line

1.8 Investments

Investments in subsidiaries are measured at cost less impairment.

1.9 Stock

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

1.10 Debtors or creditors receivable / payable within one year

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

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

1.11 Financial instruments

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

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 15. Prepayments are not considered to be basic financial instruments and are measured at the amount prepaid, net of any trade discounts due.

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

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Note 16. Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

1.12 Tax

The Charity is an exempt Charity within the meaning of Schedule 3 of the *Charities Act 2011* and is considered to pass the tests set out in Paragraph 1 Schedule 6 *Finance Act 2010* and therefore it meets the definition of a charitable company for UK corporation tax purposes. It therefore does not suffer tax on income or gains applied for charitable purposes.

1.13 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

This has been reviewed again given the impact of Covid-19 and the Trustees see no reason to change this belief.

1.14 Employee benefits

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

The Charity follows the Government guidelines on redundancy and calculates redundancy pay using the statutory redundancy pay rates. The cost of redundancies are taken at the time the payment is made to the employee.

1.15 Judgements and key sources of estimation uncertainty

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

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

2. Income from donations and grants income

Income from donations and grants – current year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	2,064,558	453,791	2,518,349	1,635,946
Membership income	108,417	-	108,417	74,292
Grants	868,367	200,341	1,068,708	703,481
Donated goods, facilities and services	1,413,594		1,413,594	387,429
Other	104	-	104	2,522
TOTAL 2020	4,455,039	654,132	5,109,171	2,803,672
TOTAL 2019	2,000,689	802,982	2,803,672	

Total donated goods, facilities and services for the year were £1,413,594 (2019: £387,429) and comprise of the following:

- £1,124,836 (2019: £338,512) of breakfast ingredients;
- £251,119 (2019: £NIL) of delivery services;
- £24,960 (2019: £24,960) of office facilities;
- £7,156 (2019: £NIL) of software licenses;
- £3,675 (2019: £23,770) of professional services; and
- £1,848 (2019: £187) of other miscellaneous goods and services.

Income from donations and grants – prior year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	1,130,695	505,251	1,635,946	1,996,512
Membership income	74,292	-	74,292	123,750
Grants	405,750	297,731	703,481	445,800
Donated goods, facilities and services	387,429	-	387,429	541,905
Other	2,522	-	2,522	3,890
TOTAL 2019	2,000,689	802,982	2,803,672	3,111,857
TOTAL 2018	2,511,228	600,629	3,111,857	

3. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Contract income (DfE)	632,645	-	632,645	722,347
TOTAL 2019	722,347	-	722,347	

The contract income is received from the Department for Education through Family Action.

There are no unfulfilled conditions or other contingencies attached to the government grants above.

4. Income from investments

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest receivable	1,004	-	1,004	1,774
TOTAL 2019	1,774	-	1,774	

5. Expenditure on raising funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Direct costs	651,853	48,355	700,208	522,251
Support costs	122,985	-	122,985	157,471
TOTAL 2020	774,838	48,355	823,193	679,722
TOTAL 2019	679,722	-	679,722	

In 2019, all expenditure on raising funds was from unrestricted funds.

Direct costs are analysed further in Note 7.

Support costs are analysed further in Note 8.

6. Analysis of expenditure on charitable activities

Analysis of expenditure on charitable activities – current year

	Activities undertaken directly 2020 £	Support costs 2020 £	Total 2020 £	Total 2019 £
Food Aid	3,478,372	158,124	3,636,496	2,041,424
Building Capacity	72,437	17,569	90,006	198,499
Making the Case for Change	233,901	35,139	269,040	253,603
TOTAL 2020	3,784,710	210,832	3,995,542	2,493,527
TOTAL 2019	2,220,362	273,165	2,493,527	

In 2019, of the total expenditure on charitable activities of £2,493,527, £1,715,931 was from unrestricted funds and £777,596 was from restricted funds.

Direct costs are analysed further in Note 7.

Support costs are analysed further in Note 8.

Analysis of expenditure on charitable activities – prior year

	Activities undertaken directly 2019 £	Support costs 2019 £	Total 2019 £	Total 2018 £
Food Aid	1,880,739	160,685	2,041,424	2,057,683
Building Capacity	150,294	48,205	198,499	51,926
Making the Case for Change	189,329	64,274	253,603	284,243
TOTAL 2019	2,220,362	273,165	2,493,527	2,393,852
TOTAL 2018	2,129,143	264,709	2,393,852	

7. Total direct costs

	2020 £	2019 £
Staff costs	1,343,571	928,675
Other staff costs	48,413	68,497
Direct food costs	2,848,631	1,473,345
Contractors and consultants	6,694	225
Administration costs	52,600	65,392
Premises costs	89,297	82,560
Legal and professional fees	864	14,496
Publicity, marketing and fundraising	94,430	109,140
School event costs	420	283
Total	4,484,919	2,742,613

In 2020, of the total expenditure on direct costs, £700,208 (2019: £522,251) is allocated to Expenditure on Raising Funds and £3,784,710 (2019: £2,220,362) is allocated to Expenditure on Charitable Activities.

8. Total support costs

	2020 £	2019 £
Staff costs	164,424	223,590
Other staff costs	13,453	48,497
Contractors and consultants	15,517	4,536
Administration costs	66,992	57,914
Premises costs	14,287	33,456
Legal and professional fees	2,536	12,250
Publicity, marketing and fundraising	20,477	22,630
Governance costs	34,209	27,763
Bad debts	1,922	-
Total	333,816	430,637

In 2020, of the total expenditure on support costs, £122,985 (2019: £157,471) is allocated to Expenditure on Raising Funds and £210,832 (2019: £273,165) is allocated to Expenditure on Charitable Activities.

Included within the total support costs above are £23,413 of governance staff costs, other governance staff costs and governance administration costs which are included within the balance of governance costs in Note 9.

9. Governance costs

	2020 £	2019 £
Governance staff costs	19,698	37,235
Other governance staff costs	2,582	20,231
Governance administration costs	1,133	2,121
Auditors' remuneration - Audit of the financial statements	18,120	13,600
Auditors' remuneration - Other services	3,000	5,480
Auditors' remuneration - Under accrual of prior year audit and accounts fee	3,780	3,320
Trustee meetings	109	540
Professional fees	4,800	527
Other governance expenses	4,399	4,296
Total	57,622	87,350

10. Trustee remuneration, benefits and expenses

Trustees give their time freely and during the year, Trustees have not received any remuneration (2019: £NIL) or benefits of any kind (2019: £NIL) for the work they have undertaken.

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

	2020 £	2019 £
Travel and subsistence	839	1,329
Total number of Trustees paid expenses	1	1

11. Staff costs

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	1,342,368	1,017,984
Social security costs	120,369	99,413
Pension costs	45,259	34,868
Total	1,507,996	1,152,265

Two employees were made redundant during the year with only one qualifying for redundancy pay. £2,625 was paid based on years of service at the statutory weekly capped rate.

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

	2020 £	2019 £
Food Aid	18	10
Building Capacity	2	3
Making the Case for Change	4	3
Fundraising	14	7
Support	3	5
Governance	1	1
Publicity and Marketing	-	2
Total	42	31

In 2020, the decision was made not to recognise employees within the Publicity and Marketing category as these employees are now included within the Fundraising and Making the Case for Change categories.

No employee received remuneration amounting to more than £60,000 in either year.

The total amount of employee benefits received by Key Management Personnel, including employers' national insurance, is £380,547 (2019: £356,010). The Charity considers its Key Management Personnel to comprise the Trustees and the members of the Senior Management Team listed in the Reference and Administrative details on page 25.

The Trustees of the Charity, other than detailed in Note 10, did not receive any remuneration in the year.

12. Intangible fixed assets – website

	Software £
COST	
At 1 September 2019 and 31 August 2020	28,000
AMORTISATION	
At 1 September 2019 and 31 August 2020	28,000
CARRYING AMOUNT	
At 1 September 2019 and 31 August 2020	-

13. Fixed asset investments

	Shares in group undertakings £
COST	
At 1 September 2019 and 31 August 2020	34,009

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

NAME	HOLDING
Magic Outcomes Limited - £1 ordinary shares	100%

The aggregate of the share capital and reserves as at 31 August 2020 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

NAME	Aggregate of share capital and reserves £	Profit/(loss) £
Magic Outcomes Limited - £1 ordinary shares	34,009	9,653

The Charity owns 100% of the issued share capital of Magic Outcomes Limited, a company limited by shares and registered in England and Wales (company registration 04621084). Magic Outcomes Limited has had limited trading activity and only small administrative expenses have been incurred in the year. The investment has not been consolidated and group accounts have not been prepared because the subsidiary is considered immaterial to the accounts of the Charity.

14. Stock

	2020 £	2020 £
Undistributed breakfast ingredients	111,435	25,897

Stock recognised as an expense during the year was £1,624,223 (2019: £892,004).

15. Debtors

	2020 £	2019 £
Trade debtors	160,753	137,583
Other debtors	10,550	18,490
Grants receivable	9,242	60,000
Accrued income	226,607	10,860
Prepayments	21,632	26,713
Amounts owed by group undertakings	1,959	-
Total	430,745	253,646

16. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	473,290	38,392
Other taxation and social security	72,471	63,105
Other creditors	8,606	10,295
Accruals	106,533	44,464
Deferred school membership income	29,125	76,667
Deferred grant income	125,000	-
Total	815,024	232,922

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

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

	Balance brought forward at 1 September 2019 £	Income released £	Income deferred £	Balance carried forward at 31 August 2020 £
DEFERRED INCOME				
School membership income	76,667	142,958	95,417	29,125
Grant income	-	-	125,000	125,000

17. Statement of funds

Statement of funds – current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS				
General funds	2,329,644	5,088,688	(3,904,505)	3,513,827
RESTRICTED FUNDS				
Amazon Data Services UK Limited	-	211,750	(423,500)	(211,750)
The Big Give	27,250	99,588	(126,838)	-
Impetus-PEF	-	93,750	(93,750)	-
Bank of America	-	80,665	(80,665)	-
Other restricted funds	59,724	168,379	(189,478)	38,625
	86,974	654,132	(914,231)	(173,125)
TOTAL FUNDS	2,416,618	5,742,820	(4,818,735)	3,340,703

Statement of funds – prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS				
General funds	2,000,487	2,724,810	(2,395,653)	2,329,644
RESTRICTED FUNDS				
Amazon Data Services UK Limited	-	423,500	(423,500)	-
Impetus-PEF	-	156,250	(156,250)	-
The Big Give	-	81,751	(54,501)	27,250
Morgan Stanley (London)	9,096	55,500	(42,137)	22,459
Other restricted funds	52,492	85,981	(101,208)	37,265
	61,588	802,982	(777,596)	86,974
TOTAL FUNDS	2,062,075	3,527,793	(3,173,249)	2,416,618

The General fund is an unrestricted fund which is available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

The **Amazon Data Services UK Limited** restricted fund is used to provide a breakfast food provision to 77 schools across the United Kingdom and fund a member of staff to support each school with optimising their breakfast provision. A difference in the timing of payments and expenditure meant that the Charity had a negative balance in the restricted funds at year end, however, the funds have been received as expected since 31 August 2020.

The **The Big Give** restricted fund is used to provide a breakfast food provision to 17 schools in London.

The **Impetus-PEF** restricted fund is used for management and organisational development, including supplementing the Senior Management Team's salaries and accessing training.

The **Bank of America** restricted fund is used to fund our operating expenses throughout the Covid-19 pandemic.

The **Morgan Stanley (London)** restricted fund is used to facilitate the running of five holiday clubs in Tower Hamlets during the school holidays as part of the Morgan Stanley Healthy Cities Programme. This includes the provision of breakfast food, a reimbursement for staffing costs and cookery club ingredients, and materials to promote the club.

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

18. Analysis of net assets between funds

Analysis of net assets between funds – current year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Fixed asset investments	34,009	-	34,009
Current assets	4,294,842	(173,125)	4,121,718
Creditors due within one year	(815,024)	-	(815,024)
	3,513,827	(173,125)	3,340,703

Analysis of net assets between funds – prior year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Fixed asset investments	34,009	-	34,009
Current assets	2,528,556	86,974	2,615,531
Creditors due within one year	(232,922)	-	(232,922)
	2,329,643	86,974	2,416,618

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

	2020 £	2019 £
Net movement in funds for the year for the year (as per Statement of Financial Activities)	924,085	354,543
ADJUSTMENT FOR		
Interest from investments	(1,004)	(1,774)
Increase in stocks	(85,538)	12,545
Increase in debtors	(177,099)	216,231
Increase in creditors	582,102	78,752
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,242,546	660,297

20. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	3,579,538	2,335,988

21. Operating lease commitments

At 31 August 2020, the total of the Charity's future minimum lease payments for office premises under non-cancellable operating leases was:

	2020 £	2019 £
AMOUNTS PAYABLE		
Within 1 year	28,322	67,634

During the year, the lease expenditure for the year totalled £78,624 (2019: £91,056) which is recognised in the Statement of Financial Activities.

22. Related party transactions

Other than Trustee and Key Management Personnel transactions detailed in Note 10 and the donations noted below, there were no related party transactions during the period.

During the year, the Charity received unrestricted donations of £13,740 (2019: £15,625) and restricted donations of £19,515 (2019: £10,000) from Trustees, Key Management Personnel and their related parties. The restrictions imposed were not significant.

magic **breakfast**

fuel for learning

Company registered charity: 04977015
Registered charity number England: 1102510
Registered charity number Scotland: SC048202