

**magic  
breakfast**  
fuel for learning

**2022-2023**

# **ANNUAL REPORT**

**Embracing change  
for a brighter future**



## Reference and administrative details

**Charity registration numbers** 1102510 (England and Wales) and SC048202 (Scotland)

**Company registration number** 04977015

**Registered and principal operating office**  
Fora  
42-46 Princelet Street  
London  
E1 5LP

**Board of trustees** **Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:**

**Chair and vice chair** Aniela Shuckburgh, Chair Alison Inglis-Jones, Vice Chair

**Board members and trustees**

Andrienne d'Arenberg	Michael Honan
Emma West	Phil Davies
Jackie Newell (resigned 6 March 2023)	Richard Lackmann
Joanne Thompson (resigned 16 March 2023)	Varsha Venugopal
Julie Harkness	

**Senior leadership team**

Chief Executive Officer - Lindsey MacDonald	Director of Service Delivery – Sam Boulton
Director of Fundraising and Development – Emily Wilkie	Head of Finance and Performance – Anthony Eckersley
Director of Policy and Engagement – Jacquie Bance de Vasquez	Head of People and Culture – Alan Mustafa (from 1 December 2022)

### Professional advisers:

#### Bankers

**The Royal Bank of Scotland  
London Drummonds  
49 Charing Cross  
Admiralty Arch  
London  
SW1A 2DX**

#### Independent auditors

**Sayer Vincent LLP  
Chartered Accountants and  
Statutory Auditor  
Invicta House  
108-114 Golden Lane  
London EC1Y 0TL**

#### Insurance brokers

**Surrey Insurance Limited  
PO Box 1533  
Woking  
GU22 2RY**

#### Legal advisers

**Bates Wells  
10 Queen Street Place  
London  
EC4R 1BE**

**The trustees present their report and the audited financial statements for the year ended 31 August 2023.**

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

# WELCOME TO OUR ANNUAL REPORT **2022-2023**

## Introduction

Welcome from the Chair	4
CEO report	5
Words from a trustee	9

## A year of change

Responding to rising need and costs	11
A year of difficult decisions	12
Financial review	13

## A year of achievement

Making the headlines	15
A great response from our supporters	16
What the stars say	17

## A year of learning

A year of learning	19
Insights into life at home	20

## A year of transformation

Developing our Magic Menu	23
Improving data and systems	24
Environmental ambition	25
Time to read	26

## A year of developing our team

Delivering our people strategy	28
Our EDI action plan	29

## A year of making ourselves heard

The link between learning and earning	31
Building coalitions	32
A year of creating change	33
Campaigns in Scotland	34

## A year of success and lessons

A year of success and lessons	37
A look into the future	39

## Trustees' annual report

Thank you	42
Objectives and activities	43
Principal risks and uncertainties	44
Reserves policy and fundraising	45
Structure, governance, management and appointment of trustees	46
Training of trustees and remuneration	47
Statement of responsibilities of trustees	48
Independent auditor's report	49
Statement of financial activities	54
Balance sheet	55
Statement of cash flows	56
Notes to the financial statements	57



# WELCOME from the Chair

I am honoured to welcome you to the Magic Breakfast 2022-23 Annual Report. As the Chair of Magic Breakfast, I am proud to share with you the journey we have embarked upon over the past year. This report serves as a testament to the dedication, commitment, and unwavering support of our team, supporters, and schools who have joined us in our mission to remove hunger as a barrier to learning and unlock the potential of every child and young person through a healthy breakfast.

In these pages, you will find a comprehensive overview of our achievements, challenges, our learning, and the impact we've had on the lives of countless pupils across the country. Together, we have faced obstacles and unprecedented circumstances, yet our collective determination has allowed us to adapt, innovate, and continue our vital work.

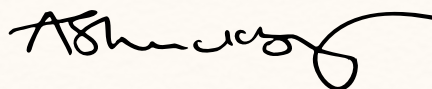
I would like to take this opportunity to acknowledge and thank my colleagues on the board. Navigating a year of rising costs, change, and consolidation was never going to be straightforward but the organisation ended the year in a much stronger position thanks to their commitment and leadership. We collectively wish to thank Joanne Thompson who stepped down from the board this year for her service and lasting contributions to Magic Breakfast.

We were extremely saddened by the passing of Jackie Newell. Jackie joined the board in June 2022 and was

the head teacher of Hollybrook School in Glasgow, a Magic Breakfast partner school. She brought compassion and insight to every discussion and shared her school's and pupils' experiences with our friends and supporters in a speech at our annual thank you drinks. Jackie is sorely missed, and we are grateful for the time and expertise she gave to the charity.

Thank you for your unwavering support and dedication to Magic Breakfast.

With gratitude,



Aniela Shuckburgh  
Magic Breakfast Chair

**TOGETHER, WE ARE  
MAKING A PROFOUND  
DIFFERENCE IN THE  
LIVES OF CHILDREN,  
ONE NUTRITIOUS  
BREAKFAST AT A TIME.**



# CEO report

**I**t is a privilege to open Magic Breakfast's 2022-23 Annual Report as it is to experience the magic of Magic Breakfast every day. This past year has been one of significant change, achievements, and challenge for our organisation, as we continued to evolve while navigating the burden of the cost of living crisis.

We recognise in the pages that follow the impact that record-breaking inflation levels had on the children and young people we support, their families, our partner schools, and our charity. It is important to call out though, that a cost of living crisis has existed for families who depend on free school breakfasts for many years.

With our paid for food costs rising by 19% and a deficit reported at the end of 2021-22, we had to find ways to make our operations more sustainable and prioritise our support for communities with highest levels of need.

We took several difficult decisions as we transformed our services, including increasing our schools' membership fees, reviewing and reducing the schools we support to ensure they align to our eligibility criteria so we support schools with the greatest need, and limiting the order of some food products.

In the pages that follow we want to be open and share with you the difficulties we encountered, lessons we learned, and transformation we achieved. Most of all, in line with our people-centric mission, we want to share stories and experiences of children and young people, schools, staff, and partners.

**A COST OF LIVING  
CRISIS HAS EXISTED  
FOR FAMILIES WHO  
DEPEND ON FREE  
SCHOOL BREAKFASTS  
FOR MANY YEARS.**



**"Rough seas make stronger sailors. Tough times build greater people"** – Robin Sharma

# CEO report

## Mission and impact

Magic Breakfast remains steadfast in its commitment to ensuring that no child or young person starts their school day too hungry to learn. Our impact in the past year has been nothing short of inspiring. We have continued to serve nutritious breakfasts to vulnerable children and young people, contributing to their overall wellbeing and academic success.

We have a well-established evidence base of the impact school breakfasts have in our partner schools and the way the Magic Breakfast model enables these positive outcomes. We were able to build on this with our **'What's for Breakfast?'** report, an opportunity to truly put the voices and experiences of pupils, parents and caregivers at the heart of our decision-making. This identified a variety of root causes for child morning hunger and emphasised the impact school breakfasts have on learning and development. It also highlighted to us where we have room to improve, particularly in reaching some communities and cohorts.

View our what's breakfast report: <https://www.magicbreakfast.com/blog/whats-for-breakfast>

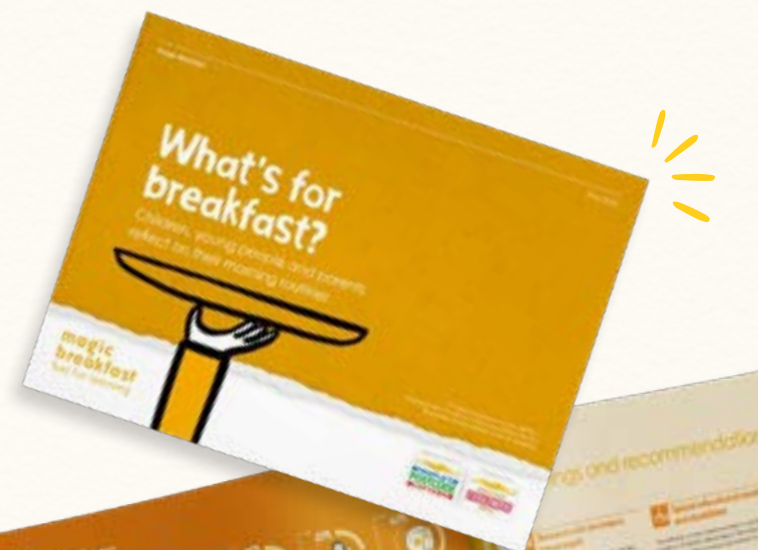
## Data and systems

To understand and measure our impact we have worked to put in place systems that help us monitor this through the year. This saw us introduce a monthly calculation of children and young people being provided breakfasts supported by the portions of food being delivered to schools every day.

## Financial performance

We started the year with a greater deficit than planned in September. Subsequently we reviewed and made changes to our operating model to ensure our service delivery could be more sustainable and stable. With rising costs and growing demand in our schools we had a challenging cashflow forecast for the first half of the year that we needed to navigate.

Thanks to the collective efforts of our team – to manage cost, improve efficiency, raise vital funds, and leverage gift in kind donations – our financial performance in the year has been strong. We were able to make the changes to our systems and service delivery that were required thanks to the unwavering support of our donors, partners, and the dedication of our team.



**TO END  
MORNING  
HUNGER  
AS A BARRIER  
TO LEARNING**



magic  
breakfast  
fuel for learning

# CEO report

Here are some key financial highlights, which are given in more detail from page 13:

## Revenue

We are pleased to report that our total revenue for the year amounted to £10,506,654 (2022: £7,491,970), a 40% increase from the previous year. This increase can be attributed to the generosity of individual donors (particularly those who supported us through The Times and Sunday Times Christmas appeal), corporate partners, and several long-term supporters and foundations increasing their support to match rising costs. We have further diversified our income and started to bring together our advocacy and service delivery activities by securing contracts to deliver free school breakfasts for three local authorities.

## Expenses

Most expenditure, 73.2%, (2022: 78.8%) was directly allocated to delivering social impact – 59.8% (2022: 70.3%) toward tackling child morning hunger today and 13.4% (2022: 8.6%) toward making the case for change. This includes the cost of providing nutritious breakfasts to schools and the logistical support required for efficient delivery.

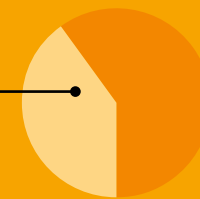
As noted in last year's report, we needed to invest in our core services to improve our productivity and ensure we have the infrastructure in place to deliver quality and impact at scale. While increasing spend in this area, we maintained strict financial discipline, ensuring that only 26.7% (2022: 21.2%) of our revenue was allocated to administrative and fundraising expenses with plans to reduce this again in 2023-24. This efficiency allowed us to maximise the impact of every pound donated and will see us further improve our productivity and reduce our cost per breakfast.

## Surplus and reserves

Having entered the year with 3.0 months' reserves, we are finishing 2022-23 with 6.4 months' reserves having achieved a surplus of £2,838,695 (2022: deficit of -£1,447,234) (against a planned deficit of -£353,989 2022-23, to maximise our impact within our financial constraints). The surplus will be reinvested to increase the number of children and young people we support and to ensure the sustainability of that support into future years. With an election year ahead of us, we will also continue to invest in on our advocacy work to ensure that free school breakfasts are part of all political parties' commitments.

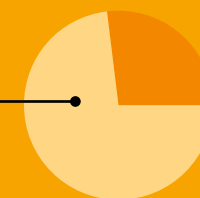
# 40% INCREASE

from the previous year's revenue  
to **£10,506,654** (2022: £7,491,970)



# 73.2% TO SOCIAL IMPACT

Most expenditure, directly allocated to  
delivering **social impact** (2022: 78.8%)



# £2,838,695

Amount **surplus ending the year**  
2022: deficit of -£1,447,234)

# CEO report



## Partnerships and innovation

Our success in 2022-23 would not have been possible without the invaluable partnerships we have cultivated. Thanks to the generosity of players of People's Postcode Lottery, we established an Innovation team to review and improve delivery of breakfasts and services to schools and enhance the nutrition and choice available to children. They make use of our emerging data, expertise, and contributions of corporate partners to evolve our approach, leveraging technology to improve the efficiency of our breakfast delivery and monitoring systems.



## People

We continued to develop our approach to people and shape an enabling culture. Magic Breakfast is working with CapCo to develop our strategy and supporting action plan to deliver meaningfully on our Equity, Diversity, and Inclusion mission statement. The mission statement was developed by a group of committed staff members with input from trustees. This is described on page 28.



## Environmental sustainability

On Earth Day 2023 we were proud to share our environmental mission statement, which sets out three aims. On page 25 we share some of the key activities and progress made already as well as some things we've learned and will take forward.



## Looking ahead

As we move into the next financial year, Magic Breakfast remains committed to our core mission and to supporting a greater number of children and young people. We are setting ambitious goals to reach even more children, expand our geographical footprint, and continue to innovate in the fight against child morning hunger. Our plans and ambitions are set out on page 39 and reflect the need for ambition, bravery, and ensuring the sustainability of our support to children and young people.

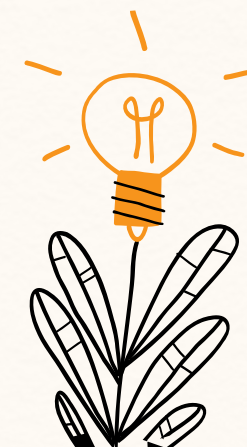
We also have some exciting initiatives planned, including a brand refresh, introduction of a new website, and improved business intelligence reporting.

In closing, I would like to express my heartfelt gratitude to everyone who has supported Magic Breakfast in the past year. Your generosity and dedication have transformed the lives of countless children and young people.

**TOGETHER, WE CAN  
CREATE A FUTURE WHERE  
NO CHILD IN THE UK  
STARTS THEIR SCHOOL  
DAY HUNGRY.**

*L. C. MacDonald*

Lindsey MacDonald  
Magic Breakfast CEO





# WORDS FROM a trustee



**Children who are hungry can't focus; they can't listen. Hunger takes away their ability to communicate, which detracts from their ability to make appropriate choices around behaviour. Our school uses as many resources as we can to ensure these barriers to learning are reduced.**

That's what Magic Breakfast does, in a climate where the resources we have are narrower, and the need is greater. It ensures that children who are hungry have the offer of breakfast and this offer is for all families, so there's dignity there as well.

Magic Breakfast is especially critical for children who are at risk of not being fed or clothed properly because families can't afford to do this. They start the day with a healthy breakfast that our school knows we can sustain over time.

The impact of breakfast can be huge. One primary child has a situation at home where the mum has disabilities and poor mental health. He had complex needs from a young age and his attendance was poor.

There wasn't money at home, and he often came in late and hungry. As part of a package of interventions the school placed around him, we told his mum we'd supervise him with a free place at breakfast club. We said, 'Drop him off in whatever state you want to bring him.' So he was on time and had breakfast and a positive start to the day. If he

arrived late, he was also given breakfast. He's doing well now, with an improvement in attendance and has moved from a child achieving below his age to achieving some cracking results.

Ours is a 'through school' which means we have pupils from four to 16 years of age. It's easier to provide breakfast for primary children. Secondary students have different body clocks and are more self-conscious. We often invite older children to volunteer at breakfast club. It gets them into school and involved with something useful, allowing them to eat and to talk to staff if they need support. The impact has been so positive, even enabling some families to stay together and some children to remain in foster care.

Families with children who qualify for free school meals are guaranteed to receive some benefits. But the cost of living pressures also squeeze a group of families just above that financial level, who don't get benefits, but their fuel bills are going up, and mortgages and rents have risen. Their children are at risk of going hungry, but they aren't eligible for a free school meal and probably not buying lunch because

there isn't money to do it. Breakfast for them becomes a bit of a lifeline.

Breakfast club gives us the chance to build a community around the children. There are broader outcomes, such as children not stealing from shops in the morning because they know they'll have breakfast. It doesn't help anyone to see a 14-year-old with a criminal record for being hungry. Breakfast can create better citizens and helps education do what it should do – benefit children academically, as well as their mental health and wellbeing.

*Julie Harkness*

**Julie Harkness**  
**Vice Principal Carr Manor Community School,**  
**Leeds, Magic Breakfast Trustee**

# 02. A YEAR OF change



# RESPONDING TO rising need and costs



**Our work is vital and making a difference. We know this from pupils, parents and schools. Through the pandemic, we had grown significantly. We wanted to spend this year increasing the number of breakfasts we served and doing more for more families. But economic circumstances were against us.**

We started this financial year with a planned deficit. Inflation and fuel price increases meant higher bills, which also impacted the businesses who support us in different ways. We had to supplement this by buying more food ourselves. However, with costs continuing to rise this was not a sustainable level of expenditure.

On top of this, more and more children and young people needed our breakfasts. More families were experiencing poverty and food insecurity and increasing numbers of children faced starting the school day too hungry to learn. Just this year the number of children at risk of going hungry each morning rose to 4 million, that's one in four children, every day.

We found ourselves in the middle of these pressures, knowing we had to make significant structural changes to build a long term and healthy future for our charity.

We carried out a comprehensive review of our service delivery model and cost base, to see how we could operate as efficiently as possible. We knew tough

decisions had to be made. We also had confidence that our newly established Innovation team, expert help with supply chain management and our committed, experienced employees could all help us find ways to turn our financial bottom line around. All of this while maintaining our core principle of being hunger-focused, and barrier free as an organisation.

We had other goals too – to become more powerful advocates for change in the political sphere; and to build a sustainable way to fund ourselves as a charity and reduce food waste. We needed more partnerships, more advocacy, more work with local authorities, more expert input. Astonishingly, despite the harsh economic environment we and the rest of the country found ourselves in, we have worked our way towards achieving a great many of our goals, **ending the year with a surplus and sustainable plans for growth.**

We matched a year of difficult decisions with a year of innovative solutions. We're approaching the coming months with new and inspiring plans. Watch this space!

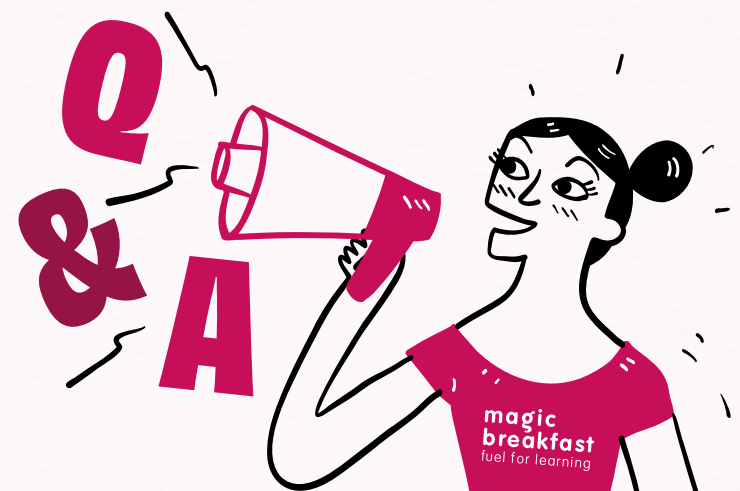


**1 in 4**   
**CHILDREN  
EVERY DAY**

*The number of children at risk of going hungry each morning rose to 4 million\*, that's one in four children, every day.*

\* Food Foundation

# A YEAR OF difficult decisions



## Q&A with Sam Boulton, Director of Service Delivery

**Q: Magic Breakfast began the year knowing we needed to be more sustainable in how we worked because of extra pressure due to inflation, fuel costs and increasing demand for our services caused by the country's financial difficulties. How did you deal with this?**

**A:** Some of the food we were buying was costing us 20% more, and although our gift in kind value of donated food remained the same, due to the unit costs increasing this resulted in our quantities of donated food decreasing. At the same time fuel prices were rising and demand for our services was getting bigger. We made the difficult decision to shrink our services temporarily to enable our organisation to make changes and grow in the longer term.

**Q: What decisions did you have to make?**

**A:** The hardest decision was to review the schools we were supporting and whether they still met our eligibility criteria – the percentage of pupils qualifying for free school meals. We disengaged with those that were not and signposted these schools to other organisations so we could focus our services on those who most needed

our help. For three months we had to give less food to the schools we were still working with, and this had an impact on children and young people.

We also increased the annual fee we charge schools, for the first time in nine years. For schools that are charged, our membership fee had cost between £500 and £1,500 depending on the size of school, and we increased this by 25%. The cost of supporting a school planned in 2023-24 is £11,000 per school so they are paying a small subsidy towards this, but schools are finding these times hard financially as well.

**Q: What did you do to make changes to your systems?**

**A:** Instead of schools estimating how much food they needed, we asked them to give us precise numbers of children they were feeding, and we calculated how many portions they needed, ensuring there was no food wastage. We still made sure breakfast was barrier free – it was available to anyone who wanted it – but the teachers targeted those in need, and we continued to support teachers with information on identifying hunger among their pupils. If we found out a school

needed more food, we always provided more, as much as we could. These changes also improved our ability to accurately measure how many children and young people we are feeding throughout the year.

**Q: Did you get support from outside?**

**A:** When we explained our situation, a lot of our partner organisations increased their food donations, and many funders stepped in with additional support. We established a supply chain panel, comprised of experts in logistics and procurement to advise us where needed. This has been a huge help and unlocked new opportunities.

We've made other changes at Magic Breakfast and have had some great feedback in the last few months, particularly about our new Magic Menu. Short term pain has led to long term gain, and we now have the best foundations to move forwards. We are proud to have built a new, more sustainable model and are planning to increase the number of children and young people we support next year and commit to them for the long term.

# FINANCIAL review

**F**ollowing the significant inflation growth during financial year 2022-23 which peaked at 11.1% in October 2022 (UK Parliament Source, n.d.) it was imperative that Magic Breakfast managed its cost base to ensure the charity maintained sufficient reserves following the deficit of -£1,447,234 in 2021-22.

As set-out in our plans for 2022-23, we reviewed our service delivery model and implemented changes.

A combination of these changes reduced the number of children and young people supported to 164,000 at the end of 2022-23 (210,000 at end of 2021-22) which was a greater reduction than anticipated.

As well as additional cost management, the charity grew its income to £10,506,654 (2022: £7,491,970). This included fundraising income growth as a charity of the year for The Times and other supporters mentioned on page 42 as well as significant gift in kind (GIK) breakfast product donations from existing and new partners which contributed towards a higher mix of GIK utilisation within schools (2021-22 included £336,000 GIK for home delivery costs to support children during the covid pandemic).

As schools remained open during 2022-23 the charity only delivered directly to schools and no home delivery income has been recognised.

The combination of increased income and cost reduction combined in a surplus of £2,838,695.

With the surplus generated during the year, unrestricted reserves of £4,924,394 (2022: £1,787,545) which equates to 6.4 months of future cost coverage, which sits outside the higher range of the policy of 3.5 to 5.5 months.

This accumulation of reserves will enable the charity to increase the number of children and young people we support in a stable and sustainable way. The charity is budgeting for inflation to remain high and it is recognised that the UK is still in turbulent economic times and maintaining reserves towards the upper end of the policy is a prudent approach.

Fundraising income increased to £9,584,839 (2022: £6,579,834) and we renewed delivery of the Hammersmith and Fulham Local Education Authority contract. We were also commissioned by Camden and Wandsworth authorities to provide stigma free breakfast provision to schools, seeing commissioned income grow to £278,534 (2022: £90,509), which was a key aim of our 2022-25 business plan.

With the reduction in schools supported, each school that was no longer supported by Magic Breakfast received a pro-rata membership refund which

contributed towards membership income reducing to £638,190 (2022: £820,834) this was offset in part by the fee increase of 25%.

Following the review of the service delivery model and reduction in schools supported the cost of food aid reduced to £5,225,389 (2022: £7,054,655) as the charity reacted to the need to reduce costs following the deficit reported in 2021-22.

With the planned growth in 2023-24 the charity has reviewed plans to ensure that the increased number of children and young people benefiting from a Magic Breakfast is sustainable into 2024-25 and allows the charity to use the accumulated reserves to support this growth.

There will be various milestones throughout the year where the charity will review financial performance to enable the charity to make proactive decisions to increase or slow growth plans based on financial performance.

# 03. A YEAR OF achievement



# A YEAR OF achievement

## MAKING THE HEADLINES



agic Breakfast was one of three charities featured in The Times and Sunday Times for the annual Christmas Appeal. This was a tremendous success for us in many ways, raising more than £1 million – enough for 3.8 million breakfasts! The Times donations were generously match-funded by Kaizen, CVC, the Barratt Foundation, and two anonymous donors.

The much-needed financial boost allowed us to increase the amount of food we were delivering to schools more quickly than we had anticipated. The coverage in the newspaper was a wonderful opportunity to tell readers about the difference that school breakfast makes to children and families. We took reporters on school visits during breakfast times; and were able to feature our celebrity supporters, including Gavin and Stacey actor Larry Lamb, broadcaster Steph McGovern and comedian Lucy Beaumont who visited local schools. And James Corden also added his support. Magic Breakfast alumni told their story and we gave a welcome public shout out to some of our heroic volunteers who get up early to butter toast.

Support from The Times readers was one reason behind our hugely successful fundraising year.



Having started the year needing to scale back and better manage our cost base, we ended it with the financial stability needed to put in place exciting plans. Additional funds raised allowed us to invest in more efficient working systems and plans to grow again, sustainably, next year.

After scaling back, we have found financial stability – for exciting plans.



# A YEAR OF achievement

## A GREAT RESPONSE FROM OUR SUPPORTERS

**T**he growing needs of vulnerable children meant that existing supporters were keen to ensure the charity could continue its vital work. Many increased their donations or gave additional gifts in kind, wanting to have as big an impact on as many young lives as they could.

We welcomed new funding relationships, with the Access Group choosing Magic Breakfast as its charity of the year and the Westminster Foundation supporting us for the next five years.

**Others contributed to our coffers in a different way:** energetic supporters have climbed Kilimanjaro, tackled an Ironman and taken on the Three Peaks challenge – a welcome return to individual fundraising events after a pause caused by covid and lockdowns. Our Great Big Breakfast and Fuel for Success campaigns also met their fundraising goals raising £33,403.82 and £94,015.13 respectively.

Our Magic Morning information webinars for high level and corporate sponsors have been very well received. While long-term existing funders like players of People's Postcode Lottery gave us tremendous support and Quaker and Weetabix diversified the range of breakfast cereals they donated.

A special mention must go to Amazon, who increased their financial contribution when we were facing difficulties and helped us with their delivery networks and logistics supply capability, taking on more deliveries to schools. And a special mention to Kraft Heinz who has continued to play a substantial role in our success, supporting us in so many ways. One new donor told us they learnt about Magic Breakfast from the back of a baked beans tin!

Everyone who has contributed has enabled Magic Breakfast to plan for the coming year with confidence and develop our work strategically and carefully, expanding our reach. Our great thanks to them all – we've listed them on page 42.



**OUR ENERGETIC SUPPORTERS HAVE CLIMBED KILIMANJARO, TACKLED AN IRONMAN AND TAKEN ON THE THREE PEAKS CHALLENGE!**



# WHAT THE Stars Say

**"MAGIC BREAKFAST IS AN AMAZING CHARITY"**



*"Magic Breakfast is an amazing charity, tackling an immense need and providing a lifeline for children in some of the most disadvantaged areas."*

Lucy Beaumont, Comedian

**"THEY HAVE AN ABSOLUTE PURPOSE"**



*"I think what I love about Magic Breakfast is the absolute simplicity of it. They have an absolute purpose, an absolute vision, and an absolute goal they want to achieve."*

James Corden, Actor and Presenter

**"ONE OF THE MOST IMPORTANT CHARITIES"**



*"Magic Breakfast is one of the most important charities working in this country, doing its best to look after children, and one that I am proud to support."*

Larry Lamb, Actor

**"NO KID SHOULD EVER GO HUNGRY."**



*"One thing I am passionate about is education. The thought that there are millions of children who are unable to concentrate or enjoy school because they are hungry is unbelievable. It's truly wonderful that Magic Breakfast is there and long may they reign. No kid should ever go hungry."*

Russell Tovey, Actor

# 04. A YEAR OF learning



# A YEAR OF learning



Our major piece of research this year, **'What's for Breakfast?'** focused on hearing the voices of those most affected by our work: the pupils, parents and caregivers from the families in our partner schools.

We found that a substantial proportion of children – around one in five – were worried about not having enough food at home. This is a real insight into the impact on mental health of children facing hunger. Food insecurity is increasing among parents, with many concerned about the future. The impact of this on pupils' wellbeing, together with the distraction and difficulties this creates in the classroom, is deeply concerning.

More positively, we found tremendous support for school breakfast and its impact. Four out of every

five pupils (4,232 pupils surveyed) agreed it was important to offer children something for breakfast every day at school, with 91% of parents believing a healthy breakfast at school was vital.

Parents agreed with the key Magic Breakfast principle that school breakfast should be open to all, not means tested, so all hungry children can benefit. An overwhelming majority of parents believed eating breakfast has a positive impact on their child's educational attainment, health, concentration levels and behaviour.

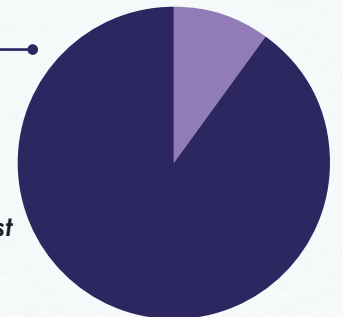


## 4 out of 5 PUPILS AGREED

*it was important to offer children something for breakfast every day at school.*

## 91% PARENTS

*of 4,651 parents surveyed believed a healthy breakfast at school was vital.*



**"BREAKFAST HELPS YOU GET A POSITIVE START TO THE DAY. YOU HAVE SOME ENERGY IN YOUR BODY... IT KIND OF FUELS YOUR MIND."**

*Secondary pupil, Yorkshire and Humber.*



**"IT'S IMPORTANT THAT SCHOOL BREAKFAST IS AVAILABLE TO EVERYONE BECAUSE YOU DON'T KNOW WHAT'S GOING ON AT HOME."**

*Primary pupil at Magic Breakfast partner school, Wolverhampton*



# INSIGHTS INTO life at home



**One strong message was that morning hunger is not simply about insufficient food at home. There are many reasons why children are hungry at the start of the school day.**

Many respondents explained that life in the mornings is rushed and chaotic, with families juggling multiple jobs, or work starting on the dot of the start of the school day. 68% of families said they face barriers or challenges around breakfast time with their children. In addition, families with children with additional needs or disabilities or households with disabilities, noted that school breakfast supported managing these in the morning.

As one primary pupil told the researchers, "Sometimes I don't end up getting breakfast because I've got to look after [my siblings]. By the time I get them dressed I've got no time to have anything to eat."

These insights have helped us greatly in discussions with the Government, as we battle for quality breakfasts to be provided universally and nationally. We now have evidence of a clear link between the Government encouraging more parents to work and the need for breakfast at school. More chaotic mornings could result in more children missing their breakfast, so it's a key part of enabling parents to get to work or study on time.

The UK Government has expressed concern about children being absent from school, so the fact that schools with breakfast have 26 fewer half days of absences per year and reduced late arrivals must surely sound enticing\*. Plus more than half of pupils (56% of 4,232 respondents) said breakfast made them like school more.

Improving our data has helped pinpoint who we're not as effective at supporting. Our research shows that the uptake of breakfast in secondary schools is lower and that's where our research focus will be next year, looking at how we can improve morning nourishment for this age group.

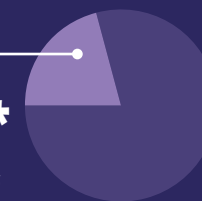
Improving equality, diversity and inclusion is a cornerstone of all our work, and we found that minority ethnic households don't use our school breakfasts at the same rate as other households, even though their needs are sometimes greater. Another area to improve is households where someone has a disability. We're exploring how to improve our work in these areas, and looking at allergens and sensory barriers that we can do our best to overcome in the food we provide.

**68%**  
**OF FAMILIES\***



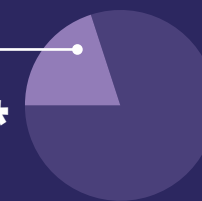
*said they face barriers in the morning.*

**21%**  
**OF FAMILIES\***



*said the morning rush means there isn't always time for breakfast at home.)*

**20%**  
**OF PARENTS\***



*said the reason they use breakfast clubs is that it helps them to get to work/study on time.*

\* 4,651 parents surveyed

# Attendance

"We have a KS2 boy whose attendance was below 50%. As part of the plan to improve, we encouraged him to attend breakfast..."

**...AS A RESULT, HE ATTENDS EVERY DAY, CHECKS IN WITH ATTENDANCE STAFF IN BREAKFAST CLUB AND IS ABLE TO HAVE A POSITIVE START TO HIS MORNING. HIS ATTENDANCE HAS IMPROVED TO OVER 70% AND IS OVER 95% FOR THE PAST TERM."**

Magic Breakfast partner school,  
Rotherham



# 05. A YEAR OF transformation



# DEVELOPING OUR Magic Menu

**W**elcome to our Magic Menu! Launching fully in the 2023-24 financial year, this provides schools with a greater variety of options than ever, including porridge, beans, milk, eggs, bread, crumpets, and much more.

Our **'What's for Breakfast?'** research revealed that children and young people felt what they were eating at school in the mornings could get a bit 'samey'. We decided to address this concern by extending our product range, from 12 to 20 items. We increased products from our current suppliers and brought new food companies on board. Our research showed us the kinds of products young people would like to have available, and as a result we're now progressing at pace to get fruit into schools.

A bigger menu encourages decision-making for children who may not have a choice at home and presents them with a wider variety of food and nutrients.

This change has had a second, and profound, impact on us as a charity. The diversity we now offer makes us less prone to risk. Within our bakery category we now have bread and crumpets as well as bagels. Within our cereal category there are nine different products to choose from.

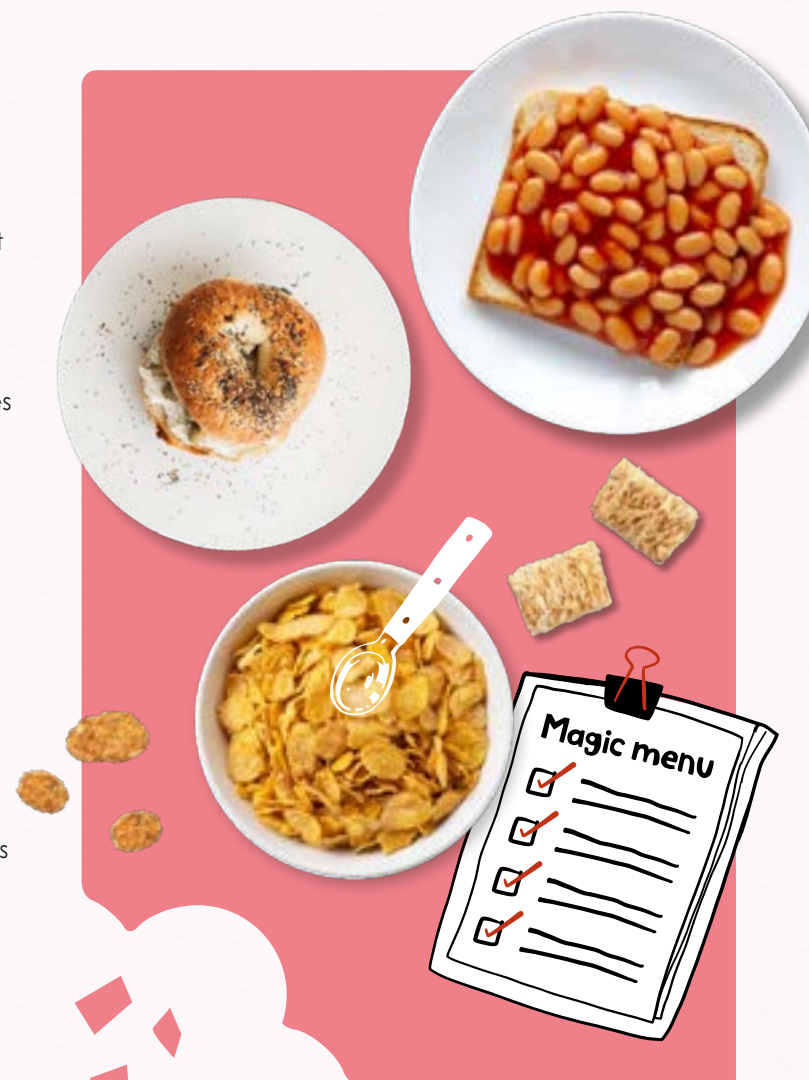
As part of the Magic Menu's introduction, we asked schools to tell us how many portions of each category

of food they want instead of asking for numbers of boxes. This has helped us become smarter about ensuring schools receive the exact quantities they need to help fulfil our environmental mission statement aims.

Schools specify how many portions of food categories they want, such as bakery or cereal. This means that if any one product becomes unavailable or too expensive because of price increases or shortages, we can supplement the product with another from the same category, so schools don't miss out.

The change also means we're using far more of our donated food, no longer needing to heavily supplement this with paid-for. We can manage our forecasts in a better way and feed more children.

On top of this, we've run some amazingly successful food trials, including eggs – a great protein source – from Noble Foods, served in a variety of creative ways by different schools, and baguettes from Délifrance, something warm and comforting in the morning.



# IMPROVING data and systems

We worked with schools to help decide portion numbers, a figure they can adjust whenever needed. This limits food waste and makes sure the schools have enough food for every child who needs breakfast. We are careful to adjust the portion size for age profile, because teenagers should eat far more than infants. We've worked hard on our data so that we can keep track of forecast to usage. This helps us to feed as many children and young people as possible, whilst staying within our budget. We're developing a system for collecting product feedback from children too, so we keep providing breakfasts they love to eat.

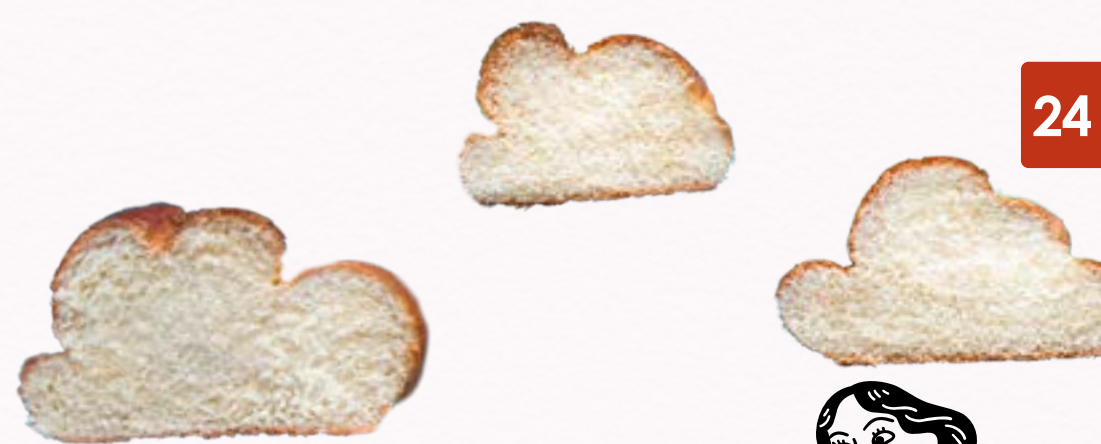
We're investing in internal systems to operate more efficiently and have set up a key performance indicators (KPI) dashboard on Salesforce, allowing us to review and analyse our performance quickly and clearly, helping us achieve our objectives. We can use this data for more accurate forecasts.

All of this means we have more control around how much product we need and when we need it. This helps our donors, and it helps our new business team because we can identify the gaps in what we need in advance, allowing them to find new sources. We can input our plans and see how they compare with what has happened in the past, giving early warnings of changes we might need to make if we're going off track.

One more change. After many successful and supportive years with our food distributor Igloo, we are parting for commercial reasons. A huge thank you to them for the work they have done for us for so long. We welcome the beginning of our new relationship with Oakland International.

All in all, we have responded to a financial crisis by transforming our systems; our operations, our data and distribution system in ways that will benefit us for years to come.

We've extended that push for change and culture of innovation throughout our staff. Our new innovations log allows colleagues to submit ideas to improve how we work and has led to 29 new resources, including posters, assembly material and advice sheets for schools on reaching vulnerable children. We've also put into place procedures to inform schools if a visit by a supporter, celebrity or journalist has had an impact on fundraising.



**29 NEW RESOURCES**

*created from our innovations log which allows colleagues to submit ideas to improve how we work.*



# ENVIRONMENTAL ambition



In April 2023 we published our environmental mission statement and committed to publishing our progress against our three aims. This work has been led by a group of committed staff members and embedded into all our work through the business plan and annual objectives for 2023-24.

## ACHIEVE NET ZERO BY 2030



- We have reviewed and changed our delivery partner to reduce our carbon footprint, which will see us moving to more reusable packaging and green transport methods
- Our procurement processes now consider and prioritise environmental impact

## INCREASED INTERNAL AWARENESS & ACTION



- We launched the environmental mission statement with our Green Squad leading 10 internal training and awareness raising sessions to bring it to life
- Environmental mission is included in our quarterly support and supervision process to help individuals understand and consider their contribution to our aims

## INCREASED EXTERNAL ACTION & AWARENESS



- We have embedded environmental considerations in an updated partnership due diligence framework
- We are seeking to be open and transparent in our efforts, activities, and journey – including setting out these aims here and publishing an annual update alongside this annual report

# TIME to read

**M**agic Breakfast has brought some additional magic to schools, through our continued partnership with Macmillan's Children's Books and the Marcus Rashford Book Club. We have distributed nearly 60,000 copies of the hugely popular *The 13-Storey Treehouse* by Andy Griffiths and Terry Denton, and the second exciting instalment in Marcus' and Alex Falase-Koya's series, *The Breakfast Club Adventures: The Ghoul in the School*.

To help develop a reading culture in partner schools, we have established a Magic Reading Champions Programme. Volunteers from our corporate partners have been going into schools to develop leadership skills and pass on a love of reading to pupils throughout the schools. The volunteers receive training and a programme of activities to carry out with the pupils,

including fun reading events, creating a video, and encouraging parents to inspire their children.

**Jane Richardson, headteacher of Victoria Lane Primary Academy says she can't recommend the programme highly enough:**

**"This engages pupils in a stimulating initiative to ensure reading for pleasure becomes firmly embedded into school life. Our school selected some of our most challenging and reluctant older readers and the**

**programme has transformed their relationship with reading after just a term. This is a fantastic opportunity for schools that aims to create a generation of enthusiastic, lifelong readers."**



**60,000  
COPIES  
DISTRIBUTED**

# 06. A YEAR OF developing our team



# A YEAR OF developing our team



## Q&A with Alan Mustafa, Head of People and Culture

**At the heart of Magic Breakfast is a goal that our people are content, fulfilled, and feel able to bring their whole selves to work, to make a measurable difference to the lives of hungry children and young people. This is what drives our people and culture strategy.**

### Q: What's happened this year to support the staff?

**A:** We've made the wellbeing of our staff a priority, kick starting with a 'wellbeing month' in March but then embedding this as an ongoing focus.

We now have an occupational health provider and wellbeing questionnaires to identify any individual support needed. We have added services where staff can receive cash back on health costs, and access GPs and helplines. With their help we've run a seminar series on different topics, and we're putting in place our own mental health first aiders and wellbeing champions.

Our work on equality, diversity and inclusivity began with a focus on uplifting our family friendly policies and related support. Other areas have been scheduled for the year ahead.

Supporting line managers has been a priority and we've provided a raft of training and tools so they can help their teams to thrive. Supportive and effective people management is vital for an inclusive organisation where everyone can work at their best.

The emphases on wellbeing, an inclusive culture and good people management are the fundamentals we need to help everyone to perform and progress.

### Q: How do staff get used to new ways of working?

**A:** Magic Breakfast is evolving rapidly, and we need to make these changes develop in a way that allows our staff to feel heard and involved, and clear about new ways of working. To do this we've created a new section on our intranet. This acts as a pathway for new starters and a re-induction for existing staff, so we have a shared understanding of the way we work. It was a great, collaborative project and happily had a perfect acronym: WOW, Ways of Working, and the feedback has been brilliant.

### Q: Any other big developments?

**A:** We were gifted the Living Leaders programme thanks to the generosity of their Founder Penny Ferguson and a group of passionate and kind trainers who are part of the Living Leaders family. This enables individuals to build their personal leadership skills and develop how they can best communicate and work with others. This is for all staff, not just those in leadership positions. We've taken this programme to heart and we're weaving it into our whole culture.

### Q: What about the organisation's values?

**A:** We see these as so important that they're now part of assessing how well we perform at work. This means 'how' we work is as important as 'what' we do. We've tied this into our objectives and appraisals processes. This makes how we personify our values at work – for instance how helpful we are to our colleagues – more of a focus. This gives a more rounded view of performance and ties back into ensuring people can be their best selves as they carry out our vital work.

# EDI

## our four areas of focus

To support equity, diversity, and inclusion (EDI), we will work across four areas, which while they give us focus should be seen to work together. These are:



### 1. Children and young people

Understand why Magic Breakfast exists and whom we serve along with recognising the root cause of the need, to enhance decision making.



### 2. Delivering our people vision

Increase employee comfort to bring their whole selves to work to make immeasurable difference to children and young people.



### 3. Thought leadership

Position Magic Breakfast as a thought leader and showcase the impact and learning to become a charity of choice.



### 4. Governance

Build and leverage a diverse and inclusive board with a clear, agreed and effective approach to supporting EDI across operations and governance.



**"THE NEW TRAINING FOR LINE MANAGERS HAS OPENED WAYS FOR US TO LEARN FROM EACH OTHER AND DEVELOP IDEAS ABOUT HOW BEST TO SUPPORT PEOPLE IN OUR TEAMS."**

"The best thing about the people and culture team is that they're open to listening to others, a superbly supportive team. We feel valued. Everyone at Magic Breakfast genuinely wants to ensure that no child starts the day too hungry to learn. That's why we're here and that's why the support we receive is so valuable."

*Andrea Doughty*

Andrea Doughty  
Magic Breakfast Area Manager

# 07. A YEAR OF making ourselves heard



# A YEAR OF making ourselves heard

## The link between learning and earning

**W**ith increased inequality in society, more demand for our services, and limited resources, Magic Breakfast cannot feed everyone in need. This year we have developed our capacity and strength in advocacy to persuade those in positions of power of the importance of breakfast for schoolchildren everywhere.

Government policies are opening up more opportunities for parents to earn, with an announcement in the spring budget of £289 million for wraparound childcare pilots. We know that our breakfast offer can fit significantly into this policy and will continue to work with Department for Education civil servants as they develop plans and guidance.

We recognise the importance of families being able to increase their opportunities, but if increased pressures at home mean children don't eat breakfast, they may still be too hungry to learn. That's why breakfast at school continues to be vital, helping parents get to work on time and helping older children juggle their morning responsibilities.

We organised a parliamentary reception in July, inviting MPs, civil servants and think tanks, with Rt Hon Gillian Keegan MP, Secretary of State for Education, providing the keynote speech. This helped us to emphasise the

importance of breakfast with key decision makers and develop significant relationships.

We also built our relationships with the Labour party. At the Labour Party Conference in October 2022, we welcomed the announcement from Bridget Phillipson MP, Shadow Secretary of State for Education, of access to free breakfast in every primary school as party policy. We're working closely to make sure this commitment would be implemented effectively if Labour forms a government. We have seen in our [Hidden Hunger](#) report that a similar Welsh Government policy created unintentional barriers and did not reach those children who most need school breakfasts. The Scottish Government too has made a commitment to roll out free school breakfasts to all primary and special schools, but not met their original August 2022 deadline to implement it and have provided no timeline for delivery. Words alone never feed anyone.

**"PEOPLE WHO DON'T GET ENOUGH TO EAT IN THE MORNING, MIGHT FIND IT HARD TO LEARN. THEN THEY'LL REALLY STRUGGLE IN TESTS, AND THEN NOT GET THE JOB THEY WANT."**

Primary pupil at Magic Breakfast partner school, Wolverhampton



# A YEAR OF making ourselves heard

## Building coalitions

**M**agic Breakfast has been building our coalition work, specifically in the education, child poverty and food insecurity sectors, to have a greater impact. The evidence base we can provide promotes our joint objectives while increasing awareness of the importance of breakfast at school, available to all.

Our statistics show that breakfast is a vital part of increasing educational attainment and attendance. In the long term it benefits the economy hugely. The scale of our operations equips us with the expertise and insight to galvanise support for legislative change and public sector investment.

We've developed new relationships with the National Education Union, the National Association of Head Teachers and others, and also formed a breakfast coalition together with School Food Matters, Kellogg's, Greggs, and Family Action, creating a stronger voice. A partnership with the British Nutritional Foundation and its network of academics and industry experts will support us in building nutritional quality.

Meanwhile the Fair Education Alliance endorsed Magic Breakfast as a Scaling Award Winner. We were told, "The panel were excited about the systemic impact [their] work could have on both health and educational outcomes for pupils and is looking

forward to supporting them on their journey to achieve this." They are helping us ensure we are targeting need and scale effectively, providing one-to-one strategic and operational support and offering us access to a network of sector leaders, mentors, and peers.

**"I THINK YOU NEED  
BREAKFAST TO BE HEALTHY  
AND HAVE ENERGY FOR THE  
DAY. YOU NEED FOOD  
IN THE MORNINGS TO  
WORK WELL IN LESSONS  
AND TO BE MORE ACTIVE."**

Primary pupil at Magic Breakfast  
partner school, Wolverhampton



**THE IMPACT OF  
BREAKFAST  
CAN BE HUGE.**



# A YEAR OF creating change

**Kathy Voss**, Campaigns Manager



Two years ago, the Scottish Government committed to providing breakfast for all primary and special schools. But since that promise, the Scottish Government haven't served a single slice of toast.

This summer Magic Breakfast alongside parents, Braveheart and Highlander actor James Cosmo, and other supporters, campaigned to persuade them to make good on their promise.

Our six-week campaign, '[Breakfast Can't Wait](#)', held from May to June, had a goal of creating change in the Scottish Government and making our message heard.

Scotland was clearly behind us. A poll showed nine out of every ten adults believed children should not start the day hungry, and eight out of ten said new First Minister Humza Yousaf should make free breakfasts a priority during his first six months in power.

These figures revealed the feelings of urgency around the issue, the anger in the country surrounding empty words and empty tummies. A press release brought coverage in leading outlets, from the Scottish Sun and Daily Record to The Herald, The Scotsman, Good Morning Scotland, Reporting Scotland and the Nine, all places to catch the eyes and ears of MSPs.

Our campaign mobilised supporters and successfully targeted the media. A young supporter created social media content while parents in the playground whose children were receiving a Magic Breakfast explained on TV why other children needed to benefit too.

James Cosmo went to a school and handed out bagels, then gave a powerful interview. "Breakfast is the most important meal of the day, especially for children. It's vitally important that they are fed to enable them to concentrate in class," he said, adding, "There's a deeper meaning to it all too, which says to them, 'Our society cares about you.'"

Magic Breakfast parents signed a letter demanding change, which we formally handed to the First Minister, and at the end of June, we organised a political protest outside Holyrood. We invited all MSPs to meet with us and were very pleased when seven MSPs from the SNP, Scottish Labour, Scottish Conservatives, and the Scottish Greens left their seats in the chamber to come outside and talk to us.



**9 out of 10  
ADULTS AGREED**

*children should not start the day hungry.*

**8 out of 10  
ADULTS AGREED**

*new First Minister Humza Yousaf should make free breakfasts a priority during his first six months in power.*

# A YEAR OF creating change

## Kathy Voss, Campaigns Manager

On the last day of parliament before recess, one MSP – who told us we were directly responsible for their intervention – raised breakfast directly with the First Minister in First Minister's Questions. Then we wrote to the First Minister telling him the future was in his hands.

When the Scottish Government finally announced its programme for the coming year, free breakfast was not on its priority list. Yes, we were disappointed, but we were not discouraged. We know support from the public hasn't gone away.

We didn't manage to persuade the Scottish Government to change its priorities, so in that way we didn't get the outcome we wanted. On the other hand, we succeeded in demonstrating the level of public support for free breakfast in school. And the media and public attention generated by the campaign forced the Government into a public response reconfirming its commitment to the policy.

We have taken so many positives from everything we achieved. Our team are still working to create the noise for change. That noise will only get louder. We will talk to like-minded organisations to work with us.

Saying 'we don't have the money' is not good enough. The Government has made a commitment and they must follow through."

See more here: <https://www.magicbreakfast.com/pages/category/breakfast-cant-wait>

**"WATCH OUT  
FOR 'BREAKFAST  
CAN'T WAIT',  
PHASE TWO."**



**EMPTY WORDS + EMPTY BOWLS = EMPTY TUMMIES**

# THE DIFFERENCE IN THE CHILDREN AND HOW THEY ENGAGE IN THE MORNINGS AFTER RECEIVING FOOD IS INCREDIBLE.

I know this is what research shows, but just seeing them smile, be happy and fed is brilliant. We work in such a deprived area so knowing we can at least feed our children is an achievement and it definitely impacts readiness to learn and engagement in lessons."

Teacher, Magic Breakfast  
partner school, Scotland



# 08. A YEAR OF SUCCESS and lessons



# A YEAR OF success and lessons

**O**ur year started with challenges, a time of cutting back and cutting down. We've had to end our relationship with some schools to focus on the communities with highest levels of need. We needed to ensure our systems would allow us to weather the country's continuing financial storms.

The year has ended on huge positives. We've used our research, expertise and experience to boost our advocacy work, reaching decision makers and others in power to press home our message. We've shown precisely how breakfast for children is about a lot more than food. It's also about providing a welcoming and fun space for children to learn and be enriched. It can also help parents study and work; one of the Government's priorities.

Looking back, maybe what we've done best is use a difficult time and challenges to drive transformation and change for the benefit of children and young people. We've built ourselves tighter systems with more flexibility; with more control over food supplies; and new technology to help forecast future needs.

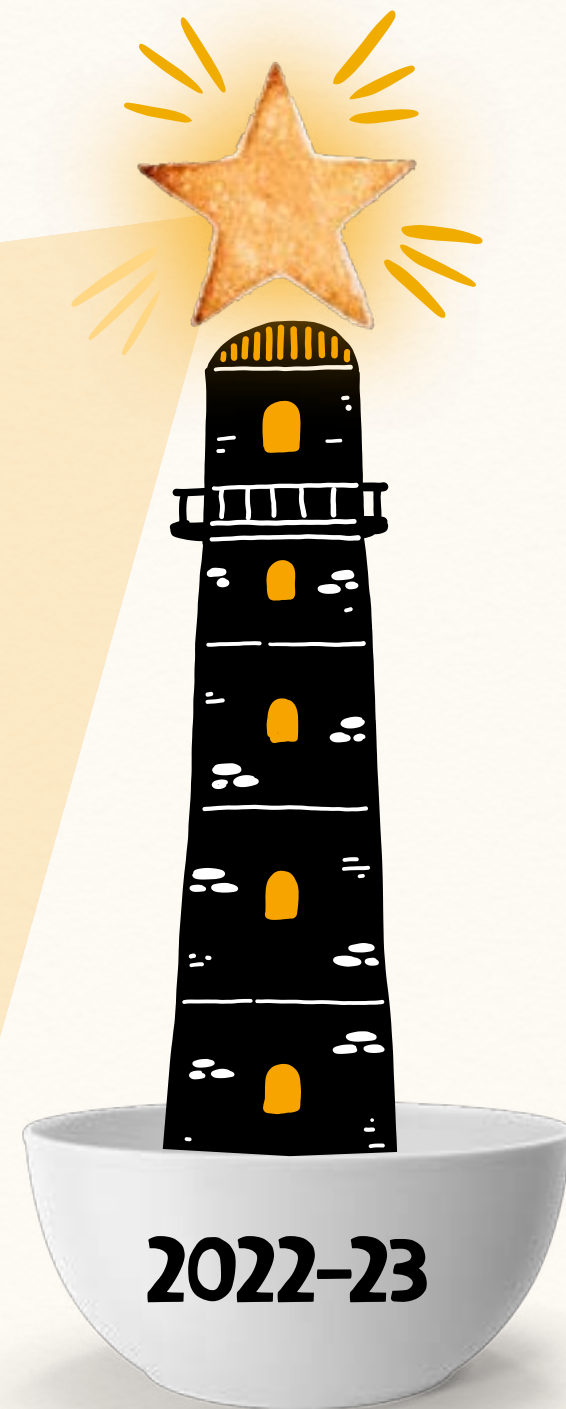
With change always comes learning. We've learnt to act with agility, looking for feedback and listening to the voices of children, young people, and schools for their input. We've developed the muscles that allow us to adapt; vital because of the volatile world around us. There's uncertainty for charities as well as for the children and families that we support, for the schools and communities where we work.

Our key learnings have come through collaboration. We've worked hard to maximise and take full advantage of our brilliant partnerships, our fundraising and development team working with our service delivery team to increase the impact of our donated food items.

We've learnt, too, by collaborating with other organisations. The Scaling Impact Award from the Fair Education Alliance has given us access to a wonderful network of other charities focused on supporting children and young people.

The success of The Times appeal and the level of support and engagement from the public, schools, partners and volunteers in the last year has been hugely appreciated and expanded the Magic Breakfast family further.

Our **'What's for Breakfast?'** research, allowing us to hear the voices of thousands of children, young people and their parents and caregivers, to inform and drive our direction of travel for this year and next has been vital.



# A YEAR OF success and lessons

Changes to our service delivery ensure food waste is at a minimum and our gifts in kind, so generously donated by some of the country's biggest brands, are used to the full. We've used portion calculations and developments in technology to improve our procedures, and a fantastic new Magic Menu plus additional food trials have increased our offer to children and young people, encouraging more to benefit from what we provide.

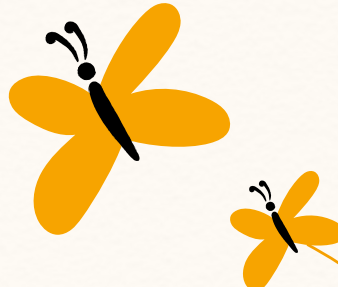
Engaging with schools continues to be a strength, with relationships built with senior leadership teams, volunteers, and teachers. We excel at helping schools identify hunger in children and at overcoming stigma and barriers, to reach everyone needing breakfast.

Our work with local authorities has grown, with three contracts now across London. Working with groups of schools helps us create a great base to grow from, as we proactively reach for more councils to work with, asking for contracts of between one and three years to give us continuity. Working with local

authorities in this way helps us to share best practice between schools and at regional events, and they sometimes agree to fund existing Magic Breakfast schools in their area as well.


Fundraising has been a tremendous success this year, with huge generosity from donors and supporters, old and new. Our media coverage has grown, with Magic Breakfast becoming a go-to voice during the cost of living crisis. Work with corporate partners including Arla, Zurich Community Trust and Heinz has increased our reach further.

We have put building blocks in place that enable us to grow faster and more robustly, still with children and young people at the heart of all we do.



**"THE CLASSROOM HAS A GREATER SENSE OF 'COMMUNITY'. IT IS A PLACE WHERE THE DAY BEGINS POSITIVELY WITH STUDENTS SHOWING THEIR INDEPENDENCE, DEVELOPING THEIR COMMUNICATION SKILLS AND HAVING FANTASTIC SOCIAL INTERACTIONS."**

Primary pupil at Magic Breakfast partner school, Wolverhampton



# A LOOK INTO the future

**W**e face a future with the increase in poverty and widening attainment gap on all our minds. With our two-pronged approach: advocating for change in the run up to the next general election twinned with building our operations at scale more efficiently and flexibly, we are confident of using our resources in the best possible ways.

Our goal is to increase the number of children and young people we're supporting by more than 25%, and to do this sustainably. We have set milestones along the way to assess whether we're ready to grow, should be more ambitious, and that we have the income and the products to fulfil our mission. Increasing productivity will reduce costs; good news for everyone we work with.

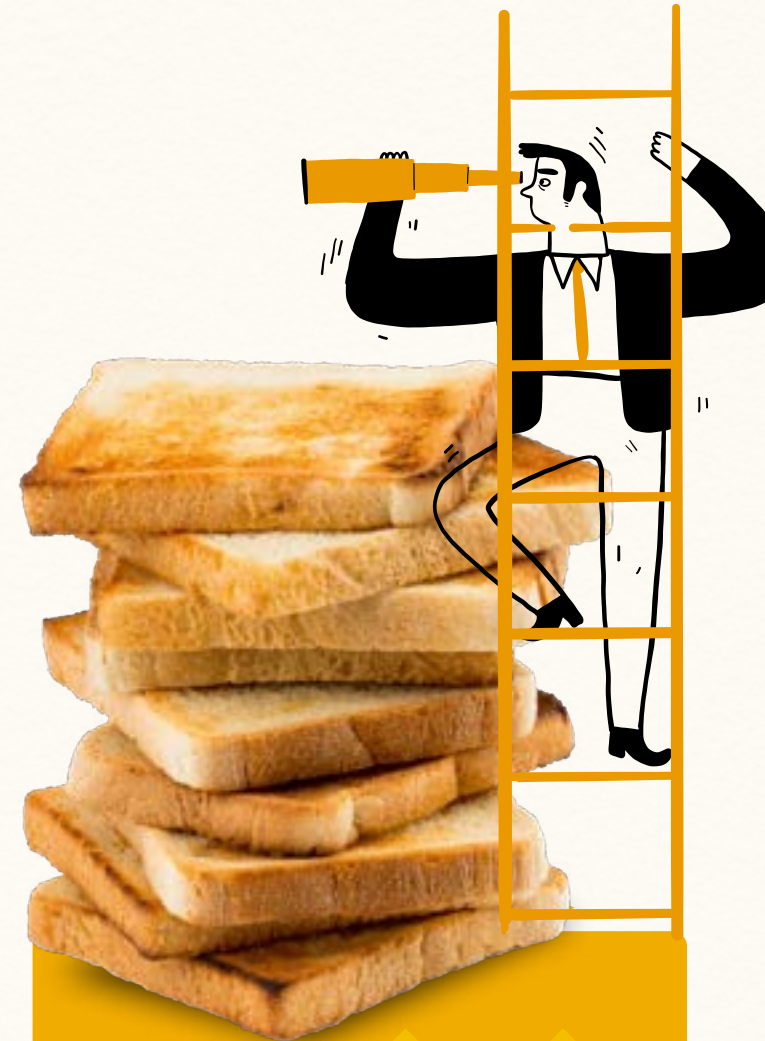
We've adopted the reserves policy to maintain 3.5 – 5.5 months of future costs throughout the year

to mitigate cash flow risks and allow for any remedial actions to be adopted in a timely manner, if cash flow was ever to drop significantly. Next year we are aiming to bring our reserves to within the policy range.

As the political parties work on their manifestos, we will be having our say. The Government's focus on childcare suggests that complex and stressful early mornings at home may increase as parents take on additional jobs and breakfast drops down the priority list.

## Key operational targets for 2023-24

	Target
Children and young people supported each day by end of 2023-24	226,000
Reserves coverage of future months cost (months)	5.1
Commissioned income growth	+40%
Reduce cost per breakfast	-7%



# 25%

increase in the number of children and young people we're supporting.

# A LOOK INTO the future

Our work is fundamental for families making changes in their daily lives, ensuring children don't miss out at a time of rush and chaos.

A strong focus will be on building a more commercial business model that relies less on fundraising income and more on public sector funding. Our structures are in place to push for further success on that front.

Yet the most complete solution for ending child morning hunger is clearly via a long-term funding settlement with the national Governments, requiring significant and sustained investment from each. We will use our advocacy expertise, together with our research and insights, to galvanise support for change in all corners of the UK.

We plan to increase the variety and nutrition available to children. Breakfast can have an impact not just on a child's education but on their wellbeing. We want to increase our understanding so we can support

more children and young people by considering age, cultural differences and disabilities. Across our existing schools we have a target to increase uptake by 10%.

Magic Breakfast's history is rooted in primary and special educational needs and disability (SEND) schools. We will research successful approaches that work for young people at risk of hunger at secondary schools. Research with the British Nutrition Foundation will highlight the impact that food early in the morning has on cognitive development, health, and ability to learn.

We want to keep finding ways to reduce our cost per breakfast whilst maintaining quality so that we can reach even more children, despite rising prices. We have set an ambitious target to reduce it by two pence in the year ahead. We want to explore the opportunity to support children and young people in Wales and Northern Ireland and every community in England and Scotland. That is our goal. We hope you will join us.

**"School breakfast is a morning beacon of hope that illuminates the path of a child's success. With a nourished body and a fuelled mind,**

**they are armed with the energy and focus needed to excel academically, unleash their creativity, and embrace opportunities for growth."**



**10%**

*Increase in our uptake  
in existing schools.*

**BREAKFAST INSTILLS CONFIDENCE,  
REDUCES BARRIERS TO LEARNING,  
AND CULTIVATES A FOUNDATION  
OF WELL-BEING THAT SETS THEM ON  
A TRAJECTORY OF ACHIEVEMENT.  
THE IMPACT IS PROFOUND,  
SHAPING NOT JUST THEIR SCHOOL  
YEARS BUT ALSO THEIR  
LIFELONG POTENTIAL.**

Magic Breakfast partner school, Brent



# 09. TRUSTEES' annual report



## Thank you to our amazing supporters!

### Corporate partnerships

Amazon	Dishoom	Manchester Airports Group	The Office Group
Ardian Foundation	Eversheds Sutherland	Mesmerise	The Permira Foundation
Arla Foods UK	G-Research	Noble Foods	The Times & Sunday Times
Aspect Capital	Grupo Bimbo UK Ltd	Quaker Oats UK	TJC
Bryan Cave Leighton Paisner	Hawksmoor	Reynolds	Warburtons
CABWI Awarding Body	J.P. Morgan's Force for Good program	Sainsbury's	Weetabix Food Company
Central Co-op	Kaizen	Spirax Sarco	Wesleyan
CVC	Kellogg's	The Barratt Foundation	Zurich Community Trust (UK) Limited
D&D London Limited	Kraft Heinz	The InfraRed Charitable Foundation	
Daisy Green			

### Development advisors

Lily Silverton-Parker	Priyan Shah	Shahzad Atai
Nick Lawson	Saloni Thakrar	Simon Woods

### Major donors

Aniela and Ed Shuckburgh	Erica Wax and Andrew Balls	Victoria and Eoin Walsh
David and Janet Thomas	Phil Davies and Family	

### Trusts and foundations

Allan & Gill Gray Philanthropies	Players of People's Postcode Lottery	The Gosling Foundation	The Taylor Family Foundation
DVS Foundation	The Betty Messenger Foundation	The Jectus Charitable Foundation	The Thompson Family Charitable Trust
Masonic Charitable Foundation	The Childhood Trust	The John Horseman Foundation	WPA Foundation
'Peace Train' by The Yusuf Islam Foundation	The Danson Foundation	The RCRT Foundation	

### Local authorities

Camden Schools and Camden Council	London Borough of Hammersmith and Fulham	Wandsworth Council
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## Objectives and activities

### Objectives and activities

Magic Breakfast's aim is to alleviate child hunger and poverty as a barrier to education through the provision of healthy breakfasts. This is being achieved through two key activities: food aid and capacity building 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.

The trustees review the aims, objectives and activities of the charity each year. Our annual report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review, complementing our year-round review of our business plan goals and KPI tracking, also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

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

The 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 on 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 through this report, this is achieved through providing healthy breakfasts and expert support to partner schools. We 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.

## Principal risks and uncertainties

Given forward business planning and forecasts, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. This includes considering the financial and organisational challenges created by the rising cost of living. 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.

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 trustees also fully accept their responsibilities to ensure systems and procedures are 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 that outlines its approach to risk management and processes. To support the identification, management and mitigation of risks in a timely manner, the SLT maintains a risk register for the charity. Board committees review risks relevant to their areas of oversight, and the CEO presents the full register to the Governance, Nominations and Risk Committee and an overview at each Board meeting.

The financial performance of the charity is monitored against an annual budget and monthly management information on the charity's financial position is produced to inform any decisions. This management information is reviewed monthly by the SLT. A quarterly review is held by the Finance and Audit Committee.

In addition, forecasting is undertaken and updated throughout the year to reflect changes that impact on income and expenditure. Magic Breakfast continues to maintain strong stewardship with current donors to mitigate risk to our income.

Although inflation has slowed compared to the prior year we have planned for and experienced inflationary price increases from suppliers.

We maintain close relationships with suppliers and delivery partners to mitigate risks in our supply chain. This is important as we transition to a new logistics partner and manage operational risks through a phased migration.

Cost management has been significantly helped with the implementation of Business Central ERP during 2021-22, which improved forecasting of the charity cost base. Further IT development planned for 2023-24 will drive further efficiencies within the charity.

It is likely that the next United Kingdom General Election will be called in 2024. The charity must react to policy changes and advocate effectively to maximise support for breakfast provisions in schools across the UK.

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

## Reserves policy

At the year end, the charity held £4,924,394 (2022: £1,787,545) in unrestricted reserves (excluding fixed assets), the equivalent to 6.4 months of future running costs. The increase in reserves will minimise the financial risk exposure to the charity, ensure sustainability of our service delivery, and sufficient working capital to enable our planned growth.

Acknowledging the uncertainty in the current climate the Board of Trustees aims to have a level of unrestricted reserves which equates to between 3.5 to 5.5 months of future running costs. Our plans might see our forecast being outside of this range at a point in time, as we seek to set accurate and balanced plans. The current plans for growth will see the levels of reserves reduce during the next two financial years but remain within the range as set out in the policy.

The costs are based on the charity being able to cover all liabilities should all income cease.

The charity may choose to build up a level of reserves above 5.5 months to effectively plan for and implement changes in line with long-term strategic plans.

### 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 £38,001 allotted as shares in the subsidiary organisation, Magic Outcomes Limited.

## Fundraising

During 2022-23, 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 2011* and the *Charities (Protection and Social Investment) Act 2016*. The charity is registered with the Fundraising Regulator and is committed to being an open, fair and respectful fundraiser.

Magic Breakfast 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 2011* and the *Charities (Protection and Social Investment) Act 2016*.

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

## Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated in November 2003 and registered as a charity in March 2004.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 10 to the accounts

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.

### Governance

The decision-making body of the charity is the Board of Trustees, who are responsible for the governance and ensuring it pursues its charitable purpose. The trustees, who are also directors of the company for company law purposes, are recorded on page 2.

The trustees meet quarterly and regularly within committees to ensure good governance and provide guidance. We have three board committees, including: Finance and Audit, Governance, Nominations and Risk, and People and Culture. Their purpose is set out in their terms of reference. Committees meet between board meetings, and as required, and are made up of at least two trustees supported by at least one executive team member. The CEO attends all committee meetings.

### 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 Leadership Team (SLT).

### 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 £112,264 (2022: £81,997). See Note 13 for more information on Magic Outcomes trading activities.

## Appointment of trustees

The management of the charitable company is the responsibility of the Magic Breakfast 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 in August 2023, undertaken in line with the UK Governance Code (using the DSC Governance App). These results support forward planning of the Governance, Nominations and Risk Committee.

During the financial year there were two resignations, detailed on page 2.

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### Trustee induction and training

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.

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### Remuneration policy for key management personnel

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 SLT.

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

The Pay and Benefits Policy launched last year continues to ensure equity, transparency, and development opportunities for staff. It sets out that we will perform salary benchmarking at least every three years to ensure all salaries are in line with similar sized national education charities. 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 People and Culture Committee for review and recommendation to the Finance and Audit Committee.

Where the changes are significant or include Key Management Personnel, the Committees 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.

Trustees are not remunerated for their roles as trustees but Key Management Personnel that make up the SLT received a salary for these roles.

## Statement of responsibilities of trustees

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

The trustees are responsible for keeping 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**
- **The trustees have taken all steps 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.**

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 August 2023 was 9 (2022: 11). The trustees are members of the charity and this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

## Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on **7 December 2023** and signed on their behalf by

Name **Aniela Shuckburgh,**

Title **Chair**





## Independent auditor's report

### Opinion

We have audited the financial statements of Magic Breakfast (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- **Give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 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**
- **Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)**

### 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Magic

Breakfast's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## Independent auditor's report continued...

### Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

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

We have nothing to report in this regard.

### 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, 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 the 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* and the *Charities Accounts (Scotland) Regulations 2006* (as amended) require 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 directors 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.**

## Independent auditor's report continued...

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the 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

We have been appointed as auditor under section 44(1)(c) of the *Charities and Trustee Investment (Scotland) Act 2005* and under the *Companies Act 2006* and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

## Independent auditor's report continued...

### Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- **We enquired of management, audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:**
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
  - We inspected the minutes of meetings of those charged with governance.
  - We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
  - We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- **We reviewed any reports made to regulators.**
- **We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.**
- **We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.**
- **In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.**

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

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

## Independent auditor's report continued...

### 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* and section 44(1)(c) of the *Charities and Trustee Investment (Scotland) Act 2005*. 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.



Joanna Pittman (Senior statutory auditor)

11 January 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, London, EC1Y 0TL  
Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the *Companies Act 2006*.

## Statement of financial activities incorporating income and expenditure account for the year ended 31 August 2023

		Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
Income from	Note	£	£	£	£
Donations and grants	2	9,211,919	1,011,110	10,223,029	7,400,668
Charitable activities	3	278,534	-	278,534	90,509
Investments	4	5,091	-	5,091	793
<b>Total income</b>		<b>9,495,544</b>	<b>1,011,110</b>	<b>10,506,654</b>	<b>7,491,970</b>
<b>Expenditure on</b>					
Raising funds	5	1,267,050	3,476	1,270,526	1,026,251
Food aid	6	4,021,594	1,203,795	5,225,389	7,054,655
Making the case for change	6	1,135,490	36,553	1,172,043	858,298
<b>Total expenditure</b>		<b>6,424,134</b>	<b>1,243,824</b>	<b>7,667,958</b>	<b>8,939,204</b>
<b>Net income for the year</b>		<b>3,071,410</b>	<b>(232,714)</b>	<b>2,838,695</b>	<b>(1,447,234)</b>
<b>Transfer between funds</b>	17	23,061	(23,061)	-	-
<b>Net movement in funds</b>		<b>3,094,470</b>	<b>(255,775)</b>	<b>2,838,695</b>	<b>(1,447,234)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward	18	2,008,394	580,901	2,589,295	4,036,529
<b>Total funds carried forward</b>		<b>5,102,864</b>	<b>325,126</b>	<b>5,427,990</b>	<b>2,589,295</b>

All income and expenditure derive from continuing activities. The Statement of Financial Activities includes all gains and losses recognised during the year. The prior year Statement of Financial Activities is detailed in Note 23.

## Balance sheet as at 31 August 2023

			2023	2022
Fixed assets	Note	£	£	£
Intangible assets	12		140,469	182,848
Investments	13		38,001	38,001
<b>Total fixed assets</b>			<b>178,470</b>	<b>220,849</b>
<b>Current assets</b>				
Stock	14	56,569		35,817
Debtors	15	648,722		420,745
Cash at bank and in hand		5,219,761		2,344,599
<b>Total current assets</b>		<b>5,925,052</b>		<b>2,801,161</b>
<b>Creditors</b>				
Amounts falling due within one year	16	(675,532)		(432,715)
<b>Net current assets</b>			<b>5,249,520</b>	<b>2,368,446</b>
<b>Net assets</b>			<b>5,427,990</b>	<b>2,589,295</b>
<b>Charity funds</b>				
Restricted funds	17		325,126	580,901
Unrestricted funds	17		5,102,864	2,008,394
<b>Total funds</b>			<b>5,427,990</b>	<b>2,589,295</b>

### Notes:

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 7 December 2023 and signed on their behalf by:



**Aniela Shuckburgh, Chair**  
Company registration number: 04977015

## Statement of cash flows for the year ended 31 August 2023

		2023	2022
Cash flows from operating activities	Note	£	£
Net cash provided by operating activities	19	2,870,072	(1,925,415)
<b>Cash flows from investing activities</b>			
Interest from investments	4	5,091	793
<b>Net cash provided by investment activities</b>		<b>5,091</b>	<b>793</b>
<b>Change in cash and cash equivalents in the year</b>		<b>2,875,162</b>	<b>(1,924,621)</b>
Cash and cash equivalents brought forward		2,344,599	4,269,220
<b>Cash and cash equivalents carried forward</b>	<b>20</b>	<b>5,219,761</b>	<b>2,344,599</b>



## Notes to the financial statements

### I. Accounting policies

#### Basis of preparation

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

The charity also owns a wholly owned subsidiary company, Magic Outcomes Limited, a company limited by shares and registered in England and Wales (company registration 04621084). 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.

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.

#### 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 are sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### 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.

#### 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 goods, 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 goods, services or facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain 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.

## Notes to the financial statements continued...

### I. Accounting policies

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.

School membership income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Grant income is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

#### **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.

#### **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.

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.

#### **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**

## Notes to the financial statements continued...

### I. Accounting policies

#### Investments

Investments in subsidiaries are measured at cost less impairment.

#### Stock

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

#### 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.

#### 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.

#### 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.

#### Employee benefits

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

#### 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

Current year	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£	£
Donations	6,469,983	698,780	7,168,763	3,611,758
Membership income	638,190	-	638,190	820,834
Grants	1,254,706	312,330	1,567,036	1,804,149
Donated goods, facilities and services	800,870	-	800,870	1,163,921
Other	48,170	-	48,170	6
<b>Total 2023</b>	<b>9,211,919</b>	<b>1,011,110</b>	<b>10,223,029</b>	<b>7,400,668</b>
<b>Total 2022</b>	<b>6,293,682</b>	<b>1,106,986</b>	<b>7,400,668</b>	

**Total donated goods, facilities and services for the year were £800,870 (2022: £1,163,921) and comprise of the following:**

- £543,471 (2022: £680,731) of breakfast foods;
- £156,060 (2022: £101,461) of office facilities;
- £60,871 (2022: £341,754) of delivery services;
- £23,035 (2022: £10,000) of professional services;
- £9,000 (2022: £NIL) of staff training;
- £7,125 (2022: £NIL) of software licenses; and
- £1,308 (2022: £29,975) of other miscellaneous goods and services.

Prior year	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Donations	3,302,461	309,298	3,611,758	4,006,408
Membership income	820,834	-	820,834	478,962
Grants	1,010,061	794,088	1,804,149	1,465,922
Donated goods, facilities and services	1,160,321	3,600	1,163,921	2,319,476
Other	6	-	6	1
<b>Total 2022</b>	<b>6,293,682</b>	<b>1,106,986</b>	<b>7,400,668</b>	<b>8,270,769</b>
<b>Total 2021</b>	<b>7,430,697</b>	<b>840,071</b>	<b>8,270,769</b>	

### 3. Income from charitable activities

Current year	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£	£
Contract income (Hammersmith & Fulham)	100,694	-	100,694	90,509
Contract income (Camden)	76,303	-	76,303	-
Contract income (Wandsworth)	101,537	-	101,537	-
<b>Total 2023</b>	<b>278,534</b>	<b>-</b>	<b>278,534</b>	<b>90,509</b>
<b>Total 2022</b>	<b>90,509</b>	<b>-</b>	<b>90,509</b>	

There are no unfulfilled conditions or other contingencies attached to the contract income above.

Prior year	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Contract income (Department for Education)	-	-	-	540,008
Contract income (Hammersmith & Fulham)	90,509	-	90,509	170,127
Food partner school income	-	-	-	25,882
<b>Total 2022</b>	<b>90,509</b>	<b>-</b>	<b>90,509</b>	<b>736,017</b>
<b>Total 2021</b>	<b>736,107</b>	<b>-</b>	<b>736,107</b>	

## 4. Income from investments

Current year	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£	£
Bank interest receivable	5,091	-	5,091	793
<b>Total 2023</b>	<b>5,091</b>	<b>-</b>	<b>5,091</b>	<b>793</b>
<b>Total 2022</b>	<b>793</b>	<b>-</b>	<b>793</b>	

Prior year	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Bank interest receivable	793	-	793	1,093
Investment income	-	-	-	3,992
<b>Total 2022</b>	<b>793</b>	<b>-</b>	<b>793</b>	<b>5,085</b>
<b>Total 2021</b>	<b>5,085</b>	<b>-</b>	<b>5,085</b>	

## 5. Expenditure on raising funds

Current year	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£	£
Direct costs	1,115,345	-	1,115,345	913,622
Support costs	151,705	3,476	155,181	112,629
<b>Total 2023</b>	<b>1,267,050</b>	<b>3,476</b>	<b>1,270,526</b>	<b>1,026,251</b>
<b>Total 2022</b>	<b>1,001,475</b>	<b>24,776</b>	<b>1,026,251</b>	

Direct costs are analysed further in Note 7.  
Support costs are analysed further in Note 8.

Prior year	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Direct costs	888,847	24,776	913,622	1,016,008
Support costs	112,629	-	112,629	89,277
<b>Total 2022</b>	<b>1,001,475</b>	<b>24,776</b>	<b>1,026,251</b>	<b>1,105,285</b>
<b>Total 2021</b>	<b>1,091,853</b>	<b>13,432</b>	<b>1,105,285</b>	

## 6. Analysis of expenditure on charitable activities

Current year	Activities undertaken directly 2023	Support costs 2023	Total 2023	Total 2022
	£	£	£	£
Food aid	4,587,164	638,224	5,225,389	7,054,655
Making the case for change	1,028,891	143,152	1,172,043	858,298
<b>Total 2023</b>	<b>5,616,055</b>	<b>781,377</b>	<b>6,397,432</b>	<b>7,912,953</b>
<b>Total 2022</b>	<b>7,044,525</b>	<b>868,428</b>	<b>7,912,953</b>	

In 2023, of the total expenditure on charitable activities of £6,397,432 (2022: £7,912,953), £5,157,084 (2022: £7,328,254) was from unrestricted funds and £1,240,348 (2022: £584,699) was from restricted funds.

Direct costs are analysed further in Note 7.  
Support costs are analysed further in Note 8.

Prior year	Activities undertaken directly 2022	Support costs 2022	Total 2022	Total 2021
	£	£	£	£
Food aid	6,280,423	774,232	7,054,655	6,704,898
Building capacity	-	-	-	109,195
Making the case for change	764,102	94,196	858,298	396,665
<b>Total 2022</b>	<b>7,044,525</b>	<b>868,428</b>	<b>7,912,953</b>	<b>7,210,759</b>
<b>Total 2021</b>	<b>6,628,324</b>	<b>582,434</b>	<b>7,210,759</b>	



## 7. Total direct costs

	2023	2022
	£	£
Staff costs	2,843,385	2,227,860
Temporary staff costs	51,262	96,952
Other staff costs	31,198	73,052
Direct food costs	3,032,102	4,858,697
Contractors and consultants	45,835	110,568
Administration costs	169,782	135,822
Premises costs	137,674	163,933
Legal and professional fees	50,284	17,330
Publicity, marketing and fundraising	299,100	243,282
Bad debts	1	1,159
Amortisation	70,780	29,492
<b>Total</b>	<b>6,731,400</b>	<b>7,958,147</b>

In 2023, of the total expenditure on direct costs, £1,115,345 (2022: £913,622) is allocated to Expenditure on Raising Funds and £5,616,055 (2022: £7,044,525) is allocated to Expenditure on Charitable Activities.

## 8. Total support costs

	2023	2022
	£	£
Staff costs	601,880	608,250
Temporary staff costs	1,187	53,443
Other staff costs	43,875	86,117
Contractors and consultants	71,538	32,950
Administration costs	155,959	104,367
Premises costs	23,131	34,054
Legal and professional fees	600	38,276
Publicity, marketing and fundraising	8,508	240
Governance costs	29,879	23,360
<b>Total</b>	<b>936,558</b>	<b>981,057</b>

In 2023, of the total expenditure on support costs, £155,181 (2022: £112,629) is allocated to Expenditure on Raising Funds and £781,377 (2022: £868,428) is allocated to Expenditure on Charitable Activities.

Included within the total support costs above are £69,437 (2022: £93,887) of governance staff costs, other governance staff costs, administration costs and premises costs which are included within the balance of governance costs in Note 9.

## 9. Governance costs

	2023	2022
	£	£
Governance staff costs	60,425	50,821
Other governance staff costs	475	227
Administration costs	6,280	4,281
Premises costs	2,257	2,970
Legal and professional fees	-	35,555
Publicity, marketing and fundraising	-	33
Auditors' remuneration - Audit of the financial statements	21,720	18,900
Trustee meetings	5,427	1,484
Other governance expenses	2,732	2,976
<b>Total</b>	<b>99,316</b>	<b>117,248</b>

The auditors' remuneration for the audit of the financial statements was £18,100 + VAT (2022: £15,750).

## 10. Trustee remuneration, benefits and expenses

Trustees give their time freely and during the year, trustees have not received any remuneration (2022: £NIL) or benefits of any kind (2022: £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 incurred by trustees, or otherwise met by the charity, are detailed below, and these were wholly in fulfilment of charity business:

	2023	2022
	£	£
Disclosure Barring Service checks	202	112
Training	25	-
Printing and stationery	9	-
Travel and subsistence	780	607
<b>Total</b>	<b>1,016</b>	<b>719</b>
<b>Total number of trustees paid expenses</b>	<b>9</b>	<b>4</b>

## II. Staff costs

Staff costs were as follows:	2023	2022
	£	£
Wages and salaries	3,032,439	2,456,433
Social security costs	292,899	240,563
Pension costs	117,701	89,684
Termination and redundancy costs	2,225	49,431
<b>Total</b>	<b>3,445,264</b>	<b>2,836,111</b>

The average number of persons employed by the charity during the year was as follows:	2023	2022
	No.	No.
Food aid	38	34
Making the case for change	17	13
Fundraising	18	17
Support	11	12
Governance	1	1
<b>Total</b>	<b>85</b>	<b>77</b>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:	2023	2022
	No.	No.
£60,000-£69,999	3	2
£70,000-£79,999	1	-
£80,000-£89,999	-	-
£90,000-£99,999	1	-
<b>Total</b>	<b>5</b>	<b>2</b>

The total amount of employee benefits received by Key Management Personnel, including employers' national insurance, is £465,111 (2022: £389,314). The charity considers its Key Management Personnel to comprise the trustees and the members of the Senior Leadership Team listed in the Reference and Administrative details on page 2.

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

## 12. Intangible fixed assets

ERP system	£
<b>Cost</b>	
At 1 September 2022	212,340
Additions	-
<b>At 31 August 2023</b>	<b>212,340</b>
<b>Amortisation</b>	
At 1 September 2022	(29,492)
Charge for the period	(70,780)
<b>At 31 August 2023</b>	<b>(100,272)</b>
<b>Carrying amount</b>	
At 31 August 2022	182,848
<b>At 31 August 2023</b>	<b>112,068</b>

School portal	£
<b>Cost</b>	
At 1 September 2022	-
Additions	15,805
<b>At 31 August 2023</b>	<b>15,805</b>
<b>Amortisation</b>	
At 1 September 2022	-
Charge for the period	-
<b>At 31 August 2023</b>	<b>-</b>
<b>Carrying amount</b>	
At 31 August 2022	-
<b>At 31 August 2023</b>	<b>15,805</b>

During the year, the charity began developing a school portal and this is an asset that is currently under construction.

Website	£
<b>Cost</b>	
At 1 September 2022	-
Additions	12,596
<b>At 31 August 2023</b>	<b>12,596</b>
<b>Amortisation</b>	
At 1 September 2022	-
Charge for the period	-
<b>At 31 August 2023</b>	<b>-</b>
<b>Carrying amount</b>	
At 31 August 2022	-
<b>At 31 August 2023</b>	<b>12,596</b>

During the year, the charity began redeveloping the website and this is an asset that is currently under construction.

### 13. Fixed asset investment

Shares in group undertakings	£
<b>Cost</b>	
<b>Magic Outcomes Limited - £1 ordinary shares</b>	<b>38,001</b>

The charity owns the whole of the issued share capital of Magic Outcomes Limited, a company registered in England. The company number is 04621084. The registered office address is 42-46 Princelet Street, London, E1 5LP.

The subsidiary is used for non-primary purpose trading activities. Available profits for 2023 will be distributed under Gift Aid to the parent charity. 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.

The directors of the subsidiary are Lindsey MacDonald (CEO), Emily Wilkie (Director of Fundraising and Development), Anthony Eckersley (Head of Finance and Performance), Elizabeth Little (Partnership Development Lead) and Michael Honan (Magic Breakfast Trustee).

A summary of the results of the subsidiary is shown to the right:

In the year, the charity introduced a management fee charge owed by Magic Outcomes to the parent charity Magic Breakfast which is based on a proportion of income across the group entity. The management fee for the year ending 31 August 2023 was £48,165 + VAT (2022: £NIL).

Amounts owed to/from the parent undertaking are shown in Notes 15 and 16.

	2023	2022
	£	£
Turnover	112,264	81,997
<b>Gross profit/(loss)</b>	<b>112,264</b>	<b>81,997</b>
<b>Administrative expenses</b>	<b>(50,915)</b>	<b>(1,972)</b>
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>61,349</b>	<b>80,025</b>
<b>Taxation on profit on ordinary activities</b>	<b>-</b>	<b>-</b>
<b>Profit/(loss) for the financial year</b>	<b>61,349</b>	<b>80,025</b>
<b>Retained earnings</b>		
Total retained earnings brought forward	82,932	43,929
Ordinary share capital	38,001	38,001
Profit/(loss) for the financial year	61,349	80,025
Distribution under Gift Aid to parent charity	(80,025)	(41,022)
<b>Total retained earnings carried forward</b>	<b>102,257</b>	<b>120,933</b>
<b>The aggregate of the assets, liabilities and reserves was:</b>		
Assets	226,025	152,101
Liabilities	(123,767)	(31,168)
<b>Reserves</b>	<b>102,257</b>	<b>120,933</b>

## 14. Stock

	2023	2022
	£	£
<b>Undistributed breakfast ingredients</b>	<b>56,569</b>	<b>35,817</b>

Stock recognised as an expense during the year was £1,894,519 (2022: £2,976,494).

## 15. Debtors

	2023	2022
	£	£
Trade debtors	522,566	185,798
Other debtors	1,740	14,936
Accrued income	77,922	186,780
Prepayments	46,494	30,034
Amounts owed from group undertakings	-	3,198
<b>Total</b>	<b>648,722</b>	<b>420,745</b>

## 16. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	123,918	64,986
Other taxation and social security	155,498	96,120
Other creditors	3,739	18,786
Accruals	59,699	62,282
Deferred school membership income	329,042	190,541
Amounts owed to group undertakings	3,636	-
<b>Total</b>	<b>675,532</b>	<b>432,715</b>

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.

Deferred income	Balance brought forward at 1 September 2022	Income released	Income deferred	Balance carried forward at 31 August 2023
	£	£	£	£
School membership income	190,541	190,541	329,042	329,042

## 17. Statement of funds

Current year	Balance at 1 September 2022	Income	Expenditure	Transfers	Balance at 31 August 2023
	£	£	£	£	£
<b>Unrestricted funds</b>					
<b>General funds</b>	<b>2,008,394</b>	<b>9,495,544</b>	<b>(6,424,134)</b>	<b>23,061</b>	<b>5,102,864</b>
<b>Restricted funds</b>					
Kraft Heinz	-	309,201	(309,201)	-	-
Zurich Community Trust (UK) Limited	120,000	120,000	(127,510)	-	112,490
The Big Give	42,872	98,236	(128,017)	-	13,090
Guy's and St Thomas' Foundation	99,389	-	(99,389)	-	-
ScottishPower Foundation	-	80,000	(35,781)	-	44,219
Central England Co-Operative Limited	33,900	30,300	(25,083)	-	39,117
Masonic Charitable Foundation	-	51,000	(32,220)	-	18,780
Tesco Community Grants	1,191	50,875	(52,066)	-	-
The Davies Family Charitable Fund	-	50,000	(50,000)	-	-
Crucible Foundation	50,000	-	(26,939)	(23,061)	-
Other restricted funds	233,549	221,498	(357,617)		97,430
<b>Total restricted funds</b>	<b>580,901</b>	<b>1,011,110</b>	<b>(1,243,824)</b>	<b>(23,061)</b>	<b>325,126</b>
<b>Total funds</b>	<b>2,589,295</b>	<b>10,506,654</b>	<b>(7,667,958)</b>	<b>-</b>	<b>5,427,990</b>

## 17. Statement of funds

### 17. Notes

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 **Kraft Heinz, Tesco Community Grants** and **The Davies Family Charitable Fund** restricted funds are used to provide food aid to schools in the UK.

The **Zurich Community Trust (UK) Limited** restricted fund is used to provide food aid to schools and our policy and campaigning work in the UK.

**The Big Give** restricted fund is used to provide food aid to schools in London.

The **Guy's and St Thomas' Foundation** restricted fund is for the purposes of running the Impact on Urban Health programme which aims to pilot the effectiveness, and acceptability, of intervening in the primary school breakfast sector, primarily to improve the nutritional quality of food being provided in existing breakfast clubs.

The **ScottishPower Foundation** restricted fund is used to provide food aid to schools in Scotland.

The **Central England Co-Operative Limited** restricted fund is used to fund the onboarding and food aid costs for six new schools in the Central England region.

The **Masonic Charitable Foundation** restricted fund is used to provide food aid for schools in Tower Hamlets.

The **Crucible Foundation** restricted fund is used to provide food aid for five schools in the UK for the September 2022-August 2023 academic year. The underspend was agreed to be released to unrestricted funds.

**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.



## 17. Statement of funds

Prior year	Balance at 1 September 2021	Income	Expenditure	Transfers	Balance at 31 August 2022
	£	£	£	£	£
<b>Unrestricted funds</b>					
<b>General funds</b>	<b>3,740,800</b>	<b>6,384,984</b>	<b>(8,329,729)</b>	<b>212,340</b>	<b>2,008,394</b>
<b>Restricted funds</b>					
Anonymous donor	248,200	-	(25,379)	(212,340)	10,481
Guy's and St Thomas' Foundation	-	297,481	(198,092)	-	99,389
Zurich Community Trust (UK) Limited	-	120,000	-	-	120,000
The Big Give	42,691	111,900	(111,719)	-	42,872
Janus Henderson Foundation	-	63,753	(17,759)	-	45,994
Yusuf Islam Foundation	-	56,072	(34,458)	-	21,614
Crucible Foundation	-	50,000	-	-	50,000
Tesco Community Grants	-	60,500	(59,309)	-	1,191
The Davies Family Charitable Fund	-	50,000	(50,000)	-	-
Hollyhock Charitable Foundation	-	43,750	-	-	43,750
Universities Lodge No. 2352	-	42,405	-	-	42,405
InfraRed Charitable Foundation	-	39,853	(20,019)	-	19,833
DVS Foundation	-	38,170	(33,049)	-	5,121
Central England Co-Operative Limited	-	33,900	-	-	33,900
The WPA Benevolent Foundation	-	30,000	(7,479)	-	22,521
Other restricted funds	4,839	69,203	(52,211)	-	26,831
<b>Total restricted funds</b>	<b>295,730</b>	<b>1,106,986</b>	<b>(609,475)</b>	<b>(212,340)</b>	<b>580,901</b>
<b>Total funds</b>	<b>4,036,529</b>	<b>7,491,970</b>	<b>(8,939,204)</b>	<b>-</b>	<b>2,589,295</b>

## 18. Analysis of net assets between funds

Current year	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023
	£	£	£
Intangible fixed assets	140,469	-	140,469
Fixed asset investments	38,001	-	38,001
Current assets	5,596,290	325,126	5,921,416
Creditors due within one year	(671,896)	-	(671,896)
<b>Total</b>	<b>5,102,864</b>	<b>325,126</b>	<b>5,427,990</b>

Prior year	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022
	£	£	£
Intangible fixed assets	182,848	-	182,848
Fixed asset investments	38,001	-	38,001
Current assets	2,220,260	580,901	2,801,161
Creditors due within one year	(432,715)	-	(432,715)
<b>Total</b>	<b>2,008,394</b>	<b>580,901</b>	<b>2,589,295</b>

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

	2023	2022
	£	£
Net movement in funds for the year (as per Statement of Financial Activities)	<b>2,838,695</b>	<b>(1,447,234)</b>
<b>Adjustment for</b>		
Decrease in intangible assets	42,379	(130,192)
Interest from investments	(5,091)	(793)
Increase in stock	(20,753)	71,908
Increase in debtors	(224,341)	306,056
Increase in creditors	239,181	(725,159)
<b>Net cash provided by operating activities</b>	<b>2,870,072</b>	<b>(1,925,415)</b>

## 20. Analysis of cash and cash equivalents

	2023	2022
	£	£
<b>Cash in hand</b>	<b>5,219,761</b>	<b>2,344,599</b>

## Lease commitments and Related party transactions

**21. Operating lease commitments** The charity is in receipt of donated office premises therefore there are no further lease payments owing. During the year, the charity leased a storage facility however there are no future minimum lease payments owing under non-cancellable operating leases.

During the year, the lease expenditure for office premises totalled £NIL (2022: £94,032). During the year, the lease expenditure for the storage facility totalled £4,745 (2022: £NIL) 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 here, there were no related party transactions during the period.

During the year, the charity received unrestricted donations of £102,300 (2022: £30,996) and restricted donations of £50,000

(2022: £61,398) from trustees. The two restricted donations of £25,000 each were given by The Davies Family Charitable Fund and the purpose of those donations is to provide food aid to schools in the UK.

## 23. Prior year statement of financial activities

		Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Total funds 2021
Income from	Note	£	£	£	£
Donations and grants	2	6,293,682	1,106,986	7,400,668	8,270,769
Charitable activities	3	90,509	-	90,509	736,017
Investments	4	793	-	793	5,085
<b>Total income</b>		<b>6,384,984</b>	<b>1,106,986</b>	<b>7,491,970</b>	<b>9,011,871</b>
<b>Expenditure on</b>					
Raising funds	5	1,001,475	24,776	1,026,251	1,105,285
Food aid	6	6,478,109	576,547	7,054,655	6,704,898
Building capacity	6	-	-	-	109,195
Making the case for change	6	850,145	8,153	858,298	396,665
<b>Total expenditure</b>		<b>8,329,729</b>	<b>609,475</b>	<b>8,939,204</b>	<b>8,316,044</b>
<b>Net income for the year</b>		(1,944,745)	497,511	(1,447,234)	695,827
<b>Transfer between funds</b>	17	212,340	(212,340)	-	-
<b>Net movement in funds</b>		(1,732,405)	285,171	(1,447,234)	695,827
<b>Reconciliation of funds</b>					
Total funds brought forward	18	3,740,800	295,730	4,036,529	3,340,703
<b>Total funds carried forward</b>		<b>2,008,394</b>	<b>580,901</b>	<b>2,589,295</b>	<b>4,036,529</b>