

THE BREADSTICKS FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019



Caladine

Chartered Certified Accountants

THE BREADSTICKS FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees Ms Beatrix Payne (Chair)
Dr Paul Ballantyne (Secretary and
Treasurer)
Ms Beatrice Roberts

Charity number 1125396

Auditor Caladine Limited
Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

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1 Balloon Street
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THE BREADSTICKS FOUNDATION

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THE BREADSTICKS FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The Trustees present their report and accounts for the year ended 30 September 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's declaration of trust, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The objects of the Foundation are to advance education and to protect and preserve good health with a particular focus on Africa, India, Southeast Asia and the UK.

The Trustees confirm that they have referred to the guidance contained within the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant making policy for the year. In so doing, the Trustees have complied with the duty in section 17 of the Charities Act 2011.

The Foundation carries out its objectives by:

- funding community programmes whose efforts enable the provision of education or healthcare support.
- funding programmes that are small-scale activities embedded in local communities, or large-scale organisations
- funding programmes whose recipients are often marginalised
- funding programmes in the focus geographical areas

By focussing on these areas we achieve our strategic priorities of:

- helping communities to create sustainable futures through support for and provision of education and healthcare
- building long-term partnerships with the organisations we support.

Public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Foundation should undertake.

Grant making policy

Grant applications are by invitation only and must fit within the Foundation's objectives described above. We aim to build close, long-term partnerships with the organisations we support. Where possible we aim to provide partner organisations with long-term core funding but will also provide project-related grants. Grant sizes vary. Grants made by the Breadsticks Foundation clearly fall within the thirteen "Heads of Charity" outlined by the Charity Commission for England and Wales and defined in the Charities Act 2011.

The countries in which the Foundation currently works directly are the United Kingdom, India, Kenya, Laos, South Africa, South Sudan and Uganda. The Foundation will not sponsor individuals or fund work with animals, medical research or capital and building projects, nor will we fund faith-based programmes unless they work with beneficiaries from all faiths and none.

We participate closely in monitoring and evaluation with our partners and, in order to achieve this, require half-yearly progress reports on each grant. In assessing a grant application, we will analyse each applicant's financial reports and accounts and will conduct telephone and face-to-face interviews.

THE BREADSTICKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The Trustees are open to collaborative funding of organisations and programmes with other grant-making bodies and already do this through the Foundation's involvement with St Mary's Islington Community Partnership, Urban Hope and Doctors of the World.

Achievements and performance

During the year Trustees made site visits to Doctors of the World, Marys and Zisize and had executive meetings with Hope and Homes for Children and School Home Support. We were generally pleased to see the progress achieved with the assistance of grants from the Breadsticks Foundation.

The following summarises our active grants in the year ending September 2019:

Grants in Africa

- **Basic Needs, Kenya.** The grant enabled Basic Needs Kenya to support staff and build capacity at mental health specialist Community Psychosocial Support Organisation (previously South Sudan Psychosocial Programme) in Moyo, Uganda. We have been funding CPSO since 2012 when it was based in Kajo-Keji providing support and psychotropic drugs to its beneficiaries. It is a recognised player working on mental/psychosocial health for the displaced and traumatised victims of conflict in South Sudan. In the year to July 2019 Basic Needs Kenya continued to provide technical assistance to the CPSO team including training in Interpersonal Group Therapy and Sustainable Livelihoods planning.
- **Dreamfields Project, Johannesburg, South Africa.** Our grant enabled the provision of football and netball coaching, equipment, leagues and tournaments at schools in Ingwavuma, KwaZulu Natal, in association with Zisize Educational Trust. 1959 schoolchildren in this isolated and impoverished area signed up for DreamLeagues organised by Dreamfields in 2019, 48.7% of which were girls.
- **Three2Six, Johannesburg, South Africa.** We provided core operational funding to Three2Six which currently provides after-hours education to 225 refugee children to prepare them for mainstream schooling. We have been funding Three2Six since 2012. The children receive 15 hours of tuition a week, as well as English language support, hot meals and uniforms, sports and arts programmes and school holiday activities. In addition, Three2Six employs 13 refugee/migrant schoolteachers.

Grants in Asia

- **Lao Disabled Women's Development Centre, Vientiane, Laos.** We help fund this residential centre that accommodates and trains disabled women and provides outreach training to villagers, community workers and sector partners. In May 2019, 27 resident and 20 non-resident women graduated in vocational training from the centre, having learnt skills such as sewing, computing, English, finance and business planning. Of these, 85% are estimated to be economically independent, 40% working for companies and 45% having started their own businesses. We have supported LDWDC since 2010.
- **The Banyan, Chennai, India.** Our grant goes towards core costs for this provider of community-based health care and support to people with poor mental health in Tamil Nadu. In the first half of 2019, 81 people used The Banyan's Emergency Care and Recovery Centres (ECRCs) and 192 accessed its Home Again residential programme. In addition, The Banyan's contributed significantly to a National Task Force on mental health which led directly to the Supreme Court passing a directive to explore transition and exit options for long-stay patients in state mental hospitals. The Banyan is now working with the state governments of Maharashtra, Gujarat, Andhra Pradesh and Uttarakhand to replicate its Home Again programme. We have supported The Banyan since 2013.

THE BREADSTICKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Grants in the United Kingdom

- **Brighton Oasis.** The grant funded core costs for Young Oasis, a therapy centre providing support to children affected by family alcohol or drug misuse in Brighton and Hastings. Our funding has enabled the centre to nearly double its capacity. In the first half of 2019, 115 young people accessed Young Oasis services in Brighton of which 31 completed 1 on 1 therapy.
- **Doctors of the World.** Since 2016, our grant has provided funding for the work of a family clinic meeting the ante- and post-natal needs of migrants, trafficked women and those with no recourse to public funds. In 2019, the clinic moved to a new, purpose-built space in Stratford, east London, enabling the provision of additional services. The clinic saw 40 children and 102 pregnant women in the first half of 2019. Feedback showed that 90% of service users were supported to access the NHS, 90% said they felt confident to see a GP about their health concerns and 70% reported an improvement in their health after accessing a DotW clinic.
- **Freedom from Torture.** This organisation provides care and rehabilitation to survivors of torture and other forms of organised violence. Our funding contributed towards the operating costs of the Northwest Treatment Centre (NWTC) in Manchester. In the first half of 2019, the NWTC supported 167 survivors of torture, including 141 adults, 18 young people and 8 children, through therapeutic and welfare/legal support, having a transformative impact on their psychological wellbeing and resilience. According to one survivor of torture, "FFT has been my backbone ... I don't know where I would have been without the support... Even when it's been so dark and surrounded by unknowns, it's like having someone standing with you on the road and giving you hope".
- **Hope and Homes for Children.** Our grant funded HHC's work in Africa, South America and Central Europe where HHC helps orphaned and vulnerable children live in supported and sustainable family units and supports national governments towards deinstitutionalisation of childcare. We have funded HHC since 2009 and are pleased to have seen them grow to become an acknowledged global expert in the deinstitutionalisation of childcare, working alongside governments and civil society organisations to dismantle orphanage-based care systems. HHC are now active in seven countries have a presence in 21 others and three further strategic pilot projects. In the first half of 2019, 589 children were moved from institutions into family and community-based care by HHC.
- **Ministry of Stories.** Our grant supports some of the core costs of this literacy programme operating in Hackney, Tower Hamlets and Islington in London. In the six months to November 2019, MoS worked with 500 children, 216 in weekly school-based writing clubs and 284 in one-off sessions at its base in Hoxton. One school writing club member said "were it not for your belief in what I have to say and your trust in my capabilities I wouldn't have the chance to put my voice out there".
- **School Home Support.** The grant provided core funding to work across England to help tackle absenteeism and truancy from primary schools by working with children and their families. We have supported SHS since 2012. Over 8,000 children, young people and families were directly supported by SHS in 2018. Recent analysis showed that two years' family support from an SHS practitioner resulted in an average 46 extra days in school per pupil per year, equating to an 18% increase in the likelihood of achieving 5 A*-C grades at GCSE, key to a child's future life opportunities and options.
- **St Mary's Islington Community Partnership.** Our grant provided match-funding to enable Mary's youth club to deliver its programmes to support young people, particularly in terms of increased confidence and mental resilience. We have supported Mary's since 2016 as Mary's has grown its team and services. Mary's engages with over 300 young people a year at its site in Islington and has started outreach services on local housing estates.
- **Urban Hope, London.** We part-fund the salary of a male youth worker to support, through workshops, organised activities and one-to-one advice, the young people attending the Urban Hope youth club in Canonbury. We have been funding Urban Hope since 2015 and in the six months to the end of December 2018, 119 young men were supported through Urban Hope's evening sessions, mentoring and school work, in life skills, health issues and healthy living, appropriate risk taking, gang prevention, and education, employment and training options.

THE BREADSTICKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Financial review

In the period under review, the Foundation received donated bonds of £2,151,486, £788 in interest and £152,859 in interest income from investments. Grants amounting to £718,219 were made to the organisations described above. The cash at bank balance at year end was £65,485. In the course of disbursing funds, the Foundation incurred expenses that amounted to 2.3% of grants disbursed.

Reserves policy

The Foundation intends to hold funds (Reserves) in the form of cash and long-term, low-risk corporate bonds. The reserves will be held to provide an income stream to fund future liabilities, being grants made to partner organisations to further the objectives of the Foundation.

Investment policy

Funds have been invested in UK corporate bonds and will not be invested in the securities of companies that are not aligned to the Foundation's mandate such as companies linked to the arms, tobacco or gambling industries.

Risk management

The Foundation's assets are invested in a diverse portfolio of low-risk, UK corporate bonds. Cash balances are kept to match the near-term financial obligations of the Foundation to its partner organisations and are held as savings deposits with UK clearing banks. Operational risk we define as funding disbursed that gives rise to outcomes that are not in line with the Foundation's objectives. We aim to mitigate this risk by thorough, detailed appraisal of the integrity, capacity, capability and governance of potential recipients of funding prior to disbursement of that funding. We also assess the political, economic, social, technological, legal and environmental risks in each country where we fund organisations, with a view to assessing the ability of our partner organisations to conduct their activities freely.

Risks associated with the safeguarding of children, young people and vulnerable adults are important for the Foundation to take account of as, in many cases, the beneficiaries will be those who are particularly vulnerable. Whilst the responsibility for detailed actions on safeguarding must lie with the organisations and individuals directly delivering services or undertaking activities we think that it is essential that the Foundation takes a broad overview and awards grants in ways that enhance safeguarding.

In the award of grants the Foundation will seek evidence of: a safeguarding policy; a named person responsible for dealing with concerns or allegations of abuse; clear guidance on what action to take if allegations are made; a rigorous recruitment and selection process for staff and volunteers who work with children and vulnerable adults; a written code of behaviour which outlines good practice when working with children and vulnerable adults; information for children, vulnerable people, their parents and carers about where to go for help and a protective culture which ensures that if individuals have concerns someone will listen and take them seriously.

Future plans

The funding arrangements of the Foundation changed significantly during the year under review. Instead of receiving ad hoc individual donations, we have been endowed with a portfolio of interest-bearing securities that are expected to generate an annual income to fund the grant-making function of the Foundation, albeit at a smaller scale than was previously the case. The Trustees have therefore reduced the size of the Foundation's portfolio of grants to match this expected income. The Foundation's income in FY20 is likely to be under £1,000,000 such that a formal audit of the accounts will not be needed.

Structure, governance and management

The Trustees who served during the year and up to the date of signature of the financial statements were:

Ms Beatrix Payne (Chair)

Dr Paul Ballantyne (Secretary and Treasurer)

Ms Beatrice Roberts

Mr Trevor Macy

Dr Kirsty Le Doare

(Resigned 10 November 2018)

(Resigned 10 November 2018)

THE BREADSTICKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The Breadsticks Foundation is registered with the Charity Commission in England and Wales, constituted under a declaration of trust signed on 31 May 2008. The Breadsticks Foundation has a minimum of three Trustees appointed for various terms of at least two years. New Trustees are recruited by the existing Trustees on the basis of their experience, empathy with and knowledge of the Foundation's work. On appointment, new Trustees meet with the Chairwoman, Secretary and Treasurer and are given a welcome pack consisting of the governing document, latest Trustees Annual Report and accounts, the Foundation's Operations Manual and the Charity Commission's guidance booklet "The Essential Trustee: What you need to know."

The Trustees meet three times a year to agree strategy and grant making and oversee reserves and risk management policies. Day-to-day management of grants and initial consideration of applications are delegated to the Executive Committee consisting of the Chairwoman, Secretary and Treasurer.

All Trustees give of their time freely and no Trustees received remuneration during the year. Travel expenses incurred when visiting projects and to attend Trustee board meetings are reimbursed.

The Trustees' report was approved by the Board of Trustees.



Ms Beatrix Payne (Chair)

Trustee

Dated: 26 March 2020

THE BREADSTICKS FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources of the Foundation for that year.

In preparing these accounts, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE BREADSTICKS FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE BREADSTICKS FOUNDATION

Opinion

We have audited the financial statements of The Breadsticks Foundation (the Foundation) for the year ended 30 September 2019 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice)

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE BREADSTICKS FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE BREADSTICKS FOUNDATION

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Foundation'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Other matter

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2016.



Caladine Limited

**Chartered Certified Accountants
Statutory Auditor**

26 March 2020

Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

Caladine Limited is eligible for appointment as auditor of the Foundation by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

THE BREADSTICKS FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	Unrestricted funds 2019 £	Endowment funds 2019 £	Total 2019 £	Unrestricted funds 2018 £
<u>Income and endowments from:</u>					
Donations and legacies	2	-	2,151,486	2,151,486	1,336,250
Investments	3	788	152,859	153,647	74
Total income and endowments		788	2,304,345	2,305,133	1,336,324
<u>Expenditure on:</u>					
Raising funds	4	-	2,318	2,318	-
Charitable activities	5	733,571	-	733,571	964,467
Total resources expended		733,571	2,318	735,889	964,467
Net gains/(losses) on investments	10	-	203,342	203,342	-
Net (outgoing)/incoming resources before transfers		(732,783)	2,505,369	1,772,586	371,857
Gross transfers between funds	14	150,541	(150,541)	-	-
Net movement in funds		(582,242)	2,354,828	1,772,586	371,857
Fund balances at 1 October 2018		687,178	-	687,178	315,321
Fund balances at 30 September 2019		104,936	2,354,828	2,459,764	687,178

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE BREADSTICKS FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Investments	11	2,354,828		-	
Current assets					
Trade and other receivables	12	41,621		2,624	
Cash at bank and in hand		65,485		715,305	
		107,106		717,929	
Current liabilities					
Other payables	13	2,170		30,751	
Net current assets		104,936		687,178	
Total assets less current liabilities		2,459,764		687,178	
Capital funds					
Endowment funds - general	14	2,354,828		-	
Income funds					
Unrestricted funds		104,936		687,178	
		2,459,764		687,178	

The financial statements were approved by the Trustees on 26 March 2020


Ms Beatrix Payne (Chair)
Trustee


Dr Paul Ballantyne (Secretary and Treasurer)
Trustee

THE BREADSTICKS FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	18		1,348,019		662,780
Investing activities					
Donated investments		(2,151,486)		-	
Income from investments		153,647		74	
Net cash (used in)/generated from investing activities			(1,997,839)		74
Net (decrease)/increase in cash and cash equivalents			(649,820)		662,854
Cash and cash equivalents at beginning of year			715,305		52,451
Cash and cash equivalents at end of year			65,485		715,305

THE BREADSTICKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

Charity information

The Breadsticks Foundation is a registered charity in England and Wales (number 1125396), constituted under a declarations of trust signed 31st July 2008.

The address of the Foundation's principal place of business is 35 Canonbury Square, London, N1 2AN.

1.1 Accounting convention

The accounts have been prepared in accordance with the Foundation's declaration of trust, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The Foundation is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Foundation. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of fixed asset investments and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Endowment funds represent investments held by the charity to generate income for the furtherance of their charitable objectives.

1.4 Income

Income is recognised when the Foundation is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Legacies are recognised on receipt or otherwise if the Foundation has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE BREADSTICKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies (Continued)

1.5 Expenditure

Liabilities are recognised as soon as a legal or constructive obligation arises committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to the category. Costs of activities in furtherance of the charity's objects are grants made by the charity to support its charitable projects, and the support costs relating to the activity.

Support costs comprise administration costs in relation to the grant making, together with governance costs. Governance costs include the costs of preparing and auditing the statutory accounts. The support costs have been allocated wholly to the grant making activities.

The Foundation supports by the provision of financial grants some of those organisations whose own activities are in accordance with the Foundation's objects. Applications are received by invitation only. The sums recognised to the Statement of Financial Activities are those paid in the period under review as whether the conditions attached to the commitment are met by the recipient are assessed on an annual basis.

1.6 Non-current investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Foundation's balance sheet when the Foundation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE BREADSTICKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Foundation's contractual obligations expire or are discharged or cancelled.

2 Donations and legacies

	Endowment funds general 2019 £	Unrestricted funds 2018 £
Donations and gifts	2,151,486	1,336,250
Donations and gifts		
Donations	-	1,069,000
Gift aid	-	267,250
Donated shares	2,151,486	-
	<u>2,151,486</u>	<u>1,336,250</u>

3 Investments

	Unrestricted funds 2019 £	Endowment funds general 2019 £	Total 2019 £	Unrestricted funds 2018 £
Income from listed investments	-	152,859	152,859	-
Interest receivable	788	-	788	74
	<u>788</u>	<u>152,859</u>	<u>153,647</u>	<u>74</u>

THE BREADSTICKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

4 Raising funds

	Endowment funds general 2019 £	Total 2018 £
Investment management	2,318	-

5 Charitable activities

	2019 £	2018 £
Grant funding of activities (see note 6)	718,219	948,585
Share of support costs (see note 7)	12,490	14,012
Share of governance costs (see note 7)	2,862	1,870
	<u>733,571</u>	<u>964,467</u>
Analysis by fund		
Unrestricted funds	<u>733,571</u>	<u>964,467</u>

THE BREADSTICKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

6 Grants payable

	2019 £	2018 £
Grants to institutions:		
Basic Needs Basic Rights Kenya / CPSO	63,641	-
Beanstalk (Volunteer Reading Help)	-	35,840
Brighton Oasis	47,498	46,567
Doctors of the World	-	28,881
Dreamfields	27,119	29,507
Freedom from Torture	150,000	150,000
Hope and Homes for Children	300,000	300,000
Islington Giving	-	50,000
Loa Disabled Women's Development	38,462	39,398
Sacred Heart College (Three2Six)	-	58,958
School Home Support	20,000	50,000
St Mary Islington Community Partnership	8,000	15,000
St Mungo's LifeWorks	-	35,205
The Banyan	30,500	50,448
Ministry of Stories	25,000	-
Urban Hope	8,000	15,887
Other	-	42,894
	<u>718,219</u>	<u>948,585</u>

7 Support costs

	Support costs £	Governance costs £	Total 2019 £	Support costs £	Governance costs £	Total 2018 £
Travelling expenses	2,972	692	3,664	3,754	623	4,377
Conference costs	-	-	-	302	-	302
Grant management software	9,380	-	9,380	9,019	-	9,019
Bank charges	36	-	36	36	-	36
Website	102	-	102	278	-	278
Audit fees	-	1,920	1,920	-	1,620	1,620
Accountancy	-	250	250	-	250	250
	<u>12,490</u>	<u>2,862</u>	<u>15,352</u>	<u>13,389</u>	<u>2,493</u>	<u>15,882</u>
<u>Analysed between</u>						
Charitable activities	<u>12,490</u>	<u>2,862</u>	<u>15,352</u>	<u>14,012</u>	<u>1,870</u>	<u>15,882</u>

THE BREADSTICKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year. One Trustee had Trustee meeting travel costs of £692 (2018: £623) met by the charity.

The Foundation received aggregate donations of £2,151,486 (2018: £1,069,000) from its Trustees.

9 Employees

There were no employees during the year.

10 Net gains/(losses) on investments

	Endowment funds general 2019 £	Total 2018 £
Revaluation of investments	188,060	-
Gain/(loss) on sale of investments	15,282	-
	<u>203,342</u>	<u>-</u>

11 Fixed asset investments

	Listed investments £	Cash in portfolio £	Total £
Cost or valuation			
At 1 October 2018	-	-	-
Additions	2,151,486	566,000	2,717,486
Valuation changes	188,060	-	188,060
Disposals	(550,718)	-	(550,718)
	<u>1,788,828</u>	<u>566,000</u>	<u>2,354,828</u>
At 30 September 2019	1,788,828	566,000	2,354,828
Carrying amount			
At 30 September 2019	<u>1,788,828</u>	<u>566,000</u>	<u>2,354,828</u>
At 30 September 2018	<u>-</u>	<u>-</u>	<u>-</u>

THE BREADSTICKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

12 Trade and other receivables

	2019 £	2018 £
Amounts falling due within one year:		
Other receivables (Accrued dividends)	38,892	-
Prepayments and accrued income	2,729	2,624
	<u>41,621</u>	<u>2,624</u>

13 Current liabilities

	2019 £	2018 £
Other payables (Grants)	-	28,881
Accruals and deferred income	2,170	1,870
	<u>2,170</u>	<u>30,751</u>

14 Endowment funds

The Endowment fund represents a settlement received during the year and is treated as an expendable endowment.

	Balance at 1 October 2018	Incoming resources	Movement in funds			Balance at 30 September 2019
	£	£	Resources expended	Transfers	Investments gains/losses	£
Endowment funds	-	2,304,345	(2,318)	(150,541)	203,342	2,354,828
	<u>-</u>	<u>2,304,345</u>	<u>(2,318)</u>	<u>(150,541)</u>	<u>203,342</u>	<u>2,354,828</u>

The transfer of £150,541 to the General fund represents the net income less costs earned on the fund during the year available to distribute via the general fund.

15 Analysis of net assets between funds

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total 2019 £	Unrestricted funds 2018 £
Fund balances are represented by:				
Investments	-	2,354,828	2,354,828	-
Current assets/(liabilities)	104,936	-	104,936	687,178
	<u>104,936</u>	<u>2,354,828</u>	<u>2,459,764</u>	<u>687,178</u>

THE BREADSTICKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

16 Commitments

The Foundation has made commitments to fund the following organisations, as specified below. These have not been accrued in the accounts since they are dependent on the charities meeting their performance-related conditions, which are assessed by the Foundation. Commitments in foreign currency have been translated into sterling at the exchange rate prevailing at the year end.

	2020 £	2021 £
Basic Needs Basic Rights Kenya / CPSO	66,419	-
Brighton Oasis	48,448	-
School Home Support	20,000	20,000
St Mary, Islington	8,000	8,000
The Banyan	18,000	-
Urban Hope	8,000	8,000
	<u>168,867</u>	<u>36,000</u>

Each grant has different performance-related conditions attached to future funding commitments. In general these are not onerous and the Trustees reasonably expect that the Foundation will have to fund the listed commitments. These will be funded from current cash reserves and future investment income. If necessary the Trustees will ensure that appropriate donations are made to the Foundation to ensure the funds are available. However funding can be suspended if in the view of the Trustees the terms of the grant funding agreement are not met.

17 Related party transactions

There were no disclosable related party transactions during the year (2018 - none).

18 Cash generated from operations

	2019 £	2018 £
Surplus for the year	1,772,586	371,857
Adjustments for:		
Investment income recognised in statement of financial activities	(153,647)	(74)
Gain on disposal of investments	(15,282)	-
Fair value gains and losses on investments	(188,060)	-
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(38,997)	262,091
(Decrease)/increase in trade and other payables	(28,581)	28,906
Cash generated from operations	<u>1,348,019</u>	<u>662,780</u>