

Charity Number: SC045232

THE SOCIAL BITE FUND

**ANNUAL REPORT AND
ACCOUNTS**

FOR THE YEAR ENDED 31 MAY 2020

THE SOCIAL BITE FUND

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Contents	Page
Trustees' report	1 – 15
Statements of trustees' responsibilities	16
Independent auditor's report to the Trustees of The Social Bite Fund	17 - 20
Consolidated statement of financial activities	21
Charity statement of financial activities	22
Balance sheets	23
Consolidated statement of cash flows	24
Notes to the financial statements	25 – 45

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020

The trustees present their annual report together with the audited consolidated financial statements of The Social Bite Fund ("the charity" or "Social Bite"), and its group, for the financial year ended 31 May 2020. The report is prepared in accordance with the charity's constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") 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)".

The comparative information presented represents the 18-month period from 1 December 2017 – 31 May 2019 and so is not directly comparable due to the different length of accounting period.

HIGHLIGHTS OF THE PERIOD / EXECUTIVE SUMMARY

Over the 12-month period, from 1 June 2019 to 31 May 2020, Social Bite and its subsidiaries achieved the following:

- Distributed 111,423 items of food and drink up until the COVID-19 outbreak in March 2020 via our social enterprise chain of coffee shops.
- Repurposed the operations within Social Bite Limited during the COVID-19 lockdown to allow food packs to be distributed in the major cities across Scotland (Edinburgh, Glasgow, Dundee, Aberdeen and surrounding areas). This project was carried out in partnership with the Scottish Government. For the period 18 March 2020 to 31 May 2020, 251,889 food packs were distributed. By the end of October 2020, when this collaborative project formally came to an end, 536,783 food packs and 131,188 essential item packs had been distributed, bringing a combined total of food and essential packs distributed to 667,971.
- Supported the creation of a new charity, The World's Big Sleep Out Trust, to launch a global campaign to call for an end to homelessness. 52 cities were secured all over the world to host events and over 600 "Host your Own" events were organised by families and small organisations all over the world. An estimated 60,000 people are believed to have participated by sleeping out in unison on Saturday 7 December 2019, raising funds for 75 homelessness and refugee focussed charities all over the world (Social Bite being one of these).
- Engaged over 7,000 children and young people to create and participate in their own Wee Sleep Outs, with most events taking place on 7 December 2019. The programme educated young people across Scotland about Social Bite's work, the homelessness system in Scotland and the power of social enterprise – the model Social Bite has used with such success.
- Provided supported employment to 22 people affected by homelessness through the Social Bite Academy and engaged a further 30 in supported volunteering in this reporting period.
- Enabled 29 people to access a safe home at Social Bite Village from its opening in July 2018 to May 2020.
- Catalysed the Housing First Scotland programme – a major collaborative project to provide a permanent home with continuous and specific support to people with high support needs who are trapped in repeat homelessness. Through this programme 261 people were housed by the end of May 2020 (327 by September 2020)
- Enabled 30 homeless people each week to dine with dignity at Vesta restaurant.
- Total income of £4.1m for the year (compared to £8.4m achieved for the 18 month period to 31 May 2019 – this included £5.4m from two significant fundraising events).
- Increase in "Donations – general" (excluding one off events/campaign) of 51% to £2.9m from the 18 month prior year period. This reflects an increase in individual, corporate and trust and foundation income. See Note 3 to the accounts for an overall breakdown of Donations and Legacies.

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020 (continued)

This financial year has been one that saw the start of a global pandemic through the outbreak of COVID-19 and resulted in a full UK wide lockdown that started on 23 March 2020 and continued in force until the end of June 2020, when restrictions were gradually scaled back.

This unprecedented situation created challenges for Social Bite, but as is summarised above, the charity was able to mobilise support to those who most needed it. The trustees are also thankful to Social Bite's supporter base, from individuals, businesses, trusts and foundations who all very generously donated and continued to show their trust in the charity to make a difference.

The trustees would also like to thank the team at Social Bite, along with the many volunteers, that work tirelessly to deliver the charity's purpose.

ESTABLISHMENT & PURPOSE

The charity was established as a Scottish Charitable Incorporated Organisation (SCIO) on 17 November 2014.

The charity is established for the charitable purposes only and the objectives (updated on 16 April 2019) are:

1. To relieve poverty in the UK and overseas by giving grants to social business and microfinance institutions. We will only give grants to social businesses and microfinance institutions who focus on tackling global and local poverty.
2. To relieve poverty in the UK and overseas by giving interest free loans to social businesses and microfinance institutions. We will only give loans to social businesses and microfinance institutions who focus on tackling global and local poverty;
3. To relieve poverty, suffering and distress of people who are in a condition of need, hardship or distress by providing, or assisting in the provision of food and accommodations, with the object of improving the conditions of life generally but in particular those who have need of such facilities by virtue of their youth, age, infirmity, disability, handicap, poverty, homelessness, unemployment or social and economic circumstances and to undertake other such activities that would relieve their needs;
4. The advancement of education through the provision of practical training as a route to employment.
5. To give to anything the trustees consider to be a charitable purpose.

The area within which the charity shall operate (in the constitution referred to as the 'Area of Benefit') shall be Scotland and England.

The charity shall promote (but not promote exclusively) its activities and delivery operations to people within the 'Area of Benefit' who are the general public of Scotland and England.

OBJECTIVES

Social Bite's vision is for a Scotland where everyone has a safe place to call home.

Our mission has two parts:

- 1 We use our **pioneering social enterprises** to enable people affected by homelessness to transform their own lives.
- 2 We lead a **movement to end homelessness** by generating funds, awareness and action across all sections of society.

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020 (continued)

In Social Bite's pursuit of these objectives, the subsidiaries within the Social Bite Group (Social Bite Limited and Social Bite Restaurants Limited) continue to play an important role, with Social Bite Limited in particular being integral in delivering charitable activities on a daily basis. The role these subsidiaries play is described more fully in the following section.

Social Bite Communities Limited, previously established to manage the construction of the Social Bite Village is dormant and steps are being taken to strike this company off.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

A. Food Provision

Building positive relationships is fundamental to our work at Social Bite because we know that most people we support are in and out of the criminal justice system, struggle with homelessness and addictions and have experienced child abuse. The impact of trauma on a person can be extremely detrimental, as Suzanne Fitzpatrick (Heriot-Watt University) highlights – the most effective way to help people experiencing homelessness, with a history of trauma, is via a supportive relationship. We also know that people who struggle with homelessness experience the highest levels of isolation within the UK (Crisis, 2015). Therefore we decided to use food as a tool to engage people, to build relationships and make our events social, whilst meeting a fundamental human need.

Sandwich Shops with a Social Impact

Social Bite Limited is wholly owned by Social Bite and consists of four public facing sandwich shops (2 in Edinburgh, 1 in Glasgow and 1 in Aberdeen), two concession cafés, a central production kitchen and a sandwich delivery business known as Social Bite Delivers. We use the infrastructure of this social enterprise to provide food, support and opportunities to people affected by homelessness and to raise donations for the charity.

- We distributed 111,423 items of free food and hot drink to people affected by homelessness, until our shops were forced to close in March 2020 due to the lockdown. Our service provision then changed and is described more fully in the next section.
- We distribute free food via our sandwich shops at set times during every weekday, usually providing a breakfast service and a later afternoon service (known as "Social Scran").
- It is important to us that within the provision of free food there is still dignity and choice. During our provision of free food, we aim to replicate, as closely as possible, the level of choice a person may have, if they were to have the resources to pay for their food. We produce additional food explicitly for our Social Suppers and Social Scran events at our central kitchen.
- Prior to the pandemic, we were running twice-weekly Social Suppers events in each of Edinburgh, Glasgow and Aberdeen where we would welcome homeless people into our shops to sit down and have a hot meal and access support. We believe such events help build trust and a supportive relationship with individuals, especially those that have experienced a significant trauma in their lives (this being a contributing factor to many of those who are homeless). Social distancing measures and the continuing levels of infection rates has meant this service has been temporarily suspended.
- Our suppers are also a place where attendees can receive support or be signposted to another organisation that can help. We believe that the relaxed, informal environment in the café can often act as a gateway to support and other services. We strongly encourage relationship building between people and organisations. We believe in partnership work and we invite external agencies, such as Streetwork,

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020 (continued)

Cyrenians and Dignity Box, to name but a few, to attend the suppers. This gives people an opportunity to connect to relevant further support.

- We support an estimated 600 highly vulnerable people each week with free food and drink with many individuals visiting our shops for food twice a day, every weekday. In many cases, the food we provide is the main source of food that individuals have and very often their only source of hot food. Feedback from our homeless customers points directly to the impact of Social Bite food in preventing hunger.
- Our approach enables us to connect with the most vulnerable people in Edinburgh, Glasgow and Aberdeen, who come to Social Bite from a wide range of circumstances incorporating the following main groups:
 - rough sleepers
 - homeless people living in temporary/emergency accommodation
 - vulnerable women housed in refuges
 - hidden homeless who are 'sofa surfing' moving from house to house with no secure tenancy
 - destitute migrants, refugees and asylum seekers
 - people who were recently homeless, who are now in their own tenancy but are still highly vulnerable and connected to the homeless community

Social Bite's COVID-19 response

Whilst the UK Government made their announcement of a national lockdown on 22 March 2020, Social Bite had already started plans to produce and deliver food to people in need. An agreement was made with the Scottish Government to support a large scale project to deliver free food across the main cities (and surrounding areas) in Scotland.

- From Wednesday 18 March 2020, Social Bite Limited's central kitchen, cafes, drivers and team were swiftly re-deployed to produce and deliver food to those most in need during the Coronavirus outbreak.
- We provided vital fresh lunch packs to a wide range of individuals and communities including people experiencing homelessness, families in food poverty and vulnerable children and adults.
- We were delighted to be working with fantastic community partners across Scotland (including Bethany Christian Trust, Simon Community and Aberdeen Foyer) to connect our food to people in need, achieving the following over the project period (18 March 2020 – 31 October 2020):
 - Delivered 536,783 emergency food packs (251,889 delivered by 31 May 2020)
 - At the peak of the crisis we delivered 6,000 emergency food packs each weekday, over a 7 week period (May-June 2020)
 - 160 people were accessing free takeaway food each weekday from our cafes in Edinburgh, Glasgow and Aberdeen, with social distancing maintained
 - We worked with 99 partner charities, using their local knowledge to distribute our food to those most in need in their communities
 - Delivered a further 131,188 essential non-food packs alongside our fresh food packs;
 - Total distribution of food and essential item packs of 667,971
- We established a necessary system of support that replaced the direct support received at our weekday events. We offered crisis support and signposting to those who found themselves in extremely difficult situations. We knew the importance of maintaining relationships meant that individuals had a positive human contact, in some cases the only meaningful connection a person might have in their life at this time. We have provided almost 60 crisis interventions, including organising food access for individuals, referring people for emotional support, financial advice, housing assistance, welfare and suicide interventions.

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020 (continued)

- We were greatly appreciative of the dedication shown by both staff and volunteers who continued to work during this period, delivering an essential service and following the enhanced health and safety protocols required to keep people safe.

Vesta' Restaurant – providing dignified meals to the homeless community

Social Bite Restaurants Limited is wholly owned by Social Bite and operates one restaurant in Edinburgh called 'Vesta'.

- On Monday afternoons, the restaurant serves a two-course meal to diners who are experiencing homelessness. This meal is of equal quality to that of paying customers.
- Social Bite Training and Support staff are on hand at the meals to help link people to support services and opportunities. We also welcome partner organisations that can offer direct support to people attending Vesta.
- Staff members are supported by 2 – 3 volunteers who engage with people coming for food and provide an opportunity to build trusting relationships.
- The Monday service is well attended by an average of 30 people each week and is highly valued by the homeless community. We receive regular feedback that the meals help to restore their sense of self-worth and provide a great environment to engage with other homelessness services. Due to the pandemic, Vesta has been mainly closed since March 2020 and even when open, social distancing measures have prevented this service being restarted. This will remain under review and will restart when we can safely do so.
- Supported employees, who are part of the Social Bite Academy, will also be able to complete training placements at the restaurant and thereby increase their skills and experience by working in a professional kitchen.

B. Accommodation & Shelter

Housing First

People have a right to a home – Housing First will:

- prioritise access to housing as quickly as possible, regardless of any pre-existing addictions, medical conditions or previous history
- not place any conditions on housing being provided other than a willingness to maintain a tenancy
- provide housing based on suitability (stability, affordability, quality, community integration) rather than the type of housing – an individual has the choice, where possible, about where they live
- provide wrap around support for the individual as required, but this support is not contingent on housing being provided, nor if the individual disengages or no longer requires support
- provide the individual with their own tenancy agreement

Housing First means people are given a permanent home alongside the intensive support they need to maintain their tenancy as well as build a normal life with routine, positive relationships and better health and wellbeing. The project is targeted at the most vulnerable people affected by chronic and repeat homelessness, who have particularly high support needs. This is not an immediate solution, but one that can, over the longer term, eradicate homelessness.

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020 (continued)

Social Bite was a key instigator of this programme within Scotland, pledging an investment of up to £3m over a pilot period, which commenced in 2018 (extended to 31 March 2021). The Scottish Government co-invested £6.5m. with the intention that this would then become the default programme for all Scottish local authorities. Merchant House Glasgow have also provided funding. The aim was for this to deliver 830 new tenancies by the end of the pilot.

The project is being coordinated in partnership with the Corra Foundation and the Homeless Network Scotland. Expert training in this new model of supporting vulnerable people is being delivered by Turning Point Scotland to all project partners. An in-depth evaluation of the programme is being carried out by Heriot-Watt University.

Five consortia are delivering the Housing First programme over the pilot period. The consortia have employed teams of skilled support workers who provide flexible and persistent support to help people housed to maintain their tenancies as well as supporting people to put the fundamentals of a good life in place. The consortia are made up of the following members:

- 1) **Housing First Glasgow** led by Turning Point Scotland with a consortium comprised of Simon Community Scotland, The Salvation Army and Loretto Care.
- 2) **Housing First Edinburgh** led by the Cyrenians with a consortium comprised of Turning Point Scotland, Rock Trust, Streetwork, Bethany Christian Trust, Gowrie Care and Barony Care.
- 3) **Housing First Dundee** led by Transform Community Development with a consortium comprised of Salvation Army Dundee, Dundee Survival Group (DSG) and Addaction
- 4) **Housing First Aberdeen & Aberdeenshire** led by Aberdeen Cyrenians with a consortium comprised of Aberdeen Foyer, Turning Point Scotland, Aberdeen City Council Housing Support Department and Aberdeenshire Council
- 5) **Housing First Stirling** led by Loretto Care with Barony Care offering support

At the end of May 2020, 261 people had been housed by the Housing First programme across the above five areas. However, at this point Scotland was in the middle of a national lockdown, where the level of new tenancies was greatly inhibited. 89% of those housed had sustained their tenancies (of the 11% who did not sustain their tenancy, more than half related to either long term prison sentences or the death of a tenant, both circumstances that are out with the control of Housing First). There have been no statutory evictions to date.

In addition to the people housed, there was also a significant number of people receiving support prior to a tenancy being offered.

Whilst being pleased with the high number of tenancies created, putting people with a long term history of rough sleeping, suffering from addictions and other mental trauma, into homes, there have been challenges along the way in getting people into homes as quickly as possible. It has highlighted an inconsistent system across local authorities in how houses are allocated and at times existing processes don't allow for change to be made quickly.

Social Bite will continue working with all partners involved in Housing First to push for change in the process and for it to work to support those who really need a place to call a home.

Social Bite remains firmly committed to Housing First and proud of being a founding member of this programme within Scotland. This has only been achieved through the generous support of our donors and to the many thousands who took part in our previous Sleep in the Park events.

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020 (continued)

Social Bite Village – a positive community where people can build a new life

The Social Bite Village welcomed its first residents in July 2018. It was built to give people the right environment, support and opportunities they need to build a happy and independent life. We work in partnership with Cyrenians and Hillcrest Homes to help deliver this service.

The Village presents an alternative model to emergency/temporary accommodation, which is used significantly in Edinburgh. Many people are currently housed in B&Bs for months at a time without the facilities of a normal home and with little or no support to help them break out of homelessness.

In contrast, the Village provides a highly supported community for up to 18 people at a time. Over this time, people will contribute to the life of the community, learn a range of new skills and engage in work and voluntary placements.

29 people accessed a safe home at Social Bite Village from its opening in July 2018 to May 2020. Of these people, 12 moved on to their own tenancies/home; 2 people unfortunately abandoned their place in the Village.

Community Members have been supported to access employment, education, training and volunteering opportunities. There has been a high level of engagement in these activities - 7 people have gained employment, 8 have engaged in volunteering out with the Village and 9 took part in education or training.

C. Employment & Volunteering

Social Bite Academy

Social Bite provides the Social Bite Academy programme, supporting highly vulnerable individuals to work (through fixed term employment within Social Bite Limited) or volunteer and gain skills. This includes helping people to gain accreditation in areas such as food safety, health and safety and first aid.

The training we provide is highly structured – Social Bite Academy Team Members complete a 12-week induction and training programme as well as modules on FLOW – an industry-leading online training portal.

In the 12 months to May 2020, we directly employed 22 people with a background of homelessness and/or other complex needs in our social enterprise.

In this way, we provide life-changing opportunities for individuals to learn, develop and gain accreditation. Structured training and work experience provides a platform for individuals to change their whole lives; with parallel support provided to enable people to gain independent housing, improve their mental and physical health, address issues relating to historical abuse/neglect suffered in childhood, build positive relationships and address negative cycles of behaviour related to substance misuse and offending.

The public benefit of the above approach is extremely significant given that we are supporting people to move on from destructive patterns of behaviour that have negative impacts and present an extremely high cost to wider society and move to a position of stability and contribution to society.

Our Social Impact programme across Social Bite Limited is led by five highly experienced support staff with skills in counselling, safeguarding, training and personal development. The impact of this team is greatly multiplied by 86 regular volunteers who are involved in our social enterprise activity across Edinburgh, Glasgow and Aberdeen.

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020 (continued)

Volunteers and their contribution to Social Bite

Throughout the period, volunteers continued to make a significant contribution to the activities of Social Bite with 86 regular volunteers contributing to our work, contributing a collective 18,500 hours.

The majority of our volunteers supported our Social Scrans and Social Suppers events held in our shops.

We also supported 30 people affected by homelessness to volunteer. This work has generated successful outcomes in terms of providing jobs within our own social enterprise, supporting people to find employment elsewhere, supporting people to access housing and to lead happier, healthier and more independent lives.

In addition to volunteers supporting the running of our direct charitable work, we are fortunate to have the ongoing commitment of our Trustee group and the Board Members of our subsidiaries, who are essential for the effective governance and development of the Social Bite group.

We are constantly impressed and inspired by the effort and passion that volunteers bring to Social Bite together with their desire to reduce homelessness and the impact it has on people who are experiencing it.

D. Events & Fundraising

World's Big Sleep Out

In 2019 Social Bite supported the creation of a new charity and subsequently provided funding to The World's Big Sleep Out Trust to launch a global campaign to call for an end to homelessness. Supporting the establishment of The World's Big Sleep Out Trust reduced substantially the risk to Social Bite of running a global event of this scale and ambition.

This global campaign was founded by Social Bite Co-founder [REDACTED] MBE with the ambition of taking Social Bite's 'Sleep in the Park' concept (a mass participation sleep out event featuring musicians, celebrity speakers and voices of lived experience) which was born in Scotland and replicating it around the world for one night of global solidarity for those experiencing homelessness and displacement and to call for an end to homelessness globally.

On 7 December 2019, an estimated 60,000 people participated worldwide by sleeping out in unison, across 52 cities, and via over 600 "Host your Own" events to create the largest ever display of solidarity with and in support of those experiencing homelessness and displacement.

In accordance with a funding agreement between both parties, Social Bite provided total cash funding of £838,805 (in exchange for donations to Social Bite from the event) towards this event with the following aims in mind (all of which will contribute to achieving the aims of the charity):

- a) Reducing the risk to Social Bite of running a global event of this scale
- b) The funding of an Edinburgh event
- c) Receiving a share of the funds raised globally
- d) Increasing awareness of homelessness (and raising funds for local charities) on a global scale and therefore, by association, in the UK
- e) Significantly increasing Social Bite's network and base of supporters

Feedback received from participants indicated a significant shift in perspectives on the issue of homelessness and an increase in empathy for homeless people.

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020 (continued)

Two months after The World's Big Sleep Out, in February 2020, the United Nations (UN) Commission on Social Development (CSocD)'s 58th Session met to debate the Priority Theme "Affordable housing and social protection systems for all to address homelessness". [REDACTED] (Chair of The World's Big Sleep Out Trust) attended and spoke at this session where the Commission issued the first UN resolution on homelessness in more than 30 years.

Social Bite received donations of £357,063 directly from the event in the year to 31 May 2020. While this was less than the trustees' anticipated, as described above, one of the expected benefits was increasing Social Bite's network and base of supporters. Subsequent to the event, a further £644,604 has been raised directly by Social Bite throughout the course of calendar year 2020 as a result of The World's Big Sleep Out Trust's supporters and network. £82,604 of these further donations were received by 31 May 2020 so are included in this year's accounts.

The funding agreement set out the sums to be paid over to Social Bite. Subsequent to the year end, the trustees of Social Bite and The World's Big Sleep Out Trust have entered into a further agreement whereby the additional donations of £644,604 are treated as meeting The World's Big Sleep Out Trust's original obligations under the funding agreement.

In line with the original objectives, the trustees hope to see further financial benefit for Social Bite from the network of supporters created by The World's Big Sleep Out Trust in 2021 and beyond.

Post Year end benefits for other charities working in homelessness and food poverty: The World's Big Sleep Out Trust helped to establish fundraising relationships for Social Bite over the course of calendar year 2020. This has led to significant benefit for a range of other charities working in and offering similar areas of support. An example of this are the funds raised for food poverty charities throughout the UK. Full details of these fundraising partnerships will be included in next year's financial accounts.

The trustees are pleased with the achievements of The World's Big Sleep Out and the benefits this event has brought and will continue to bring to Social Bite and other charities.

Wee Sleep Out

Wee Sleep Out started in 2018 and ran again in December 2019, with a direct link into World's Big Sleep Out – taking place on the same night of 7 December. It is a program for under 18s to get involved in the mission to end homelessness. The program educates young people in Scotland about Social Bite's work, the homelessness system in Scotland and the power of social enterprise – the model Social Bite has used with such success.

The idea is simple: swap your bed for the floor, learn about homelessness, raise some money and join Social Bite's mission: To end homelessness in Scotland.

Some of the key statistics from the event:

- 136 individual events held across the length and breadth of Scotland and beyond (Dec 2018 – 109)
- Over 7,300 event participants (Dec 2018 – 4,300)
- Over 4,000 people attending pre-event workshops (Dec 2018 – 900)
- £197,000 of funds raising (Dec 2018 - £169,000)

Whilst this event was clearly a success and growing in popularity, the rise of COVID-19 in 2020 meant that plans for a 2020 Wee Sleep Out were postponed.

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020 (continued)

FINANCIAL REVIEW

A. Income

Income for the year raised from Donations and Legacies was £4.11m. This is a reduction on the £8.43m achieved in the previous period, as the reporting period was over 18 months and included the proceeds from two significant events (Sleep in the Park 2017 and 2018) and from two itison Christmas campaigns.

The charity has seen an increase in the level of general donations and was particularly thankful to supporters when our COVID-19 response campaign was launched in March 2020, helping generate substantial funding towards our free food provision.

The itison annual Christmas campaign continues to be very well supported, where £5 can buy a homeless person a Christmas lunch or a Christmas gift. £678,655 of income, including gift aid, was generated, allowing us to provide cheer to those in need during the festive period and also supports our related activities during the year, such is the generosity of donors. We thank itison for their ongoing support of this campaign, for which they take no fee.

Income from the Social Bite Village (charitable trading activities) was £264,479 (2019 - £187,992). This income is made up of housing benefit received for each resident, together with a contribution from local council. We continue to focus on maximising the level of occupancy within the Village, albeit COVID-19 does create an additional impact on the usual move-in process.

We have seen an increase in the level of Restricted Funding received during the year to £1.25m (2019 - £230,000). Almost half of this related to Scottish Government grant funding (£550,000) used to support our COVID-19 response and a further £400k related to grants towards our financial commitment to Housing First. The Scottish Government grant was received in advance of costs being incurred and a Restricted Funds balance of £146,667 remained at the year end, that was fully spent over the following quarter.

B. Expenditure

The trustees' are pleased to report expenditure of £3.2m in the financial year in pursuit of Social Bite's charitable activities. Details of the spend are set out in note 6(i) to the financial statements. The reduction when compared to £6.7m in the 18-month period to 31 May 2019 related partly to the longer period but also to the fact that no campaigning costs (£1.9m in 2019) were incurred on self-hosting two Sleep in the Park events.

As previously mentioned in this report, the main element of donations to other charities was the funding the charity provided to The World's Big Sleep Out to deliver a global message to end homelessness and support many local charities. £536,768 of funding was provided during the year (2019 - £302,037). There is no commitment to provided further funding.

The Social Bite Village cost of £421,805 (2019 - £519,077) reflects the ongoing costs of running and maintaining the Village. This includes a depreciation charge of £100,260.

A payment of £150,000 was made to the Housing First programme during the year (2019 - £1,554,317). This was less than anticipated due to previous funding supplied being spent at a lower rate than originally anticipated. Additional payments will be made in the following financial year, when Social Bite's financial commitment to the programme will come to an end.

Social Bite made donations to other charities working to alleviate poverty during the year of £50,525 (2019 - £210,604).

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020 (continued)

As Social Bite continues to grow and expand its level of activities, we have grown our staff team to ensure we can continue to deliver on our objectives, raise funds to do so and to meet the requirements of being a well run charitable organisation. This has seen the salary cost increase to £636,177 over the year, (2019 - £699,385 – this being over an 18 month period) but has allowed us to save in other areas, where an out-sourced finance cost has been removed. We have taken advantage of opportunities to reduce costs where we can and moved in August 2019 from serviced office space that was not conducive to team working, to our own space. This space has been generously provided on an initial rent-free basis by Westerwood Properties that we are particularly appreciative of.

Expenditure on raising funds in 2020 was £300,046, with a further £2.3m of costs undertaken by the group subsidiary companies as set out below.

Social Bite Limited

The extensive charitable activities carried out by Social Bite Limited are elaborated in the previous section covering Activities, Achievements & Performance.

Social Bite Limited receives an ongoing monthly financial contribution from the charity to support all of these activities and it is recognised that by carrying out these activities, all of which have a distinct and important charitable purpose, it does create challenges in maximising commercial opportunities within Social Bite Limited - at times it can be a barrier and creates additional cost.

Social Bite Limited is continually looking at ways to reduce cost and improve efficiencies, whilst exploring further income generating opportunities that can create profit and an additional return for the charity. All sums used are to ensure Social Bite Limited continues to trade, continues to provide employment, continues to provide free food and continues to make a difference, helping the charity deliver impact on a wider scale. Again, the significant charitable activities undertaken are described elsewhere within this report.

During the year, grants were paid to Social Bite Limited by the charity totalling £751,418 to support delivery of essential charitable services. In addition, a further sum of £471,976 was paid to support our COVID-19 response costs and delivery of 251,889 essential food packs by the end of May 2020.

The balance sheet of Social Bite Limited remains insolvent (as it was last year). This continues to relate to inter-company balances with there being no intention of these being called for repayment at the current time.

Prior to the pandemic, there was a general feeling of optimism over future trade within Social Bite Limited. The pandemic and lockdown changed this. Even when shops have re-opened, levels of trade are substantially down due to shops being based in city centres and more reliant on office trade that is not currently there with homeworking. Social Bite Delivers relies on corporate orders and face to face meetings that continue to be avoided due to social distancing.

The charity intends to continue to support Social Bite Limited to work through these challenges, whilst maintaining focus on the ongoing charitable activities that take place daily within Social Bite Limited. The trustees do recognise the need to continually review the ongoing financial contribution and be satisfied that the management and Board of SBL continue to take all steps necessary to minimise the ongoing exposure to the charity.

To conclude, the trustees are very clear that Social Bite Limited continues to contribute towards the impact and objectives of the charity in many different ways and has been able to provide a significant return during this year, especially in relation to food packs delivered. It is for this reason that Social Bite will continue to support Social Bite Limited financially as is reasonably required. This is factored into future Social Bite cash flow forecasts.

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020 (continued)

Social Bite Restaurants Limited

The Board of Social Bite Restaurants Limited have been fully focussed on creating a self-sustaining business that in turn helps the charity achieve the following positive returns:

- A regular income stream in the form of pay it forward donations from customers
- A weekly sit down service in the restaurant for homeless customers – providing them with the same levels of service and standard of food that paying customers would receive (note – this has been temporarily suspended as a result of coronavirus)
- Increasing the public profile of the charity and promoting its work
- Regular celebrity chef nights that raise an increased level of donations and increase awareness of the charity
- Identifying opportunities to provide employment or work experience for people with an experience of homelessness

Whilst it was reported last year that the trustees' view was that the financial performance of SBR had not been as expected since opening, from July 2019 the restaurant showed significant improvements and profitability, until the point the restaurant was forced to close in March 2020 due to the pandemic.

For the year to 31 May 2020, £42,000 of pay it forward donations were generated from the restaurant and paid over to the charity. This sum would have been higher, if the restaurant had not closed in March 2020.

Social Bite Restaurants Limited received grant funding from the charity of £103,891 during the year. This was greatly reduced from the £190,115 provided over the previous 18 month period.

The trustees' are not currently anticipating any further significant funding being required by Social Bite Restaurants Limited but recognise the challenges that continuing local restrictions in Edinburgh, resulting from Government policy to control the spread of coronavirus, is having. The balance sheet also remains insolvent, partly due to inter-company loans. If additional funding is required, the trustees' will consider this based on the circumstances at the time and the need to protect the charitable activities and income the restaurant generates.

Social Bite Communities Limited

This subsidiary was dormant during the year having completed its purpose of constructing the Social Bite Village and then handing this over to the charity. Proceedings have been commenced to strike it off the register of companies.

RESERVES AND RESERVES POLICY

Total group reserves as at 31 May 2020 are £2.3m (2019: £1.5m) of which £375,654 (2019: £214,731) are restricted. Tangible fixed assets comprise £780,275 (2019: £891,536) of unrestricted funds, leaving free unrestricted reserves of £1.2m (2019: £384,129).

The trustees approved a reserves policy such that Social Bite would have an aim of maintaining unrestricted reserves at a level of at least £500,000, but allows for the flexibility (subject to approval of the trustees) for this to be utilised to some extent if there is a clear charitable purpose for doing so and a plan to build it back up to the approved level.

The Finance, Audit and Risk Committee will regularly review the level of reserves required to ensure they are in line with the charity's needs.

In deciding on the level of reserves, the trustees have reflected on previous experience, where reserves were significantly less than this level and the challenges and risks that arose from this. The figure of £500,000 is one that the trustees currently feel is prudent.

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020 (continued)

RISK MANAGEMENT

The Finance, Audit and Risk Committee reviews organisational risk and maintains a risk register with a view to proactively managing risks across the charity and its subsidiaries. The register includes a section of how each risk identified is being mitigated.

The principal risks and uncertainties identified by the trustees and monitored during the period are:

- The risk posed by rising inequality, increased levels of poverty and homelessness associated with these factors. These factors make it harder for us to make progress towards our primary goal of ending homelessness in Scotland.
- Risks connected to the Housing First Programme, Social Bite's biggest social programme. For example, the risk of the programme not housing the targeted number of people or of tenancy sustainment rates being poor.
- The risk of the charity not raising projected income from major fundraising events.
- The Health and Safety of people and associated operations.
- The risk associated with COVID-19 and the impact this has on delivering charitable objectives, raising funds and keeping people safe.

These risks as stated, with the exception of the last bullet point, remain the same as they were in the previous reporting period.

FUTURE PLANS

Over the next year, the charity and its subsidiaries will focus on the following:

- Developing a new 3 year strategy that will focus on further expanding the reach of Social Bite's activities, replicating existing projects in Scotland and across the UK and building on the networks developed via World's Big Sleep Out Trust (given this charitable organisation is currently dormant and is being wound down after delivering the main Sleep Out event).
- Continuing to monitor and support the Housing First programme in Scotland as it moves towards a transitioning phased into local authorities from April 2021.
- Using our profile to keep public attention on the issue of homelessness and helping people from all walks of life directly engage in a movement to end homelessness in Scotland and beyond through fundraising and volunteering. We aim to raise funds, gifts and awareness through our new venture Festival of Kindness. Over the 2020 festive season, Social Bite will be doing more than ever to help support homeless and vulnerable people across the country. We will be asking people from all walks of life to join us in creating a movement of kindness: spreading festive goodwill, love and support to those who need it most.
- Planning to create a 'Jobs First' programme that will be based on the expansion of our Social Bite Academy Programme. We believe we have a unique opportunity to engage and educate external employers. We will be the bridge between people facing barriers to employment, and employers – using our expertise, insights and successful supported employment model to:
 - Refer people to the scheme via our established network of over 100 charity partners and community groups – creating opportunities for people who would not normally be considered for jobs

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020 (continued)

- Provide the employers with the training, tools and resources they need to successfully recruit and sustain placements – anticipating challenges and being prepared with solutions

In line with our values, all of this will be co-created with people with lived experience.

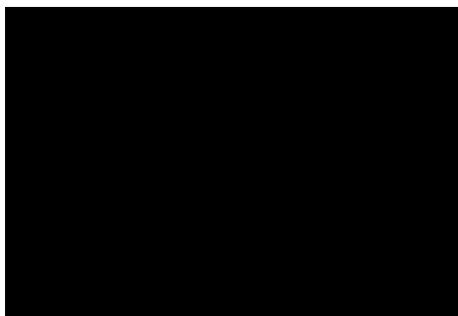
- Continuing to create direct social impact via Social Bite Limited and Vesta restaurant through our free food and Social Suppers programmes and by employing people affected by homelessness through the Social Bite Academy. COVID-19 will continue to create restraints in how we carry out this work and maximise our impact.
- Continuing to develop and grow the impact of the Social Bite Village as a supportive community for 16-18 people each year, who are affected by homelessness.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity's governing document is a SCIO constitution.

The power of appointing new or additional trustees is vested with the trustees. All trustees are advised of their responsibilities as part of a standard induction process and given the opportunity to visit and learn about the different initiatives of the charity.

The trustees who have served in this financial period and up to the date of which the financial statements were approved are:



(resigned 22 December 2020)

(appointed 20 March 2020)

(appointed 27 January 2020; resigned 16 April 2020)

(appointed 6 May 2021)

The Social Bite Fund Board meet every other month. The trustees have equal voting rights and the Chair has the casting vote.

One trustee received remuneration from the charity during the period, as set out in Note 3(iii) to the financial statements. [REDACTED] is Group CEO of Social Bite.

The Social Bite Fund Board has the following standing committees:

'Nominations and Remunerations' – meets as required during the year and is in place to carry out salary reviews on an annual basis and confirm any new Board nominations.

'Finance, Audit and Risk' – will usually meet prior to each full Board meeting to discuss the areas of finance, audit and risk areas in greater detail and take any relevant points to the Board.

Social Bite has a small, central staff team of 15 permanent staff, leading the day-to-day operations of the charity and coordinates activity across the subsidiaries.

THE SOCIAL BITE FUND

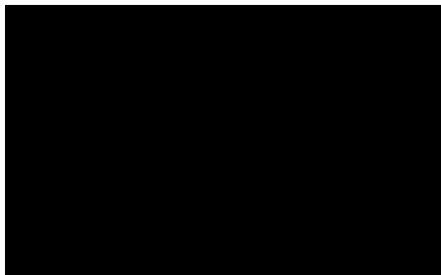
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020 (continued)

Group structure governance

Social Bite, has three wholly owned subsidiaries – Social Bite Limited, Social Bite Restaurants Limited and Social Bite Communities Limited.

The Social Bite Limited and Social Bite Restaurants Limited Boards meet every other month. Following the transfer of the Social Bite Village assets to the parent charity, Social Bite Communities Limited board members resigned and so the company is dormant and will now be wound up. The subsidiary Boards have a level of decision-making authority and are required to report back to the parent charity every other month.

Social Bite Limited Board Members:

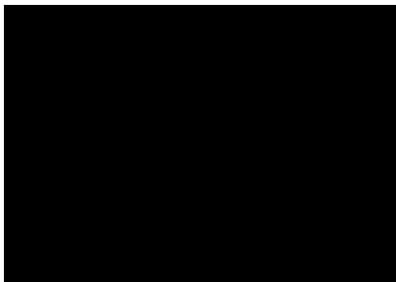


(resigned 4 July 2019)

(resigned 2 October 2020)

(appointed 6 October 2020)

Social Bite Restaurants Limited Board Members:



(resigned 16 January 2021)

(appointed 17 June 2019, resigned 6 October 2020)

(resigned 10 February 2020)

(resigned 10 December 2019)

Social Bite Communities Limited Board Members:



PRINCIPAL ADDRESS

The principal address of the charity is:

1 Leith Walk
Edinburgh
EH6 8LN

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020 (continued)

LEGAL & ADMINISTRATIVE ARRANGEMENTS:

Legal:



The charity wishes to acknowledge the generous pro-bono support provided by CMS, Clyde & Co and Anderson Strathern – all greatly appreciated and helps us to access the best possible advice at no or reduced cost.

Bankers:

The Royal Bank of Scotland Plc, 142-144 Princes Street, Edinburgh EH2 4EQ

Auditors:

Johnston Carmichael LLP, 227 West George Street, Glasgow G2 2ND

On behalf of the Board of Trustees,



Trustee and Chair

Date: 17 May 2021

THE SOCIAL BITE FUND

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MAY 2020

The trustees 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).

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of the group and of the incoming resources and application of resources of the group and charity for the period. In preparing those 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 (FRS 102);
- 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

THE SOCIAL BITE FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SOCIAL BITE FUND (continued)

Opinion

We have audited the financial statements of The Social Bite Fund (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 May 2020 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 May 2020, and of the group's and the parent charity's 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 and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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 group's or parent charity'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 and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

THE SOCIAL BITE FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SOCIAL BITE FUND (continued)

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 (Scotland) Regulations 2006 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
- proper accounting records have not been kept; or
- the parent charity's 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees are responsible for the preparation of financial statements which 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 group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

THE SOCIAL BITE FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SOCIAL BITE FUND (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

THE SOCIAL BITE FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SOCIAL BITE FUND (continued)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Chartered Accountants
Statutory Auditor**

25 May 2021

227 West George Street
Glasgow G2 2ND

Johnston Carmichael LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE SOCIAL BITE FUND

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MAY 2020

	Note	Unrestricted funds £	Restricted funds £	Year ended 31 May 2020 £	18-month period ended 31 May 2019 £
Income from:					
Donations and legacies	3	2,862,083	1,252,644	4,114,727	8,429,658
Charitable activities	4	264,479	-	264,479	187,992
Other trading activities	5	2,287,284	-	2,287,284	3,459,448
Investments		2,420	-	2,420	1,228
Total income		5,416,266	1,252,644	6,668,910	12,078,326
Expenditure on:					
Charitable activities	6(i)	2,363,771	844,868	3,208,639	6,675,990
Raising funds	6(ii)	2,573,508	-	2,573,508	5,593,192
Total expenditure		4,937,279	844,868	5,782,147	12,269,182
Net income/(expenditure)		478,987	407,776	886,763	(190,856)
Transfers		246,853	(246,853)	-	-
Net movement in funds		725,840	160,923	886,763	(190,856)
Reconciliation of funds:					
Total funds brought forward		1,257,665	214,731	1,472,396	1,663,252
Total funds carried forward	14	1,983,505	375,654	2,359,159	1,472,396

The statement of financial activities includes all gains and losses in both the current and prior periods.

All income and expenditure derive from continuing activities.

THE SOCIAL BITE FUND

STATEMENT OF FINANCIAL ACTIVITIES – CHARITY ONLY FOR THE YEAR ENDED 31 MAY 2020

	Note	Unrestricted funds £	Restricted funds £	Year ended 31 May 2020 £	18-month period ended 31 May 2019 £
Income from:					
Donations and legacies	3	2,862,083	1,252,644	4,114,727	8,429,658
Charitable activities	4	264,479	-	264,479	187,992
Investments		2,420	-	2,420	1,228
Total income		<u>3,128,982</u>	<u>1,252,644</u>	<u>4,381,626</u>	<u>8,618,878</u>
Expenditure on:					
Charitable activities	6(i)	2,363,771	844,868	3,208,639	6,675,990
Raising funds	6(ii)	300,046	-	300,046	1,864,391
Total expenditure		<u>2,663,817</u>	<u>844,868</u>	<u>3,508,685</u>	<u>8,540,381</u>
Net income		465,165	407,776	872,941	78,497
Transfers		246,853	(246,853)	-	-
Net movement in funds		712,018	160,923	872,941	78,497
Reconciliation of funds:					
Total funds brought forward		<u>1,558,403</u>	<u>214,731</u>	<u>1,773,134</u>	<u>1,694,637</u>
Total funds carried forward	14	<u>2,270,421</u>	<u>375,654</u>	<u>2,646,075</u>	<u>1,773,134</u>

The statement of financial activities includes all gains and losses in both the current and prior periods.

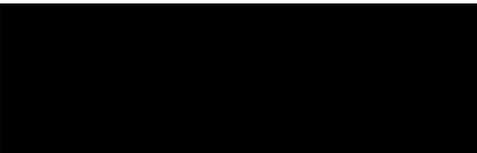
All income and expenditure derive from continuing activities.

THE SOCIAL BITE FUND

BALANCE SHEETS AS AT 31 MAY 2020

	Note	Group Total funds		Charity Total funds	
		31 May 2020 £	31 May 2019 £	31 May 2020 £	31 May 2019 £
Fixed assets					
Tangible assets	8	780,275	891,536	574,708	595,013
Investments	9	-	-	-	-
		780,275	-	574,708	595,013
Current assets					
Stock	10	25,821	25,743	-	-
Debtors	11	455,055	553,431	491,330	609,058
Cash at bank and in hand		2,462,668	903,228	2,341,384	786,890
		2,943,544	1,482,402	2,832,714	1,395,948
Creditors: amounts falling due within one year	12	(1,325,517)	(857,892)	(761,347)	(217,827)
Net current assets		1,618,027	624,510	2,071,367	1,178,121
Total assets less current liabilities		2,398,302	1,516,046	2,646,075	1,773,134
Creditors: amounts falling due after one year	13	(39,143)	(43,650)	-	-
Net assets		2,359,159	1,472,396	2,646,075	1,773,134
Funds					
Restricted funds	14	375,654	214,731	375,654	214,731
Unrestricted funds	15	1,983,505	1,257,665	2,270,421	1,558,403
		2,359,159	1,472,396	2,646,075	1,773,134

The financial statements were approved by the Board of Trustees on 17 May 2021 and were signed on its behalf by:

.....
Trustee & Chair

THE SOCIAL BITE FUND

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2020

	Note	Year ended 31 May 2020 £	18-month period ended 31 May 2019 £
Cash flows from operating activities			
Net cash provided by operating activities	14	<u>1,189,591</u>	<u>540,509</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(114,070)	(602,797)
Interest received		<u>2,420</u>	<u>1,228</u>
Net cash used in investing activities		(111,650)	(601,569)
Repayments of borrowing		(18,501)	(181,768)
Cash inflows from new borrowing		<u>500,000</u>	<u>-</u>
Net cash provided by financing activities		481,499	(181,768)
Net increase / (decrease) in cash and cash equivalents in the reporting period		1,559,440	(242,828)
Cash and cash equivalents at beginning of period		<u>903,228</u>	<u>1,146,056</u>
Cash and cash equivalents at end of period		<u>2,462,668</u>	<u>903,228</u>
Relating to:			
Cash at bank and in hand		<u>2,462,668</u>	<u>903,228</u>

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

1 Accounting policies

(a) Charity information

The Social Bite Fund ("the Fund") is a Scottish Charitable Incorporated Organisation ("SCIO"). The principal office is given in the charity information on page 15 of these financial statements. The nature of the charity's operators and principal activities are set out within the Trustees' Report.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

(b) Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), 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). The financial statements have also been prepared in accordance with the Charities Accounts (Scotland) Regulations Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005.

The charity is a public benefit entity as defined by FRS 102.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below. These policies have been consistently applied to all periods presented.

In the previous period the charity had changed its accounting reference date to 31 May and so while these financial statements are for the year ended 31 May 2020, the comparative information presented is for the 18-month period covering 1 December 2017 – 31 May 2019, and therefore is not directly comparable.

The charity has taken advantage of the relevant exemptions available to qualifying entities within the Reduced Disclosure Framework of FRS 102 from the requirement to disclose certain information in relation to the individual parent charity, including statement of cash flows and financial instruments. The consolidated group financial statements present this information for the group only.

(c) Going concern

The trustees have reviewed up to date cash flow forecasts up until May 2024 and paid particular attention to the period of twelve months from the date of approval of the financial statements and are of the view that the charity and group will be able to meet liabilities as they fall due. As with any cash flow forecast, there are assumptions made regarding the availability and timing of incoming funds, especially donations that mean there can be no guaranteed certainty in relation to these. The trustees have factored into these forecasts the ability not to approve expenditure on any major new projects until sufficient funds for those projects have been identified and raised.

The trustees also recognise the inherent uncertainty that the current pandemic and national lockdown has created and the impact this has had on the subsidiaries trading performance. The Trustees' Report explains the position in respect of Social Bite Limited and Social Bite Restaurants Ltd in more detail. However, the current financial situation of the charity is one of relative strength and with the national rollout of a vaccine for COVID-19, there is a reason for optimism for the Directors of the subsidiaries, based on financial forecasts of trading and the ongoing support of the parent charity at agreed levels.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

1 Accounting policies (continued)

As set out in the reserves section of the Trustees' Report, the trustees have approved a base level of £500,000 of cash reserves to be maintained to support core running costs of the charity. Actual group cash held as at 31 May 2020 was £2.46 million with unrestricted reserves, after deduction of fixed assets, of £1.2 million. Taking these factors together, the trustees have not therefore identified any material uncertainty with respect to the going concern position of the group and parent charity, and as such, these financial statements are therefore prepared on a going concern basis.

(d) Basis of consolidation

The consolidated Statement of Financial Activities and Balance Sheet include the financial statements of the Fund and its subsidiary undertakings, Social Bite Limited, Social Bite Restaurants Limited and Social Bite Communities Limited made up to the balance sheet date. Where this occurs, the results of subsidiaries sold or acquired in the period are included in the Statement of Financial Activities up to, or from, the date control passes. Intragroup sales and profits are eliminated fully on consolidation.

While the activities of Social Bite Communities Limited were discontinued in the prior period, the individual results of this company are not material to the group and so a separate analysis of continued and discontinued operations has not been prepared. Note 9 to the financial statements gives details of the transactions of Social Bite Communities Limited in the period.

(e) Charitable Funds

The funds are available for use only according to the objectives of the Fund. Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the Fund unless they have been designated for other purposes.

Designated funds are funds which have been earmarked at the discretion of the trustees for a particular project. Where these arise, the purposes and uses of designated funds in respect of these projects are set out in the notes to the accounts.

Restricted funds are subject to restriction on their expenditure imposed by the donor. The purposes and uses of restricted funds in respect of these projects are set out in the notes to the accounts.

The costs of raising and administering such funds are charged against the specific fund.

(f) Income

All income is recognised in the statement of financial activities when the conditions for receipt have been met and it is probable that the income will be received. The following specific policies are applied to particular categories of income:

- Donations subject to the specific wish of the donors are allocated to the relevant restricted funds. Donations receivable for general purposes of the charity are allocated to unrestricted funds.
- Income from donations and grant income is recognised when the charity has entitlement and the amount can be reliably measured. This is generally the earlier of the charity being notified of the impending distribution or the amount being received. On occasion, donations will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the income is recognised when the amount becomes reliably measurable. Where performance conditions are attached to grants receivable, recognition occurs once receipt becomes unconditional.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

1 Accounting policies (continued)

- Income from other trading activities through shop and restaurant sales and events' income are recognised as the related goods and services are provided.
- Incoming resources from charitable activities represents occupancy income generated from the operation of the Social Bite Village which provides housing for homeless people.
- Donated goods, services and facilities are included at the value to the charity where this can be readily quantified. In accordance with the Charity SORP, the contribution of general volunteers has not been included as income in these accounts due to the lack of a reliable measurement basis.

(g) Expenditure

Expenditure is recognised on an accruals basis as the liabilities are incurred. Expenditure includes any VAT which cannot be recovered and is reported as part of the expenditure to which it relates.

- Expenditure on raising funds includes expenditure in relation to events and fundraising activities and fees for processing donations.
- Expenditure on charitable activities comprises the costs associated with the Fund's principal activities, including grants and other support to its subsidiary companies in their social enterprise activities as well as other charitable donations made by the Fund. Grants payable are payments to third parties in the furtherance of the charitable objects of the charity. Grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant.
- Other expenditure comprises those costs incurred by other group companies in respect of their activities.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly while others are apportioned on an appropriate basis. All support costs are met by the unrestricted funds of the Fund.

(h) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its expected useful life, as follows:

Property improvements	10 years (or term of any associated lease if less)
Buildings	25% straight line
Office equipment, furniture and fixtures	3 - 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

At each reporting date the charity reviews the carrying amounts of the tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

1 Accounting policies (continued)

(i) Fixed asset investments

Investments in subsidiary undertakings are included at cost.

A subsidiary is an entity controlled by the charity. Control is defined as the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand.

(k) Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's financial statements when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset with the net amounts presented in the financial statements, only 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 debtors 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in income and expenditure.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed in income and expenditure.

De-recognition of financial assets

Financial assets are de-recognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

1 Accounting policies (continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and amounts due to subsidiary undertakings are initially recognised at transaction price and are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors 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.

De-recognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

(l) Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(m) Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charity for UK corporation tax purposes. It is therefore potentially exempt from taxation in respect of income or capital gains to the extent that such income or gains are applied for charitable purposes.

The charity's subsidiary companies have no such exemption for taxation. Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

1 Accounting policies (continued)

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

(n) Leasing

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

(o) Retirement benefits

The charity contributes to the employees' defined contribution personal pension plans. Contributions payable are charged to unrestricted funds in the year they are payable.

2 Accounting judgements and key sources of uncertainty

In the application of the group's and the parent charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements and estimation uncertainties have a significant effect on amounts recognised in the financial statements:

- Depreciation is calculated to fully write off the cost of assets over their estimated useful life. Management estimate the useful life of each asset. Details of the depreciation charged in the period are in note 8.
- In the comparative period, the trustees reviewed all expenditure associated with delivering the Sleep in the Park events in 2017 and 2018 and determined that the expenditure did not wholly relate solely to the costs of running an event. Accordingly, in the case of the event management costs charged, the trustees took the view that splitting these costs 50% towards campaigning within charitable expenditure and 50% towards the Cost of Raising Funds was a fair and reasonable split. A similar consideration was not required in these financial statements as the Fund did not host its own major sleep-out event and also the 18-month comparative period had resulted in the costs of two such events being included in the one reporting period.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

3 Donations and legacies – group and charity

	Year ended 31 May 2020 £	18-month period ended 31 May 2019 £
Sleep in the Park 2017	-	2,340,965
Sleep in the Park 2018	10,177	3,029,451
itison Christmas Campaign	678,655	1,163,888
Donations – general	2,855,314	1,895,354
Government grants	570,581	-
	<u>4,114,727</u>	<u>8,429,658</u>
Analysed by fund:		
Unrestricted fund	2,862,083	8,199,658
Restricted fund	1,252,644	230,000
	<u>4,114,727</u>	<u>8,429,658</u>

The itison donations for the current year reflects the December 2019 campaign while the comparative figure covers both the December 2017 and 2018 campaigns (due to the 18-month accounting period).

Further detail of the activities relating to this income is included within the Trustees' Report.

4 Income from charitable activities – group and charity

	Year ended 31 May 2020 £	18-month period ended 31 May 2019 £
Village occupancy income - unrestricted	264,479	187,992
	<u>264,479</u>	<u>187,992</u>

5 Income from trading activities – group only

	Year ended 31 May 2020 £	18-month period ended 31 May 2019 £
Shop and restaurant sales - unrestricted	2,287,284	3,459,448
	<u>2,287,284</u>	<u>3,459,448</u>

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

6 Expenditure

(i) Expenditure on activities in furtherance of charitable objectives

	Group 18-month period ended 31 May 2020 £	18-month period ended 31 May 2019 £	Charity 18-month period ended 31 May 2020 £	Charity 18-month period ended 31 May 2019 £
Grants to subsidiary companies	-	-	849,363	1,396,757
Provision of free food, support and employment to the Homeless community	1,321,324	1,370,853	471,961	-
Housing First programme	150,000	1,554,317	150,000	1,554,317
Social Bite Village (includes depreciation)	421,805	544,981	421,805	519,077
Donations to other charities working for the alleviation of poverty	587,293	512,641	587,293	512,641
Other charitable expenditure	63,558	-	63,558	-
Campaigning	-	1,898,769	-	1,898,769
Allocation of support costs – note 6(iii)	654,423	782,429	654,423	782,429
Allocation of governance costs - note 6(iii)	10,236	12,000	10,236	12,000
	<u>3,208,639</u>	<u>6,675,990</u>	<u>3,208,639</u>	<u>6,675,990</u>
Attributed to funds as follows:				
Unrestricted funds	2,363,771	6,108,833	2,363,771	6,108,833
Restricted funds	844,868	567,157	844,868	567,157
Total	<u>3,208,639</u>	<u>6,675,990</u>	<u>3,208,639</u>	<u>6,675,990</u>

Further detail of the activities relating to this expenditure is included within the Trustees' Report.

(ii) Raising funds

	Group 18-month period ended 31 May 2020 £	18-month period ended 31 May 2019 £	Charity 18-month period ended 31 May 2020 £	Charity 18-month period ended 31 May 2019 £
Shop & restaurant operations	2,273,462	3,728,801	-	-
Advertising and marketing fees	64,625	57,838	64,625	57,838
Donation processing fees	27,737	111,621	27,737	111,621
Event management costs	38,644	1,467,226	38,644	1,467,226
Allocation of support costs – note 6(iii)	169,040	227,706	169,040	227,706
	<u>2,573,508</u>	<u>5,593,192</u>	<u>300,046</u>	<u>1,864,391</u>

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

6 Expenditure (continued)

Event costs mainly relate to the attributable costs of running each event, with consideration to the purpose(s), whether this be campaigning, fundraising, or a mixture of both.

(iii) Allocation of support costs – charity only

	Method	Raising funds	Charitable activities	Total Year ended 31 May 2020	Total 18-month period ended 31 May 2019
		£	£	£	£
Audit & Accountancy fees	% spend	795	15,099	15,894	44,793
Bank, professional & consultancy fees	% spend	1,140	21,656	22,796	85,640
Depreciation	% spend	478	9,089	9,567	167
General expenses	% spend	804	15,283	16,087	6,944
Insurance	% spend	262	4,968	5,230	7,643
Interest paid	% spend	1,858	35,293	37,151	14,863
IT Software & Consumables	% spend	584	11,093	11,677	13,942
Legal expenses	% spend	117	2,236	2,353	4,377
Office expenses	% spend	1,259	23,925	25,184	9,728
Rent & rates	% spend	1,331	25,295	26,626	90,044
Salaries	Direct	159,164	477,013	636,177	699,385
Training & development	% spend	850	16,152	17,002	18,201
Travel expenses	% spend	398	7,557	7,955	26,408
		169,040	664,659	833,699	1,022,135

Total governance costs comprise of legal expenses incurred in respect of charitable activities of £2,236 (2019: £4,377) plus auditor's remuneration in respect of the external audit of the charity and its group of £8,000 (2019: £12,000).

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

6 Expenditure (continued)

(v) Auditor's remuneration

The analysis of external auditor's remuneration for the year is as follows:

	Group		Charity	
	Year ended	18-month period ended	Year ended	18-month period ended
	31 May 2020	31 May 2019	31 May 2020	31 May 2019
	£	£	£	£
Audit fees	8,000	12,000	8,000	12,000
Accountancy fees	2,300	2,250	-	-
Tax fees	3,600	3,750	-	-
	<u>13,900</u>	<u>18,000</u>	<u>8,000</u>	<u>12,000</u>

7 Employees

(i) Number of employees

The average monthly number of employees during the period was:

	Group		Charity	
	Year ended	18-month period ended	Year ended	18-month period ended
	31 May 2020	31 May 2019	31 May 2020	31 May 2019
Management and administration	29	21	16	13
Shop and restaurant staff	69	85	-	-
	<u>98</u>	<u>106</u>	<u>16</u>	<u>13</u>

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

7 Employees (continued)

(ii) Employment costs

	Group		Charity	
	18-month		18-month	
	Year	period	Year	period
	ended	ended	ended	ended
	31 May	31 May	31 May	31 May
	2020	2019	2020	2019
	£	£	£	£
Wages and salaries	2,117,255	2,715,669	566,561	636,217
Social security	145,242	195,722	55,469	64,747
Pension contributions	41,269	30,004	14,147	7,971
	<u>2,303,766</u>	<u>2,941,395</u>	<u>636,177</u>	<u>708,935</u>

There was 1 employee (2019: 2 employees) whose annual equivalent remuneration lay in the band £60,000 - £70,000 and 2 employees (2019: 1 employee) whose remuneration lay in the band £70,000 - £80,000, see also note (iii) below.

(iii) Trustees' remuneration

None of the trustees (or any persons connected with them) received any remuneration from the charity in their role as trustees.

None of the trustees, with the exception of remunerated employees listed below, received any reimbursement of expenses during the year.

The following trustee received remuneration from their employment with the Fund:

	Year ended	18-month
	31 May	period ended
	2020	31 May
	£	2019
	£	£
██████████ - remuneration		
As CEO of The Social Bite Fund	74,010	108,598
Employer pension contributions	1,316	1,038
Total remuneration	<u>75,326</u>	<u>109,636</u>

The CEO's remuneration disclosed for the comparative period is for the 18-month accounting period and is not the annual equivalent remuneration.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

8 Tangible fixed assets

Group	Land and buildings	Leasehold improvements	Plant and machinery etc	Total
	£	£	£	£
Cost or valuation				
At 1 June 2019	962,809	211,205	352,242	1,526,256
Additions	4,457	72,489	37,124	114,070
Disposals	(64,200)	-	(171,320)	(235,520)
At 31 May 2020	903,066	283,694	218,046	1,404,806
Depreciation				
At 1 June 2019	292,631	52,197	289,892	634,720
Charge for the year	143,208	35,499	40,080	218,416
Eliminated on disposal	(57,656)	-	(171,320)	(228,976)
At 31 May 2020	378,183	87,696	158,652	624,531
Net book value				
At 31 May 2020	524,883	195,998	59,394	780,275
At 31 May 2019	670,178	159,008	62,350	891,536
Charity				
	Land and buildings	Leasehold Improvements	Furniture & computer equipment etc	Total
	£	£	£	£
Cost or valuation				
At 1 June 2019	695,505	-	1,495	697,000
Additions	-	72,489	23,575	96,064
Disposals	(6,542)	-	-	(6,542)
At 31 May 2020	688,963	72,489	25,070	786,522
Depreciation				
At 1 June 2019	101,820	-	167	101,987
Charge for the year	100,260	5,445	4,122	109,827
Eliminated on disposal	-	-	-	-
At 31 May 2020	202,080	5,445	4,289	211,814
Net book value				
At 31 May 2020	486,883	67,044	20,781	574,708
At 31 May 2019	593,685	-	1,328	595,013

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

9 Investments – Charity

	Shares in group undertakings £
Cost - at 1 June 2019 and 31 May 2020	-
Net book value - at 31 May 2019 and 31 May 2020	-

Holdings of more than 20%

The charity holds more than 20% of the share capital of the following companies:

Company

Subsidiary undertakings	Registered office	Principal activity	Shares held	
			Class	%
Social Bite Limited	Scotland	Operation of sandwich shops	Ordinary	100
Social Bite Restaurants Limited	Scotland	Operation of Vesta restaurant	Ordinary	100
Social Bite Communities Limited	Scotland	Construction of social housing	Ordinary	100

	Social Bite Limited £	Social Bite Restaurants Limited £	Social Bite Communities Limited £	Year ended 31 May 2020 £	18-month period ended 31 May 2019 £
Income	2,029,282	501,148	-	2,530,430	3,220,294
Cost of sales	(2,099,166)	(318,472)	-	(2,417,638)	(3,235,058)
Administration expenses	(866,804)	(295,929)	(2,180)	(1,164,913)	(1,927,150)
Other operating income	934,741	148,581	2,179	1,085,491	1,726,060
Interest payable	(1,547)	(3,671)		(5,218)	(13,890)
Tax	(7,019)	-	-	(7,019)	-
Profit / (Loss) for period ended 31 May	(10,513)	31,647	(1)	21,133	(229,744)

Social Bite Limited is a social enterprise that also helps to deliver much of the charitable activities on behalf of the charity through feeding the homeless and providing employment opportunities. The charity provides reimbursement to the company at a fair rate in recompense for carrying out these activities and aims to provide a break-even position on an annual basis.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

9 Investments – Company (continued)

Social Bite Restaurants Limited runs a restaurant in Edinburgh, providing donations for the charity, employment opportunities for the homeless as well as a weekly sit-down service for them. Following a change in restaurant operator in July 2018, there was an increase in levels of charitable "Pay it Forward" donations paid to the charity and an increase in sales which ultimately resulted in trading profits becoming the norm in the latter half of 2019. With the onset of the COVID-19 pandemic, and the requirement to close operations during periods of restrictions, it has been a challenging period since then for the restaurant. The trustees of the charity have continually considered very carefully their continued involvement with the restaurant over this period and have set out their expectations going forward that will maximise the level of charitable donations and remove the need for any additional funding beyond that required to service historical debts or to that which has been specifically provided (restricted) for the restaurant.

Social Bite Communities Limited carried out no trading activity in the year and, as previously disclosed, the company is in the process of being wound up.

The Trustees' Report and the financial review provide further detail on the purpose of the group as a whole and the charitable activities delivered within each subsidiary.

The assets and liabilities of the subsidiaries:

	Social Bite Limited	Social Bite Restaurants Limited	Social Bite Communities Limited	31 May 2020	31 May 2019
	£	£	£	£	£
Tangible fixed assets	65,239	140,329	-	205,568	296,523
Current assets	243,016	37,551	-	280,567	358,279
Creditors: amounts falling due within one year	(396,683)	(376,271)	-	(772,954)	(952,040)
Creditors: amounts falling due after one year	(15,429)	(79,359)	-	(94,788)	(105,502)
Total net assets / (liabilities)	(103,857)	(277,750)	-	(381,607)	(402,740)

These results have been incorporated in the consolidated results of the group after elimination of intercompany transactions.

10 Stock

	Group		Charity	
	31 May 2020	31 May 2019	31 May 2020	31 May 2019
	£	£	£	£
Food, Drink & Other Consumables	25,821	25,743	-	-

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

11 Debtors

	Group		Charity	
	31 May 2020 £	31 May 2019 £	31 May 2020 £	31 May 2019 £
Trade debtors	75,564	134,585	7,525	40,846
Amounts due from group undertakings	-	-	149,485	266,209
Other debtors	379,491	418,846	334,320	302,003
	455,055	553,431	491,330	609,058

12 Creditors

	Group		Charity	
	31 May 2020 £	31 May 2019 £	31 May 2020 £	31 May 2019 £
Trade creditors	233,828	266,855	17,512	31,341
Taxation and other social security	157,249	74,049	46,146	14,479
Amounts due to group company	-	-	20,256	10,539
Loans	675,222	167,863	556,685	50,000
Other creditors	59,987	299,125	15,417	111,468
Accruals and deferred income	199,231	-	105,331	-
	1,325,517	857,892	761,347	217,827

13 Creditors: amounts falling due after more than one year

	Group		Charity	
	31 May 2020 £	31 May 2019 £	31 May 2020 £	31 May 2019 £
Other creditors	39,143	43,650	-	-

Analysis of loans included within other creditors:

Wholly repayable within five years	692,641	211,513	556,685	50,000
Included in current liabilities	(675,222)	(167,863)	(556,685)	(50,000)
	17,419	43,650	-	-

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

14 Restricted Funds – Group and Charity

(i) Movement in restricted funds – current period

	Balance at 1 June 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 May 2020 £
Restricted funds					
COVID-19 Response Fund	-	779,144	(470,195)	-	308,949
Social Bite Village	121,859	-	(121,859)	-	-
John Lewis Foundation	7,872	-	(7,872)	-	-
Social Bite Limited	25,000	-	-	-	25,000
Social Bite Restaurant	60,000	15,000	(63,295)	-	11,705
Housing First Employment	-	400,000	(153,147)	(246,853)	-
Work in Glasgow	-	26,000	(26,000)	-	-
Other funds	-	20,000	-	-	20,000
		12,500	(2,500)		10,000
Total restricted funds	214,731	1,252,644	(844,868)	(246,853)	375,654

(ii) Movement in restricted funds – prior period

	Balance at 1 December 2017 £	Income £	Expenditure £	Transfers £	Balance at 31 May 2019 £
Restricted funds					
Social Bite Village	478,681	-	(356,822)	-	121,859
People's Postcode Lottery	73,207	-	(73,207)	-	-
Housing First	-	100,000	(100,000)	-	-
John Lewis Foundation	-	30,000	(22,128)	-	7,872
Sodexo Stop Hunger Foundation	-	10,000	(10,000)	-	-
Social Bite Limited	-	25,000	-	-	25,000
Social Bite Restaurant Glasgow	-	60,000	-	-	60,000
	-	5,000	(5,000)	-	-
Total funds	551,888	230,000	(567,157)	-	214,731

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

14 Restricted Funds – Group and Charity (continued)

Nature and purpose of restricted funds:

COVID-19 response fund	Donations received towards free food provision as part of our COVID-19 support efforts. These donations had specific restrictions, such as geographical or demographical areas of support.
Social Bite Village	Reflects donations provided that were specifically to support the construction and opening of the Village, together with associated running costs. Expenditure in the year includes the costs to the charity (including the depreciation cost), net of any occupancy income received
People’s Postcode Lottery	This was the agreed utilisation of funds received previously to support the growth in fundraising and organisational development.
Housing First	<p>Reflects income we have received to be used towards our Housing First commitment. Income received in each of the current year and prior period was fully utilised in the relevant period.</p> <p>The transfer of £246,853 out of Restricted Funds in the year is in respect of grant funding received by the charity that was to offset an advance grant payment made by the charity (from Unrestricted Funds) in the previous period to the Housing First project. The advance payment made was in accordance with our agreement with Housing First, with the funds being utilised during the current financial year.</p>
John Lewis Foundation	This fund provides funding towards supported employment opportunities for staff who were formerly homeless (this employment is provided by Social Bite Limited).
Sodexo Stop Hunger Foundation	Funding towards volunteer training, development and support.
Social Bite Limited	This sum was provided by a donor to be used towards the upcoming refit of the Rose Street shop, which will improve the experience of both homeless and paying customers.
Social Bite Restaurants Limited	The landlord of the restaurant provided a £60,000 donation to be used to support Restaurant activities. The income in the current financial year is the gift aid reclaimed on this donation.
Glasgow	Funding to be used in Glasgow and subsequently allocated against the free food provided in that area.
Employment	Grant provided to support employment of people affected by homelessness.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

15 Unrestricted Funds

(i) Movement in funds - group

Current year	Balance at 1 June 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 May 2020 £
Unrestricted Funds	<u>1,257,665</u>	<u>5,416,266</u>	<u>4,937,279</u>	<u>246,853</u>	<u>1,983,505</u>

Prior period	Balance at 1 December 2017 £	Income £	Expenditure £	Transfers £	Balance at 31 May 2019 £
Unrestricted Funds	<u>1,111,364</u>	<u>11,848,326</u>	<u>(11,702,025)</u>	<u>-</u>	<u>1,257,665</u>

(ii) Movement in funds - charity

Current year	Balance at 1 June 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 May 2020 £
Unrestricted Funds	<u>1,558,403</u>	<u>3,128,982</u>	<u>(2,663,817)</u>	<u>246,853</u>	<u>2,270,421</u>

Prior period	Balance at 1 December 2017 £	Income £	Expenditure £	Transfers £	Balance at 31 May 2019 £
Unrestricted Funds	<u>1,142,749</u>	<u>8,388,878</u>	<u>(7,973,224)</u>	<u>-</u>	<u>1,558,403</u>

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

16 Analysis of net assets between funds

(i) Group

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 May 2020 are represented by:			
Tangible assets	780,275	-	780,275
Current assets	2,567,890	375,654	2,943,544
Current liabilities	(1,325,517)	-	(1,325,517)
Creditors: amounts falling due after more than one year	(39,143)	-	(39,143)
	<u>1,983,505</u>	<u>375,654</u>	<u>2,359,159</u>

Fund balances at 31 May 2019 are represented by:

Tangible assets	769,677	121,859	891,536
Current assets	1,389,530	92,872	1,482,402
Current liabilities	(857,890)	-	(857,890)
Creditors: amounts falling due after more than one year	(43,651)	-	(43,651)
	<u>1,234,281</u>	<u>214,731</u>	<u>1,472,396</u>

(ii) Charity

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 May 2020 are represented by:			
Tangible assets	574,708	-	574,708
Current assets	2,457,060	375,654	2,832,714
Current liabilities	(761,347)	-	(761,347)
	<u>2,270,421</u>	<u>375,654</u>	<u>2,646,075</u>

Fund balances at 30 May 2019 are represented by:

Tangible assets	473,154	121,859	595,013
Current assets	1,303,076	92,872	1,395,948
Current liabilities	(217,827)	-	(217,827)
	<u>1,558,403</u>	<u>214,731</u>	<u>1,773,134</u>

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

17 Financial commitments

At 31 May 2020, the Group was committed to making the following total future minimum lease payments under non-cancellable operating leases as follows:

	Group		Charity	
	31 May 2020	31 May 2019	31 May 2020	31 May 2019
	£	£	£	£
Operating leases which expire:				
In one year	198,032	246,463	87,000	123,886
Between two and five years	465,272	598,702	123,554	212,389
In over five years	213,333	293,333	-	-
	<u>876,638</u>	<u>1,138,498</u>	<u>210,554</u>	<u>336,274</u>

18 Related party transactions

██████████ was a Trustee of The World's Big Sleep Out Trust ("WBSOT"). In accordance with a funding agreement between Social Bite and WBSOT, Social Bite provided total cash funding of £536,768 (2019: £302,037) to WBSOT and received £340,873 (2019: £nil) in donations from WBSOT (additional information on the activities of WBSOT can be found at page 8 of the Trustees' Report). Where there were or are any decisions to be made by the Board in relation to WBSOT, ██████████ conflict was noted and he abstained from any discussion or decision making.

██████████ is a Trustee and Vice-Chair of Social Investment Scotland ("SIS"). At the period end, there were group loans outstanding to SIS totalling £534,566 (2019: £73,524), of which £506,835 was repaid in June 2020. ██████████ is also a Trustee and Deputy Chair of Court at Heriot-Watt University which is engaged in research in relation to the Housing First programme. Where there are any Board discussions relating to SIS or Heriot-Watt University, this conflict is noted, and ██████████ abstains from any discussion or decision making.

██████████ is a Partner at Deloitte LLP. During the year, the charity received a grant and donations from Deloitte LLP totalling £46,000 (2019: £nil).

Remuneration of key management personnel

The key management personnel of the group companies comprise the Group Chief Executive, Chief Executive Scotland and Group Finance Director. The total remuneration cost of employment over the financial year was £206,408 (18-month period ending 31 May 2019 - £260,445).

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020 (continued)

19 Reconciliation of group net income to group net cash flow from operating activities

	Year ended 31 May 2020 £	18-month period ending 31 May 2019 £
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	886,763	(190,856)
Adjustment for:		
Interest received	(2,420)	(1,228)
Depreciation and impairment of tangible fixed assets	218,416	309,517
(Gain)/loss on disposal of fixed assets	6,544	26,946
Movement in working capital:		
(Increase) / Decrease in stock	(78)	2,828
Decrease / (Increase) in debtors	98,376	464,748
(Decrease)/Increase in creditors	(18,010)	(71,446)
Cash provided by operations	<u>1,189,591</u>	<u>540,509</u>

20 Reconciliation of net debt

	At 1 June 2019 £	Cash flows £	At 31 May 2020 £
Cash	903,228	1,559,440	2,462,668
Loans falling due within 1 year	(167,863)	(507,359)	(675,222)
Loans falling due after more than 1 year	(43,650)	26,231	(17,419)
Total	<u>691,715</u>	<u>1,078,312</u>	<u>1,770,027</u>