

THE SOCIAL BITE FUND

**ANNUAL REPORT AND
ACCOUNTS**

FOR THE YEAR ENDED 31 MAY 2023



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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 2023. The report is prepared in accordance with the charity's constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 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)".

A. WHAT WE STAND FOR AND HOW WE DO IT

i) Our vision

A society where no one should have to be homeless.

ii) Our mission

We are a movement to end homelessness. We are a charity and social business providing homes, jobs, food and support to empower people to transform their own lives. We are a catalyst for change. We challenge the status quo with innovative and scalable solutions that create lasting impact. Each of our pioneering projects support people to break the cycle of homelessness, whether that starts with a free meal, supported employment, or a safe place to call home.

iii) Our objectives

Our objectives, as stated in our constitution, are as follows:

- 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.
- 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.
- 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.
- The advancement of education through the provision of practical training as a route to employment.
- To give to anything the trustees consider to be a charitable purpose.

iv) Our values

- *Make it happen (entrepreneurial spirit)*
We believe in the power that every person has, to take action and solve the social challenges we face.
- *In it together (equality)*
We are committed to equality and social justice. Dignity, respect and kindness are central to our work.



TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MAY 2023

- *Keeping it real (authenticity & trust)*
We listen. Our work is built on positive trusting relationships and is shaped by people who are experts through experience.
- *Every relationship counts (purposeful relationships)*
Meaningful connections and strong relationships, with people and organisations, are at the heart of everything we do.

v) Our Social Enterprises

Social Bite Limited operates four public facing coffee shops (in Edinburgh, Glasgow, Aberdeen and London) on behalf of the charity. We use the infrastructure of this social enterprise to provide food, support and employment opportunities to people affected by homelessness, to be a shopfront for the charity and to raise funds via pay it forward donations.

The coffee shops provide a weekday free food service for any person affected by homelessness. This can be a mix of takeaway and sit in services, where people are offered support and can engage with external agencies who may be invited along.

Social Bite Restaurants Limited operates one restaurant in Edinburgh called 'Vesta'. In addition to serving paying customers, the restaurant creates awareness of the work undertaken by the charity, raises funds via pay it forward donations, aims to provide training and employment opportunities for people with backgrounds of homelessness and operates a free of charge weekly sit-down service to diners who are experiencing homelessness. This is a two-course meal of equal quality to that of paying customers.

Subsequent to the year-end, in October 2023, a decision was taken to cease trading and end the restaurant lease early. This was a result of the sale of the building that the restaurant occupied and future redevelopment plans by the new owner. Beneficial arrangements for such closure were negotiated with the new owner. See section F(iii) for further information.

vi) Our Village

The Social Bite Village, Granton, Edinburgh, 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, along with residential volunteers.

The Village presents an alternative model to temporary accommodation, which is used significantly in Edinburgh. Many people are currently housed in B&Bs for an average of over 24 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 16 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. A wellbeing programme is also offered to all residents.

B. FOOD PROVISION

i) Food supplied by our social enterprises

Anyone in need, no questions asked, can receive food during set hours, from our public-facing cafés on any weekday they are open; they can book for a weekly meal at our restaurant; or they could receive a nutritious food pack through our delivery service. We deliver all of these services via our social enterprise subsidiaries, Social Bite Ltd and Social Bite



Restaurants Ltd. We were pleased during the year to commit to a new café in Glasgow, with this opening in April 2023, re-establishing a city centre presence for the charity.

During the year we have delivered the following services:

- Breakfasts: during the morning, we serve a warm breakfast roll and hot drink.
- Scran: 'Scran' is a colloquial term for food and it's the name for our free lunch provision across our cafés. The one exception to this our London coffee shop (due to the complexities associated with being in an area experiencing the second highest rates of homelessness in the UK) where people experiencing homelessness are given vouchers from local outreach workers/charity partners to redeem for a meal at our café.
- Suppers: sit down meals at our cafés when they are closed to paying customers. These events are opportunities for people who might normally suffer from social isolation to socialise and receive support. We often invite other charities/support services to these events for further signposting.
- Christmas meals: our cafés in Scotland are all open on 24 & 25 of December to provide a sit-down festive meal. We also supply ready cooked meals to other partner organisations as well as ingredients to make meals from scratch.
- Food Packs: we produce and deliver nutritious food packs to partner organisations across Scotland. We support organisations who align to our values and the food we provide helps them to engage beneficiaries with their services.

During the year we provided 110,296 food and drink items from our coffee shops (2022: 82,133); 8,632 Christmas meals served, delivered or ingredients supplied (2022: 4,091); 62,771 food packs prepared and delivered (2022: 36,930); 1,234 meals served in our restaurant (2022: 495).

ii) UK wide food grants

We supplied grants to partners in England, Wales and Northern Ireland, enabling them to provide 209,100 meals (including Christmas) during the winter and spring months of the year (2022: 140,757). Meals were provided via a wide range of services, such as:

- Mental health groups.
- Community centres.
- Drop-in centres for people experiencing homelessness.
- Temporary accommodation for people experiencing homelessness.
- Food parcels for families in poverty.

C. EMPLOYMENT & VOLUNTEERING

i) Jobs First

Employment can, on the face of it, appear like an opportunity available to everyone. However, any opportunity is wrapped up in several existing factors that may not initially be apparent. Many of the people we work with have had to overcome difficult circumstances to simply survive. Along the way, things are often sacrificed, such as completing education, gaining qualifications or having identifiable work experience. Things which are essential in a competitive work environment just to get your foot in the door for an entry-level job.

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MAY 2023

The Jobs First programme provides real job opportunities to those who have experienced homelessness, with the most crucial part of the programme being the trauma informed support that is offered to every employee.

How this works and positively impacts on participants, is best explained by somebody who has directly benefited:

A Jobs First Employee's Story – in their own words

In August 2022, I was being accommodated by Shelter From The Storm and they introduced me to Social Bite as there was a part time vacancy available within the Jobs First programme.

Prior to this, due to different factors, I had a long history of unemployment and homelessness. I found CV writing, searching and applying for jobs to be the easy part but my biggest difficulty was having the opportunity to interview for jobs, despite having numerous employment advisors and job coaches.

I applied for a role within the Jobs First Programme and felt confident knowing that I would be referred to the potential employer from an accredited organisation. Even more confident when I was told I would be with a Social Bite support worker during the interview. I interviewed and was offered a higher position due to my experience. I signed my contract and was truly excited to start the role. We had weekly feedback loops, always with the Social Bite support worker or their manager. I was given the opportunity to let them know what difficulties I was experiencing, and each difficulty was overcome with the active intervention from the representative from Social Bite. The permanent presence of Social Bite representatives was crucial during my time on the programme and even more important in looking to my future.

It was thanks to this employment opportunity, as part of the programme, that I was able to move to a specific hosting scheme and moved out from the shelter. I have also applied for benefits which I was previously refused which will help me financially.

I feel the Jobs First programme differs profoundly from all the ones I have known before and the difference lies in the personal and in person engagement of a Social Bite support worker, both with the employer and employee. I feel this programme can benefit people who have experienced homelessness as it supports the candidate in matching them to a job that builds on their existing skills and provides support for them to look at their performance in their role. I feel the programme can be of great benefit to many others and assist them to build their confidence in the job market.

We launched Jobs First in October 2021 and are pleased with the progress to date. With 23 people having been placed during this year (2022: 17), taking the total to 40 people who have experienced the programme since its inception. An independent evaluation of Jobs First will take place in 2024.

ii) Volunteers and their contribution to Social Bite

During the year we received support from 61 volunteers (including trustees and subsidiary directors) to run the free food take away service, social suppers and dinners from our restaurant and to help govern and safeguard the charity.

In September 2022, at our Break the Cycle event, we benefitted from the support of 28 volunteers, covering 163 hours of volunteering time.

In December 2022, during our Festival of Kindness campaign, we had 174 people providing their time, equating to over 1,068 hours of volunteering across all sites and within the gift re-distribution centre.

We are hugely grateful for all the support and commitment shown by every one of our volunteers. We are pleased to have been able to improve their experience and engagement with us through engagement and training events we have ran during the year.

D. ACCOMODATION & SHELTER

i) Housing First

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. Over the long term, this project can eradicate homelessness.



Whilst we no longer have a direct role in the implementation of Housing First, we retain an interest in how this continues to grow and make a real difference to those in need of a home.

During the year to 31 May 2023, Social Bite provided a final grant of £68,347 towards Housing First (2022: £26,060). Our total net grant contribution towards the programme (from July 2018) was £2.2m with 579 new tenancies having been created through the original Pathfinder pilot that we funded (this pilot having come to an end in September 2021 with the responsibility transferring fully into the public sector).

A further 672 new tenancies have been created since 1 April 2021, with the programme being mainstreamed into local authorities (figure taken from the Scottish Government's quarterly Housing First Monitoring Report to 31 March 2023).

We remain immensely proud of being the catalyst that has made a change to so many individual lives, with over 1,200 people having been given the opportunity to have a place to call "home".

ii) Social Bite Village, Granton, Edinburgh

Throughout the last year, the Social Bite Village community has continued to grow with new residents, residential volunteers and strengthening the onsite staff team. We have seen positive outcomes in terms of building supportive relationships with community members and volunteers. This has led to increased collaboration and a stronger sense of community.

One of the key areas of focus has been to support community members in maintaining and improving their mental health, relationships, and connections with local support services. Through a range of interventions, including counselling and advocacy, we have seen positive outcomes in this area.

To expand the horizons and opportunities for our residents, staff and volunteers have implemented a range of activities and programmes, including campfires, trips away, and poetry and music groups. These have been hugely successful in providing opportunities for personal growth and development.

During the year, we had 14 new residents join the Village and 12 who departed. A total of 24 individuals were supported by the Village during the year. The average number of occupants during the year was 12 (2022: 12).

A poem by a Village resident:

There's a place like heaven I cannot lie.
It's a place you would love to stay until you die.
It's a place without any fear with lovely people and staff to dry every tear.
If you feel down and blue no matter what, there is always someone there for you.
Don't rely on drugs or even a night at the pub, just walk up to the friend in the hub.

It's a place run by Social Bite.
It's a place where everything feels right.
It's a place where you can talk and clear your head and settle down in a peaceful bed.
You will never feel lonely, you will never feel blue, it's a place you can always be you.
If things get tough and it seems so dark, just go to volunteers or staff, there's always a walk in the park.
You can take all your worries and your fears and see the sun shine bright, it's all because of volunteers and staff at social bite.

I must be honest, I must be fair, you're never short of a friend there.
It could be 2 years, maybe more, before you leave that loving door.
But even if you are quiet or shy leaving will bring a tear to that eye.
It's a place you can grow to love.
It's like a home sent from above.



iii) New Social Bite Villages

We have continued working hard during the year to secure land in our preferred locations of Dundee and the South Lanarkshire areas. We have developed good working relationships with each local council authority and identified other partners who will support us to bring each Village from a vision to a reality.

At 31 May 2023, a total sum of £877,225 was allocated towards the building of new villages, this being a mix of restricted funding and funds designated by the trustees towards these projects (see notes 15 & 16 for further detail). In addition to these sums received, we also had a commitment of future pledges (to be paid) from organisations and trusts totalling £1,692,500. This pledged income has not been recognised in the accounts to date.

E. FUNDRAISING & GIVING EVENTS

i) Festival of Kindness

Our 'Trees of Kindness' returned in 5 cities (Edinburgh, Glasgow, Dundee, Aberdeen and London) over the Christmas 2022 period, to promote the ethos of kindness to the general public, to encourage gifts to be donated at each tree that were then distributed to people affected by homelessness and poverty.

During the campaign, we were able to distribute 114,192 gifts that were either donated or purchased by us (2022: 46,940). We were able to substantially increase the number of gifts due to unexpected corporate donations of slippers, socks, hats and scarves.

The public were again generous with their donations and gifts. We were fortunate to have the continued support of itison, Just Eat and Mitchells & Butlers, each of whom provided various donation giving mechanisms to their customers across the UK, along with other significant corporate partners who donated cash, gifts, time and expertise. We are extremely thankful to every single individual and organisation who has donated or supported our efforts over this Festival of Kindness period – it truly does make a difference.

ii) Break the Cycle

In September 2022 we ran our Break the Cycle event for a 2nd year, seeking to raise awareness around the issue of homelessness and for participants to raise funds on behalf of the charity. The event was a 60-mile ride starting from the Sir Chris Hoy Velodrome in Glasgow and finishing at Murrayfield Rugby Stadium in Edinburgh. We expanded on the ride options, with there being a shorter 20-mile route and a small route for our younger participants.

We were pleased to have 995 participants signed up, an increase of 480 from the first event.

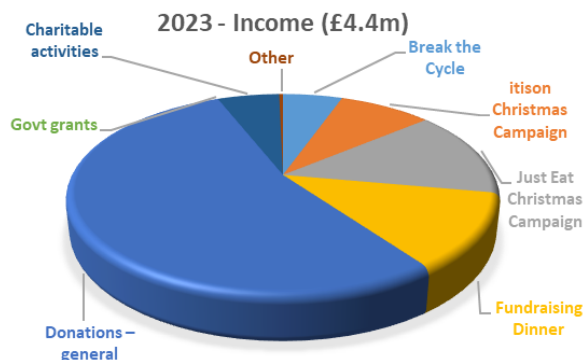
iii) The Great Scots Burns Supper

In January 2023, we held our first ever fundraising dinner, with the kind support of Gleneagles Hotel, celebrities (including chefs who curated the menu for the evening) and those who donated auction prizes. Over 200 guests heard more about the work that Social Bite undertakes and the difference we try to make on a daily basis, whilst enjoying great food and some fantastic entertainment. From donations made on the night, a silent auction and a main auction, we raised over £540,000. An amazing return from our first dinner and truly a night to remember.



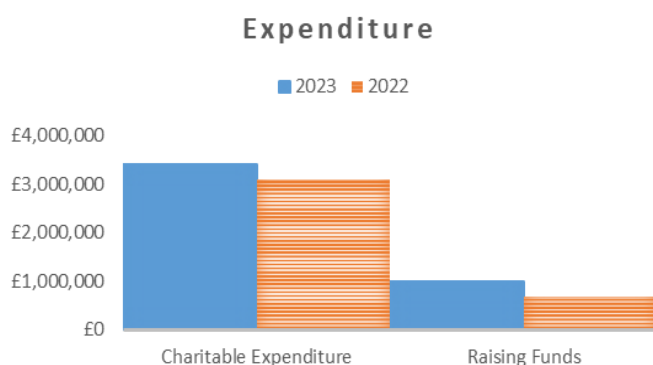
F. FINANCIAL REVIEW

i) Social Bite Fund



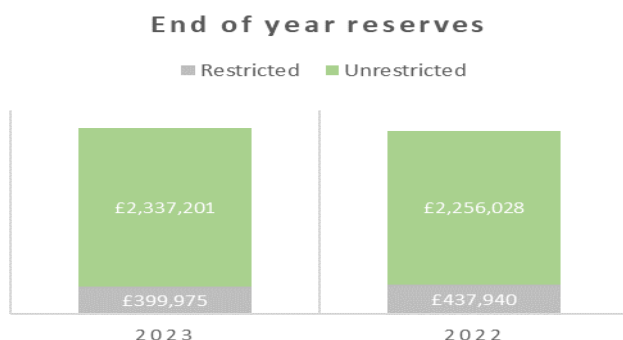
Income of £4.49m (2022: £3.55m), a 26% increase.

- 21% increase in Donations – General.
- New fundraising dinner generated over £0.5m.
- 54% increase in Just Eat donations, with campaign extended by 2 months.
- 36% reduction in itison donations in December, potentially due to increase in other donation activations over the festive period.
- 32% reduction in Break the Cycle donations.
- £0.61m of income received was Restricted.



Expenditure of £4.45m (2022: £3.79m), a 17% increase.

- £3.46m spend on charitable expenditure (representing 77% of income in the year).
- £0.31m increase in raising funds expenditure (representing 22% of income in the year).
- Over £0.1m increase in free food, support and employment (total spend in year of £1.1m).
- Increase of £0.18m in event costs spend, with new fundraising dinner and expanded Break the Cycle event, raising funds and increasing awareness around the issue of homelessness.
- Legal fees were higher in year as the trustees sought professional advice in connection with the OSCR inquiry (this concluded during the year).



Reserves of £2.73m (2022: £2.69m), a 2% increase.

- Unrestricted reserves of £2.3m, an increase of £81k. This includes Designated funds of £790k.
- Restricted reserves of £0.4m, of which £0.33m is allocated towards the building of New Villages.
- Cash at bank, included in reserves, was £2.14m (2022: £2.30m)



ii) Social Bite Limited

The extensive charitable activities carried out by Social Bite Ltd are detailed in previous sections of this Report. In return for these activities, recompense is paid by the charity to its subsidiary, at a fair and reasonable rate.

Highlights are as follows:

- A new Glasgow café opened in April 2023.
- The difficult decision was taken to close our Central Kitchen facility in Livingston, due to a change in operational focus and logistics.
- Restructuring has continued during the year to rationalise operations and provide greater focus on income generation.

Further detail on grants supplied by the charity to Social Bite Ltd can be found at note 19.

Turnover and Other Income for the year was £1.9m (2022: £1.6m), including sums provided by the charity. There was a profit before tax for the year of £144,528 (2022: loss of £17,693), this including the waiver of an inter-company loan balance due to the charity of £134,591. Net assets at the year-end were £42,771 (2022: net liability of £101,757)

The trustees are clear that the charity intends to continue to financially support Social Bite Ltd, as is reasonably required, such is its importance to the work that charity undertakes and fulfils through its subsidiary that is adequately outlined in this Trustees' Report. Any financial support is factored into future Social Bite cash flow forecasts.

iii) Social Bite Restaurants Limited

Turnover and Other Income for the year was £647,227 (2022: £482,451), including grants provided by the charity. A profit before tax of £7,297 (2022: loss £19,197) was incurred.

During the year, grants were paid to Social Bite Restaurants Ltd by the charity totalling £17,477 (2022: £6,259). Further detail on this can be found at note 19.

The balance sheet of Social Bite Restaurants Ltd remains insolvent (as it was last year) – net liabilities of £298,302 (2022: net liability of £301,444). This in part relates to an inter-company balance due to the charity of £161,418 (2022: £78,804).

Prior to the year end, discussions were undertaken with the new landlord of the restaurant regarding future redevelopment plans for the entire building (in which the restaurant partly occupies). Considering the negative impact this would likely have on the trading performance of the restaurant, a deal was entered into post year end, to terminate the lease early, with a decision then taken to close the restaurant on 21 October 2023. This deal will bring financial benefits to Social Bite Restaurants Ltd and, in the future, to the charity.

The trustees remain clear in their duty to protect the interests of the charity and whilst future financial benefits will accrue from the landlord deal to the charity, the ability of Social Bite Restaurants Ltd to repay the inter-company debt remains doubtful. As with the prior year, the trustees have taken a prudent view and made a provision of £72,021 (2022: £77,194) against the outstanding debt.

Following closure of the restaurant and the discharge of all liabilities, the intention will be to wind up Social Bite Restaurants Ltd.



G. FUTURE PLANS

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

- Further refining our longer-term mission, vision and values of the charity, following on from the work undertaken over the last 12 months.
- Securing land for 2 new villages in Dundee and South Lanarkshire (with the Bill Sword Social Bite Recovery Village in Dundee being publicly announced on 1 November 2023).
- Carrying out an external evaluation of our 'Jobs First' programme, to build on its initial success and to ascertain how this could be shifted towards a mainstream proposition in future.
- Recruiting at least 3 new trustees to expand the breadth of experience and knowledge on the Board and further strengthening the governance of the charity.
- 'The Great Scots Burns Supper' will be held again at the Gleneagles Hotel in January 2024, raising awareness and funds for the charity.
- Taking all necessary steps to maximise efficiencies within Social Bite Ltd, with the ultimate aim of removing losses and establishing a profitable entity that will gift profits back to the charity (whilst still carrying out the charitable activities previously mentioned within this report).

H. OSCR INQUIRY

As noted in the prior year's Trustees' Report, the charity was referenced in an inquiry by The Office of the Scottish Charity Regulator (OSCR).

On 27 March 2023, OSCR published their concluding inquiry report. No recommendations were made, and no action was required by the charity. There was one finding by OSCR, which related to an isolated administrative error from four years previous. OSCR found no wrongdoing, no financial detriment to the charity nor any personal gain. Critically, OSCR recognised that former trustees took appropriate steps when they became aware of the issue.

There was positive recognition from OSCR regarding the proactive approach taken by both former and current trustees to the governance, reporting and communication of the charity, reaffirming that Social Bite adheres to the highest standards of governance.

I. STRUCTURE, GOVERNANCE AND MANAGEMENT

i) Trustees

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

Post year-end, with the conclusion of the OSCR inquiry, the trustees commenced a recruitment process to further strengthen the Board. Once completed, there will be further consideration as to what other standing committees may



be appropriate (including the re-establishment of an audit committee). In the interim, trustees all take an active interest in matters that may be normally delegated to sub-committees.

ii) Group structure governance

Social Bite has two wholly owned subsidiaries – Social Bite Ltd and Social Bite Restaurants Ltd. The Boards of each are scheduled to meet every other month, with key management personnel of the charity in attendance. The subsidiary Boards have a level of decision-making authority, with their being frequent updates on performance and any other matters of significance reported back to the charity Board.

iii) Management Structure

The day-to-day operational oversight of the charity and its subsidiaries is provided by the Operational Management Board, made up of all the key individuals within the Social Bite group and Sir Andrew Cubie, our Executive Chair. This group meets weekly, to share information and discuss issues in real time. Any decisions to be made are based on a majority. Every individual has an equal voice. Where required, any significant strategic matters will be escalated to the main Board in the normal way.

iv) Reserves & Reserves Policy

Total group reserves at 31 May 2023 are £3.0m (2022: £2.7m) of which £399,975 (2022: £437,940) are restricted. Tangible fixed assets comprise £764,482 (2022: £793,373) of unrestricted funds, leaving free unrestricted reserves of £1.8m (2022: £1.5m), £790,403 (2022: £740,809) of which was designated towards future projects (see note 16(ii) for further detail).

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.

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 continue to feel is reasonable.

v) Risk Management

The Board reviews organisational risk and maintains a strategic 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. Where there are any significant projects, a separate risk register is developed and maintained.

Risks are regularly discussed by the management team and oversight is delegated to an internal Risk Committee. The Committee meet monthly to discuss current risks, mitigating actions and impact this may have on the overall risk register.

THE SOCIAL BITE FUND

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MAY 2023



vi) Reference & administrative details

Registered Name	The Social Bite Fund
Charity Registration Number & Date	SC045232, registered 17 November 2014
Organisation Type	Scottish Charitable Incorporated Organisation (SCIO) being governed by a SCIO constitution.
Registered Office	1 Leith Walk, Edinburgh, EH6 8LN
Email	info@social-bite.co.uk
Telephone	0131 353 0250
Website	www.social-bite.co.uk
Trustees	Trevor Civval (resigned 29 January 2023)
	Kathryn Crook (appointed 22 August 2022)
	Sir Andrew Cubie (Executive Chair)
	William Gorol
	Angus Morrison (resigned 30 March 2023)
	Malcolm Rust (appointed 30 November 2023)
	Graeme Watt (appointed 30 November 2023)
Bankers	The Royal Bank of Scotland plc, 142-144 Princes Street, Edinburgh, EH2 4EQ
Auditor	Saffery LLP, Edinburgh Quay, 133 Fountainbridge, Edinburgh, EH3 9BA
Solicitors – Charity Administration	Shepherd & Wedderburn, 1 Exchange Crescent, Edinburgh, EH3 8UL
Solicitors – Property & Commercial	CMS, Saltire Court, 20 Castle Street, Edinburgh, EH1 2EN
Solicitors – HR & Employment	Clyde & Co, 144 West George Street, Glasgow, G2 2HG
Wholly Owned Subsidiaries	Social Bite Limited, company number SC424001
	Social Bite Restaurants Limited, company number SC534592

On behalf of the Board of Trustees,

Sir Andrew Cubie
Trustee and Chair

Date: 28 February 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MAY 2023

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 2019 (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.



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 2023 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 affairs of the group and the parent charity's affairs as at 31 May 2023 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 (as amended).

Basis for opinion

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the trustees' annual report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept proper accounting records; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the 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.

Auditors' responsibilities for the audit of the financial statements

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charity by discussions with trustees and updating our understanding of the sectors in which the group and parent charity operate.

Laws and regulations of direct significance in the context of the group and parent charity include the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Office of the Scottish Charity Regulator.

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

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the parent 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 parent 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 parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Saffery LLP

**Chartered Accountants
Statutory Auditors**

Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

Date: 29 February 2024

Saffery 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 2023



	Note	Unrestricted funds £	Restricted funds £	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Income from:					
Donations and legacies	3	3,563,150	610,545	4,173,695	3,333,395
Charitable activities	4	249,816	-	249,816	213,662
Other trading activities	5	1,205,760	-	1,205,760	1,201,004
Investments		13,595	-	13,595	557
Other income		50,000	-	50,000	-
Total income		5,082,321	610,545	5,692,866	4,748,618
Expenditure on:					
Charitable activities	7(i)	2,554,520	648,510	3,203,030	2,810,189
Raising funds	7(ii)	2,262,233	-	2,262,233	1,860,719
Total expenditure		4,816,753	648,510	5,465,263	4,670,908
Net income/(expenditure)		265,568	(37,965)	227,603	77,710
Transfers between funds		-	-	-	-
Net movement in funds		265,568	(37,965)	227,603	77,710
Reconciliation of funds:					
Total funds brought forward		2,310,186	437,940	2,748,126	2,670,416
Total funds carried forward	15&16	2,575,754	399,975	2,975,729	2,748,126

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 2023

	Note	Unrestricted funds £	Restricted funds £	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Income from:					
Donations and legacies	3	3,563,150	610,545	4,173,695	3,333,395
Charitable activities	4	249,816	-	249,816	213,662
Investments		13,595	-	13,595	557
Other	6	51,500	-	51,500	3,000
Total income		3,878,061	610,545	4,488,606	3,550,614
Expenditure on:					
Charitable activities	7(i)	2,811,831	648,510	3,460,341	3,107,129
Raising funds	7(ii)	994,057	-	994,057	681,120
Total expenditure		3,805,888	648,510	4,454,398	3,788,249
Net income/(expenditure)		72,173	(37,965)	34,208	(237,635)
Transfers between funds		-	-	-	-
Net movement in funds		72,173	(37,965)	34,208	(237,635)
Reconciliation of funds:					
Total funds brought forward		2,256,028	437,940	2,693,968	2,931,603
Total funds carried forward	15&16	2,328,201	399,975	2,728,176	2,693,968

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 2023



	Note	Group Total funds		Charity Total funds	
		31 May 2023	31 May 2022	31 May 2023	31 May 2022
		£	£	£	£
Fixed assets					
Tangible assets	9	764,482	793,373	397,720	521,028
Investments	10	-	-	-	-
		764,482	793,373	397,720	521,028
Current assets					
Stock	11	15,118	16,490	-	-
Debtors	12	521,627	346,542	428,065	227,595
Cash at bank and in hand		2,196,067	2,358,070	2,142,394	2,301,544
		2,732,812	2,721,102	2,570,459	2,529,139
Creditors: amounts falling due within one year	13	(483,668)	(634,713)	(240,003)	(292,479)
Net current assets		2,249,144	2,086,389	2,330,456	2,236,660
Total assets less current liabilities		3,013,626	2,879,762	2,728,176	2,757,688
Creditors: amounts falling due after one year	14	(37,897)	(131,636)	-	(63,720)
Net assets		2,975,729	2,748,126	2,728,176	2,693,968
Funds					
Restricted funds	15	399,975	437,940	399,975	437,940
Unrestricted funds	16	2,575,754	2,310,186	2,328,201	2,256,028
		2,975,729	2,748,126	2,728,176	2,693,968

The financial statements were approved by the Board of Trustees on 28 February 2024 and were signed on its behalf by:

Sir Andrew Cubie
Trustee & Chair

THE SOCIAL BITE FUND

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2023



	Note	Year ended 31 May 2023		Year ended 31 May 2022	
		£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	21		<u>146,171</u>		<u>287,556</u>
Cash flows from investing activities					
Purchase of tangible fixed assets	9	(256,604)		(359,414)	
Interest received		<u>13,595</u>		<u>557</u>	
Net cash used in investing activities			(243,009)		(358,857)
Repayments of borrowing		(65,165)		1,800	
Cash inflows from new borrowing		<u>-</u>		<u>127,440</u>	
Net cash provided by financing activities			(65,165)		129,240
Net (decrease) / increase in cash and cash equivalents in the reporting period			(162,003)		57,939
Cash and cash equivalents at beginning of period			<u>2,358,070</u>		<u>2,300,131</u>
Cash and cash equivalents at end of period			<u>2,196,067</u>		<u>2,358,070</u>
Relating to:					
Cash at bank and in hand			<u>2,196,067</u>		<u>2,358,070</u>

THE SOCIAL BITE FUND



STATEMENT OF CASH FLOWS – CHARITY ONLY FOR THE YEAR ENDED 31 MAY 2023

	Note	Year ended 31 May 2023		Year ended 31 May 2022	
		£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	21		<u>(114,585)</u>		<u>124,852</u>
Cash flows from investing activities					
Purchase of tangible fixed assets		3,040		(191,160)	
Interest received		<u>13,595</u>		<u>557</u>	
			16,635		(190,603)
Net cash used in investing activities					
Repayments of borrowing		(61,200)		-	
Cash inflows from new borrowing		<u>-</u>		<u>127,440</u>	
Net cash provided by financing activities			(61,200)		127,440
Net (decrease) / increase in cash and cash equivalents in the reporting period			(159,150)		61,689
Cash and cash equivalents at beginning of period			<u>2,301,544</u>		<u>2,239,855</u>
Cash and cash equivalents at end of period			<u>2,142,394</u>		<u>2,301,544</u>
Relating to:					
Cash at bank and in hand			<u>2,142,394</u>		<u>2,301,544</u>



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

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.

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 31 May 2025 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 and the ability to scale back expenditure if required.

The trustees are pleased to see that the operational and structural changes implemented in Social Bite Ltd have begun to make a difference post year-end.

With Social Bite Restaurants Ltd, a deal was agreed post year end to allow for the lease to be ended early, with the landlord planning a wider building refurbishment. This will bring financial benefits to the charity, along with a requirement to settle liabilities. The restaurant ceased trading on 21 October 2023. All such income and costs have been factored into the cash flow forecasts of the charity.



1. Accounting policies (continued)

The Trustees' Report explains the position in respect of Social Bite Ltd and Social Bite Restaurants Ltd in more detail. However, the current financial situation of the charity is fortunately one that continues to be of relative strength and supporting the subsidiaries will continue at agreed levels.

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 2023 was £2.20 million (2022: £2.36m). Unrestricted reserves, after deduction of fixed assets, of £1.81m (2022: £1.52m).

Taking all of these factors together, the trustees have not identified any material uncertainties with respect to the going concern position of the group and parent charity. As such, these financial statements are 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 Ltd and Social Bite Restaurants Ltd 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.

(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.
- Incoming resources from charitable activities represents occupancy income generated from the operation of the Social Bite Village which provides housing for homeless people.



1 Accounting policies (continued)

- 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 entitlement becomes unconditional.
- Income from other trading activities through coffee shop and restaurant sales and events' income are recognised as the related goods and services are provided.
- Income 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 charitable and 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:

Leasehold Improvements	10 years (or term of any associated lease if less)
Property	4% straight line
Equipment & Furniture	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.



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 and deposits held with banks.

(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 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.



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.

Debt instruments 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.

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MAY 2023

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.

(p) Accounting for funds held as an agent

Any funds received by the charity whilst acting as an agent on behalf of another are recognised as a liability. Such funds are administered in accordance with the instructions received, with the exception of any funds for which the charity is the ultimate beneficiary to and then recognises this income in the period to which it relates.

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 9.
- In the year, the trustees reviewed all expenditure associated with delivering Festival of Kindness and Break the Cycle events and determined that the expenditure did not wholly relate solely to the costs of running an event. Accordingly, in the case of the event 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. This is consistent with the judgements in previous years.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MAY 2023



3 Donations and legacies – group and charity

	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Break the Cycle	240,111	352,118
itison Christmas Campaign	376,624	591,497
Just Eat Christmas Campaign	619,866	402,712
Fundraising Dinner	542,655	-
Donations – general	2,394,439	1,979,634
Government grants	-	7,434
	4,173,695	3,333,395
Analysed by fund:		
Unrestricted fund	3,563,150	2,601,281
Restricted fund	610,545	732,114
	4,173,695	3,333,395

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 2023 £	Year ended 31 May 2022 £
Village occupancy income - unrestricted	249,816	213,662

5 Income from trading activities – group only

	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Shop and restaurant sales – unrestricted	1,205,760	1,201,004



6 Other Income – charity only

	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Other Income	<u>51,500</u>	<u>3,000</u>

7 Expenditure

(i) Expenditure on activities in furtherance of charitable objectives

	Group		Charity	
	Year ended 31 May 2023 £	Year ended 31 May 2022 £	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Campaigning	238,846	202,044	238,846	202,044
Grants & donations provided to organisations to support free food provision & accommodation	233,640	297,898	233,640	297,898
Housing First programme	68,347	26,060	68,347	26,060
Other charitable expenditure	97,829	59,875	97,829	59,875
Provision of free food, support and employment	1,096,667	855,160	1,096,667	989,751
CAPEX grants to support charitable objectives	-	-	257,311	162,349
Social Bite Village (includes depreciation)	378,671	388,931	378,671	388,931
Allocation of support costs – note 7(iii)	961,319	872,261	961,319	872,261
Allocation of governance costs – note 7(iii)	127,711	107,960	127,711	107,960
	<u>3,203,030</u>	<u>2,810,189</u>	<u>3,460,341</u>	<u>3,107,129</u>
Attributed to funds as follows:				
Unrestricted funds	2,554,520	2,358,721	2,811,831	2,655,661
Restricted funds	648,510	451,468	648,510	451,468
Total	<u>3,203,030</u>	<u>2,810,189</u>	<u>3,460,341</u>	<u>3,107,129</u>

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

Provision of free food, support and employment includes sums paid to wholly own subsidiaries to support this service. Further details can be found at note 19 – Related Party Transactions.



7 Expenditure (continued)

Details of grants provided to external organisations that are included within “Grants & donations provided to organisations to support free food provision & accommodation” and “Housing First programme” are listed below:

	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Food related grants:		
City Harvest	40,500	25,000
St Vincent de Paul Society	12,000	8,500
Huggard	10,000	3,000
Glass Door Homeless Charity	10,000	35,000
The Booth Centre	4,500	13,020
Other grants of less than £10,000	41,500	48,795
	<u>118,500</u>	<u>133,315</u>
Accommodation related grants:		
Corra Foundation	68,347	26,060
Glasgow City Mission	30,000	31,731
Bethany Christian Trust	27,528	26,652
Glass Door Homeless Charity	5,000	15,000
Other grants of less than £10,000	10,000	5,000
	<u>140,875</u>	<u>104,443</u>
Other grants:		
David Yarrow Foundation	9,900	-
Scottish Association for Mental Health – homeless project	-	50,000
Other grants of less than £10,000	1,000	16,000
	<u>10,900</u>	<u>66,000</u>
Total Grants paid	<u><u>270,275</u></u>	<u><u>303,758</u></u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2023

7 Expenditure (continued)

(ii) Raising funds

	Group		Charity	
	Year ended 31 May 2023 £	Year ended 31 May 2022 £	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Advertising & marketing costs	95,654	89,299	95,754	89,299
Donation processing fees	30,086	30,127	30,086	30,127
Event costs	382,265	198,875	382,265	198,875
Social enterprise operations	1,340,297	1,256,793	72,021	77,194
Allocation of support costs – note 7(iii)	382,687	265,550	382,687	265,550
Allocation of governance costs – note 7(iii)	31,244	20,075	31,244	20,075
	<u>2,262,233</u>	<u>1,860,719</u>	<u>994,057</u>	<u>681,120</u>

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 governance & support costs – group and charity

	Method	Raising funds £	Charitable activities £	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Audit & Accountancy fees	% spend	11,778	48,143	59,921	34,790
Bank, professional & consultancy fees	% spend	8,011	32,745	40,756	58,306
Depreciation	% spend	2,432	9,940	12,372	12,576
General expenses	% spend	175	723	899	5,382
Insurance	% spend	2,384	9,743	12,127	8,022
IT Software & Consumables	% spend	4,391	17,950	22,341	29,185
Legal expenses	% spend	30,594	125,054	155,648	118,636
Office expenses	% spend	3,620	14,798	18,418	17,214
Rent & rates	% spend	1,900	7,766	9,666	11,863
Salaries	Direct	341,121	791,411	1,132,532	949,806
Training & development	% spend	3,339	13,648	16,987	2,053
Travel expenses	% spend	4,186	17,109	21,295	18,012
		<u>413,931</u>	<u>1,089,030</u>	<u>1,502,962</u>	<u>1,265,845</u>

Total governance costs, included above, comprise of legal expenses of £155,648 (2022: £118,636) plus auditor's remuneration in respect of the external audit of the charity and its group of £33,900 (2022: £28,000).

The legal expenses include £30,185 of pro-bono services provided (2022: £97,734) – this is also reflected as an equal amount of income within Donations – General at note 3.



7 Expenditure (continued)

There was an increase in legal cost to the charity during the year, as the trustees' continued to use legal expertise to advise on the ongoing OSCR inquiry (concluded 27 March 2023 – see note 20 for further information), at all times considering this to be in the charity's best interests.

(iv) Auditor's remuneration

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

	Group		Charity	
	Year ended	Year ended	Year ended	Year ended
	31 May	31 May	31 May	31 May
	2023	2022	2023	2022
	£	£	£	£
Accountancy fees	5,158	5,560	6,600	-
Audit fees	33,900	28,000	33,900	28,000
Tax fees	7,920	3,800	5,220	-
	<u>46,978</u>	<u>37,360</u>	<u>45,720</u>	<u>28,000</u>

8 Employees

(i) Number of employees

The average monthly number of employees during the period was:

	Group		Charity	
	Year ended	Year ended	Year ended	Year ended
	31 May	31 May	31 May	31 May
	2023	2022	2023	2022
Management and administration	31	30	28	23
Shop and restaurant staff	37	42	-	-
	<u>68</u>	<u>72</u>	<u>28</u>	<u>23</u>

(ii) Employment costs

	Group		Charity	
	Year ended	Year ended	Year ended	Year ended
	31 May	31 May	31 May	31 May
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	1,891,435	1,793,338	1,009,174	837,640
Social security	158,990	169,403	97,676	89,814
Pension contributions	39,508	41,219	25,682	22,352
	<u>2,089,933</u>	<u>2,003,960</u>	<u>1,132,532</u>	<u>949,806</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2023

8 Employees (continued)

The number of employees whose annual remuneration (including termination payments but excluding employer pension contributions) were above £60,000 are set out below:

	2023	2022
Between £60,000 and £69,999	-	-
Between £70,000 and £79,999	1	1
Between £80,000 and £89,999	1	1

During the year, the trustees approved an ex-gratia payment to 1 departing employee totalling £21,250 (2022: £7,000). In this case, the trustees, after careful consideration, were of the view there was a moral obligation to make such a payment.

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

None of the trustees received any reimbursement of expenses during the year.

9 Tangible fixed assets

Group	Property £	Leasehold improvements £	Equipment & Furniture £	Total £
Cost or valuation				
At 1 June 2022	903,066	420,320	385,218	1,708,604
Additions	-	205,064	51,540	256,604
Disposals	-	(150,144)	(46,687)	(196,831)
Transfers	(214,102)	214,102	-	-
At 31 May 2023	688,964	689,342	390,071	1,768,377
Depreciation				
At 1 June 2022	589,006	167,094	159,131	915,231
Charge for the year	71,176	137,014	58,140	266,330
Eliminated on disposal	-	(141,038)	(36,628)	(177,666)
Transfers	(186,369)	186,369	-	-
At 31 May 2023	473,813	349,439	180,643	1,003,895
Net book value				
At 31 May 2023	215,151	339,903	209,428	764,482
At 31 May 2022	314,060	253,226	226,087	793,373



NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2023

9 Tangible fixed assets (continued)

Charity	Property £	Leasehold Improvements £	Equipment & Furniture £	Total £
Cost or valuation				
At 1 June 2022	688,963	72,489	216,230	977,682
Additions	-	-	(3,040)	(3,040)
Disposals	-	-	-	-
At 31 May 2023	688,963	72,489	213,190	974,642
Depreciation				
At 1 June 2022	402,628	19,965	34,061	456,654
Charge for the year	71,176	7,260	41,832	120,268
Eliminated on disposal	-	-	-	-
At 31 May 2023	473,804	27,225	75,893	576,922
Net book value				
At 31 May 2023	215,159	45,264	137,297	397,720
At 31 May 2022	286,335	52,524	182,169	521,028

10 Investments – Charity

Shares in group
undertakings
£

Cost - at 1 June 2022 and 31 May 2023	-
Net book value - at 31 May 2022 and 31 May 2023	-

Holdings of more than 20%

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

Company	Reg Office	Principal activity	Class of shares held	
Social Bite Limited	Scotland	Operation of cafés	Ordinary	100%
Social Bite Restaurants Limited	Scotland	Operation of Vesta restaurant	Ordinary	100%

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MAY 2023



10 Investments – Charity (continued)

	Social Bite Limited	Social Bite Restaurants Limited	Year ended 31 May 2023	Year ended 31 May 2022
	£	£	£	£
Income	1,316,516	481,429	1,797,945	1,524,111
Cost of sales	(1,207,415)	(324,450)	(1,531,865)	(1,308,405)
Administration expenses	(581,817)	(319,102)	(900,919)	(825,554)
Other operating income	617,244	165,798	783,042	575,101
Interest payable	-	3,622	3,622	(2,143)
Tax	-	(4,155)	(4,155)	5,531
Profit / (Loss)	144,528	3,142	147,670	(31,359)

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	31 May 2023	31 May 2022
	£	£	£	£
Tangible fixed assets	362,861	3,900	366,761	272,345
Current assets	204,632	41,785	246,417	215,088
Creditors: amounts falling due within one year	(280,619)	(343,987)	(624,606)	(688,839)
Creditors: amounts falling due after one year	(244,103)	-	(244,103)	(201,795)
Total net assets/liabilities	42,771	(298,302)	(255,531)	(403,201)

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

11 Stock

	Group		Charity	
	31 May 2023	31 May 2022	31 May 2023	31 May 2022
	£	£	£	£
Food, Drink & Other Consumables	15,118	16,490	-	-



NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2023

12 Debtors

	Group		Charity	
	31 May 2023	31 May 2022	31 May 2023	31 May 2022
	£	£	£	£
Trade debtors	126,957	69,302	12,995	10,891
Taxation and other social security	7,383	-	547	-
Amounts due from group undertakings	-	-	68,454	3,440
Other debtors	387,287	277,240	346,069	213,264
	<u>521,627</u>	<u>346,542</u>	<u>428,065</u>	<u>227,595</u>

13 Creditors

	Group		Charity	
	31 May 2023	31 May 2022	31 May 2023	31 May 2022
	£	£	£	£
Trade creditors	114,394	147,579	16,973	37,385
Taxation and other social security	53,131	52,442	29,319	28,883
Amounts due to group company	-	-	-	-
Loans	37,667	146,767	-	50,000
Lease liability	61,200	63,720	61,200	63,720
Other creditors	39,513	39,172	8,706	5,403
Accruals and deferred income	177,763	185,033	123,805	107,088
	<u>483,668</u>	<u>634,713</u>	<u>240,003</u>	<u>292,479</u>

14 Creditors: amounts falling due after more than one year

	Group		Charity	
	31 May 2023	31 May 2022	31 May 2023	31 May 2022
	£	£	£	£
Lease liability	-	63,720	-	63,720
Other creditors	37,897	67,916	-	-
	<u>37,897</u>	<u>131,636</u>	<u>-</u>	<u>63,720</u>

Analysis of loans included within other creditors:

Wholly repayable within five years	75,564	200,985	-	-
Wholly repayable > 5 years	-	3,594	-	-
Included in current liabilities	<u>(37,667)</u>	<u>(146,767)</u>	<u>-</u>	<u>-</u>
	<u>37,897</u>	<u>57,812</u>	<u>-</u>	<u>-</u>

THE SOCIAL BITE FUND



NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MAY 2023

15 Restricted Funds – Group and Charity

(i) Movement in restricted funds – current period

	Balance at 1 June 2022	Income	Expenditure	Transfers	Balance at 31 May 2023
	£	£	£	£	£
Restricted funds					
Free Food Provision	96,144	381,920	(408,324)	-	69,740
Housing First	67,952	5,380	(73,332)	-	-
New Villages	147,790	208,415	(28,970)	-	327,235
Employment	70,054	11,830	(81,884)	-	-
Location Specific	56,000	3,000	(56,000)	-	3,000
Total restricted funds	437,940	610,545	(648,510)	-	399,975

(ii) Movement in restricted funds – prior period

	Balance at 1 June 2021	Income	Expenditure	Transfers	Balance at 31 May 2022
	£	£	£	£	£
Restricted funds					
Free Food Provision	91,294	248,323	(243,473)	-	96,144
Housing First	-	165,952	(98,000)	-	67,952
New Villages	-	147,790	-	-	147,790
Employment	-	144,049	(73,995)	-	70,054
Location Specific	66,000	26,000	(36,000)	-	56,000
Total restricted funds	157,294	732,114	(451,468)	-	437,940

Nature and purpose of restricted funds:

Free Food Provision	Donations received towards free food provision.
Housing First	Grant 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.
New Villages	Donations provided that are specifically to support the construction and opening of future new Villages, together with associated running costs.
Employment	Funding provided to support employment opportunities for staff who have a background of homeless. This employment is predominantly provided within Social Bite Limited.
Location Specific	Donations received that have a location related restriction, such as a specific place or area.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MAY 2023



16 Unrestricted Funds

(i) Movement in funds - group

Current year	Balance at 1 June 2022	Income	Expenditure	Transfers	Balance at 31 May 2023
	£	£	£	£	£

Unrestricted Funds	<u>2,310,186</u>	<u>5,082,321</u>	<u>(4,816,753)</u>	<u>-</u>	<u>2,575,754</u>
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Prior period	Balance at 1 June 2021	Income	Expenditure	Transfers	Balance at 31 May 2022
	£	£	£	£	£

Unrestricted Funds	<u>2,513,122</u>	<u>4,016,504</u>	<u>(4,219,440)</u>	<u>-</u>	<u>2,310,186</u>
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(ii) Movement in funds - charity

Current year	Balance at 1 June 2022	Income	Expenditure	Transfers	Balance at 31 May 2023
	£	£	£	£	£

Unrestricted Funds	<u>2,256,028</u>	<u>3,878,061</u>	<u>(3,805,888)</u>	<u>-</u>	<u>2,328,201</u>
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Included within Unrestricted Funds is a Designated Funds balance of £790,403 at 31 May 2023 (2022 - £740,809). These funds were Designated by trustees for the purposes of future planned free food provision during the rest of calendar year 2023 (£208,842), for the construction of New Villages (£550,000) and to support future employment via the Social Bite Jobs First scheme (£31,561). All of these initiatives are commented on within the Trustees' Report.

Prior period	Balance at 1 June 2021	Income	Expenditure	Transfers	Balance at 31 May 2022
	£	£	£	£	£

Unrestricted Funds	<u>2,774,309</u>	<u>2,818,500</u>	<u>(3,336,781)</u>	<u>-</u>	<u>2,256,028</u>
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17 Analysis of net assets between funds

(i) Group

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 May 2023 are represented by:			
Tangible assets	764,482	-	764,482
Current assets	2,332,837	399,975	2,732,812
Current liabilities	(521,565)	-	(521,565)
Creditors: amounts falling due after more than one year	-	-	-
	<u>2,575,754</u>	<u>399,975</u>	<u>2,975,729</u>
Fund balances at 31 May 2022 are represented by:			
Tangible assets	793,373	-	793,373
Current assets	2,283,162	437,940	2,721,102
Current liabilities	(634,713)	-	(634,713)
Creditors: amounts falling due after more than one year	(131,636)	-	(131,636)
	<u>2,310,186</u>	<u>437,940</u>	<u>2,748,126</u>

(ii) Charity

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 May 2023 are represented by:			
Tangible assets	397,720	-	397,720
Current assets	2,170,484	399,975	2,570,459
Current liabilities	(240,003)	-	(240,003)
Long term liabilities	-	-	-
	<u>2,328,201</u>	<u>399,975</u>	<u>2,728,176</u>
Fund balances at 31 May 2022 are represented by:			
Tangible assets	521,028	-	521,028
Current assets	2,091,199	437,940	2,529,139
Current liabilities	(292,479)	-	(292,479)
Long term liabilities	(63,720)	-	(63,720)
	<u>2,256,028</u>	<u>437,940</u>	<u>2,693,968</u>



18 Financial commitments

At 31 May 2023, the Group was committed to making the following total future minimum lease payments under non-cancellable operating leases as follows:

	Group		Charity	
	31 May 2023	31 May 2022	31 May 2023	31 May 2022
	£	£	£	£
Operating leases which expire:				
In one year	64,493	101,704	63,583	44,804
Between two and five years	142,581	232,410	142,581	11,500
In over five years	-	36,667	-	-
	<u>207,074</u>	<u>370,781</u>	<u>206,164</u>	<u>56,304</u>

As part of the charity's financial contribution to the Housing First programme, a sum of £nil (2022: £68,347) remained committed at the year-end.

19 Related party transactions

The charity provided grants of £1,049,265 (2022: £1,011,244) to Social Bite Limited, a wholly owned subsidiary. This grant funding was used to cover the costs related to:

- providing a daily food service from their outlets in Edinburgh, Glasgow and Aberdeen.
- producing and distributing food packs and other non-essential items to other charitable organisations in Scotland.
- supporting employment opportunities for those with a background of homelessness and other supported needs.
- being a shop front for the charity and providing service, support and information to the general public.

In addition, a grant of £257,311 (2022: £162,349) was provided to support capital expenditure, including the opening of the new Social Bite café in Glasgow.

Further detail on these activities can be found in the Trustees' Report.

In the prior year, a provision of £134,591 was made against a balance that was due from Social Bite Limited to the charity. During the year to 31 May 2023, this amount was formally waived by the trustees. The majority of this sum relates to a historic debt the trustees believe was accrued due to insufficient grant funding being provided to Social Bite Limited to support the cost of free food, employment and the provision of other charitable services. At the year-end a net balance remained due by Social Bite Limited of £64,563 (2022: £1,830) that will be repaid post-year end.

The charity provided grants of £17,447 (2022: £6,259) to Social Bite Restaurants Limited, a wholly owned subsidiary. These grants were approved to mainly fund the weekly homeless lunch service and to support loan repayments. At the year end, a provision of £72,021 (2022: £77,194) was made against a balance that was due from Social Bite Restaurants Limited to the charity. Further detail on this can be found at section 6.C of the Trustees' Report. At the year-end a net balance remained due by Social Bite Restaurants Limited of £3,892 (2022: £1,610).



19 Related party transactions (continued)

Remuneration of key management personnel

The key management personnel of the group companies comprised of Executive Director – Co-Founder, Group Finance & Risk Director and Executive Director – Operations / Commercial Director. The total remuneration cost of employment over the financial year was £256,525 (2022: £211,121).

20 Regulatory Matters

The charity was referenced in an inquiry by The Office of the Scottish Charity Regulator (OSCR). The inquiry was concluded in the year and the outcomes are noted in the Trustees Annual Report.

21 Subsequent Events

Subsequent to the year end, Social Bite Restaurants Limited closed Vesta restaurant and ceased trading.

22 Reconciliation of net income to net cash flow from operating activities

	Group		Charity	
	31 May 2023	31 May 2022	31 May 2023	31 May 2022
	£	£	£	£
Net income for the reporting period (as per the statement of financial activities)	227,603	77,710	34,208	(237,635)
Adjustment for:				
Interest received	(13,595)	(557)	(13,595)	(557)
Depreciation and impairment of tangible fixed assets	266,330	205,585	120,268	131,980
Loss on disposal of fixed assets	19,165	998	-	-
Movement in working capital:				
Decrease in stock	1,372	4,626	-	-
Decrease / (Increase) in debtors	(175,085)	160,852	(200,470)	399,681
Decrease in creditors	(179,619)	(161,658)	(54,996)	(168,617)
Cash provided by operations	146,171	287,556	(114,585)	124,852



23 Reconciliation of net debt

(i) Group

	At 1 June 2022	Cash flows	Other non- cash movements	At 31 May 2023
	£	£	£	£
Cash	2,358,070	(162,003)	-	2,196,067
Loans falling due within 1 year	(210,487)	(15,950)	127,570	(98,867)
Loans falling due after more than 1 year	(121,532)	81,115	2,520	(37,897)
Total	2,026,051	(96,838)	130,090	2,059,303

(ii) Charity

	At 1 June 2022	Cash flows	Other non- cash movements	At 31 May 2023
	£	£	£	£
Cash	2,301,544	(159,150)	-	2,142,394
Loans falling due within 1 year	(113,720)	-	52,520	(61,200)
Loans falling due after more than 1 year	(63,720)	61,200	2,520	-
Total	2,124,104	(97,950)	55,040	2,081,194

24 Funds received by the charity acting as an agent on behalf of others

	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Opening Balance	-	103,750
Received on behalf of the Covid Community Campaign	-	-
Grants awarded to charitable beneficiaries	-	(94,965)
Retained by Social Bite Fund	-	(8,785)
Balance remaining at year end	-	-



25 Prior Year Consolidated Statement of Financial Activities

	Note	Unrestricted funds £	Restricted funds £	Year ended 31 May 2022 £	Year ended 31 May 2021 £
Income from:					
Donations and legacies	3	2,601,281	732,114	3,333,395	3,525,275
Charitable activities	4	213,662	-	213,662	229,311
Other trading activities	5	1,201,004	-	1,201,004	1,319,268
Investments		557	-	557	217
Total income		4,016,504	732,114	4,748,618	5,074,071
Expenditure on:					
Charitable activities	7(i)	2,358,721	451,468	2,810,189	3,048,284
Raising funds	7(ii)	1,860,719	-	1,860,719	1,714,530
Total expenditure		4,219,440	451,468	4,670,908	4,762,814
Net income/(expenditure)		(202,936)	280,646	77,710	311,257
Transfers between funds		-	-	-	-
Net movement in funds		(202,936)	280,646	77,710	311,257
Reconciliation of funds:					
Total funds brought forward		2,513,122	157,294	2,670,416	2,359,159
Total funds carried forward	15&16	2,310,186	437,940	2,748,126	2,670,416



26 Prior Year Statement of Financial Activities – Charity Only

	Note	Unrestricted funds £	Restricted funds £	Year ended 31 May 2022 £	Year ended 31 May 2021 £
Income from:					
Donations and legacies	3	2,601,281	732,114	3,333,395	3,525,275
Charitable activities	4	213,662	-	213,662	229,311
Investments		557	-	557	217
Other	6	3,000	-	3,000	2,502
Total income		2,818,500	732,114	3,550,614	3,757,305
Expenditure on:					
Charitable activities	7(i)	2,655,661	451,468	3,107,129	3,048,284
Raising funds	7(ii)	681,120	-	681,120	423,493
Total expenditure		3,336,781	451,468	3,788,249	3,471,777
Net income/(expenditure)		(518,281)	280,646	(237,635)	285,528
Transfers between funds		-	-	-	-
Net movement in funds		(518,281)	280,646	(237,635)	285,528
Reconciliation of funds:					
Total funds brought forward		2,774,309	157,294	2,931,603	2,646,075
Total funds carried forward	15&16	2,256,028	437,940	2,693,968	2,931,603