

Charity Registration No. 1125396

THE BREADSTICKS FOUNDATION
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010



Caladine
Chartered Certified Accountants

THE BREADSTICKS FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms Beatrix Payne Dr Paul Ballantyne Dr Yolande Knight Ms Beatrice Roberts Mr Trevor Macy
Secretary	Dr Yolande Knight
Charity number	1125396
Principal address	35 Canonbury Square London N1 2AN
Accountant	Peter Saltiel Church & Charity Accounts Service 69 Portland Place Ingress Park Greenhithe Kent DA9 9FE
Bankers	Co-operative Bank Plc 1 Balloon Street Manchester M60 4EP
Solicitors	M. A. Willey 27A Cross Street Ryde Isle of Wight PO33 2AA
Auditors	Caladine Limited 1 The Avenue Eastbourne East Sussex BN21 3YA

THE BREADSTICKS FOUNDATION

CONTENTS

	Page
Trustees' report	1 - 5
Independent auditors' report	6 - 7
Statement of financial activities	8
Balance sheet	9
Notes to the accounts	10 - 12

THE BREADSTICKS FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

The trustees present their report and accounts for the year ended 30 September 2010.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's governing document, the Charities Act 1993 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

The Foundation was established by a charitable trust deed signed on 31 July 2008.

The trustees who served during the year were:

Ms Beatrix Payne
Dr Paul Ballantyne
Dr Yolande Knight
Ms Beatrice Roberts
Mr Trevor Macy

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

The Foundation is funded by an annual grant from an individual who is known to the Trustees. The funds are held on bank deposit and are expected to be allocated to grants within one year.

At half yearly meetings the Trustees agree the broad strategy and areas of activity for the Foundation including consideration of grant making, reserves and risk management policies. Day-to-day management of grants and initial consideration of grant applications are delegated to the Executive Committee consisting of the Chairwoman, Secretary and Treasurer.

All Trustees give their time freely and no Trustees received remuneration during the year except for travel expenses to attend executive or half yearly meetings as necessary.

The Trustees have assessed the major risks to which the Foundation is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

THE BREADSTICKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

Objectives and activities for the public benefit

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

The Trustees confirm that they have referred to the guidance contained within the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant making policy for the year. In so doing the Trustees have complied with the duty in section 4 of the Charities Act 2006.

The Foundation carries out its objectives by:

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

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

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

Grant making policy

The Foundation invites applications for core funding activities or project grants. Applications are invited through the Foundation website. Applicants submit an initial summary application outlining key activities, existing funding and intended use for the applied funding. Initial applications are reviewed by the Executive Committee who then begin a second round of information-gathering interviews including scrutiny of financial reports. Grants are usually funded on an annual basis, with some grants nominally committed for up to five years subject to successful monitoring, evaluation and Trustee review. Progress reports are usually requested quarterly, with an additional annual report submission. After renewal, grant progress reports may be adjusted to biannual reporting. Funding agreements are mutually agreed and signed prior to commencement of the grant.

How our grants delivered public benefit: a review of our programme grants and their activities.

Summary of programme grants approved or disbursed by the Breadsticks Foundation to year end September 2010. Beneficiaries of the Foundation's work include local communities, with an emphasis on children and vulnerable adults.

1) Grants in Africa

a. Hope and Homes for Children, via UK headquarters. A grant from the Breadsticks Foundation funded its work in Sudan, South Africa and Rwanda where it helps orphaned and vulnerable children to live in supported and sustainable family units. Over 1500 beneficiaries have been supported through its work in these countries in 2010.

b. Christine Revell Children's Home, Cape Town, South Africa. This home cares for 49 abandoned, abused, neglected or orphaned children from birth to the age of five years. The Breadsticks Foundation funded operational costs so that the care could continue to be provided in a safe environment.

THE BREADSTICKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

c. Class Act Educational Services, South Africa. This community-focussed organisation develops education and community programmes in villages in South Africa, for children and adults. The Breadsticks grant supports the Class Act Community Development Projects in Limpopo Province, KwaZulu Natal and the Eastern Cape. The programme develops literacy, community care and economic development.

d. Action on Disability and Development (ADD). Breadsticks supports ADD's work in Cote d'Ivoire under its French West Africa programme. The programme plans to target six regions in developing disability awareness and empowerment.

e. Raphael Centre, Grahamstown, South Africa. The Raphael Centre provides community services and support for people living with HIV/AIDS in Grahamstown. Breadsticks funds early childhood development at four schools operated by the Raphael Centre. Thirty children aged 4-7 years benefitted from the programme in 2010.

f. Zisize, Ingwavuma, South Africa. The Breadsticks grant enabled Zisize to work with seven local schools in providing education and support for almost 3000 orphans and vulnerable children. The grant contributed towards running costs, the feeding programme, education programme, forum theatre project and some staff salaries.

2) Grants in Asia

a. Lao Basic Needs Basic Rights (BNBR), Laos. Lao BNBR provides mental health services and training. The Breadsticks funding supported activity in Vientiane and Borikhamxay Province. The grant provided for capacity building and livelihood activities for over 100 patients, carers, village health volunteers and medical personnel. Mental health services were provided for 814 patients and 765 carers.

b. Lao Disabled Women's Development Centre, Vientiane, Laos. This residential centre accommodates and trains disabled women in Vientiane. The Breadsticks grant provided accommodation for 60 residents and vocational training for 21 trainees, staff capacity building, advocacy work, and handicraft production.

c. Akanksha Foundation, (via Kids in Need of Education, U.K.), Mumbai, India. Breadsticks funds 50% of the operational costs of two schools providing for 527 marginalised children in Mumbai.

3) Grants in the United Kingdom

a. The Medical Foundation, London. This organisation provides care and rehabilitation to survivors of torture and other forms of organised violence. The Breadsticks Foundation funds the activities of an adult assessment and therapy team, who work with almost 300 victims of torture.

b. Friends of the Rosebowl, Canonbury, London. The Rosebowl Youth Club provides a safe supportive environment for play, skill development and education to around 200 young people. Due to temporary closure of the club, the grant passed over to provide for interim facilities offered through the Highbury Roundhouse summer scheme.

c. Volunteer Reading Help, London North and East branch. The Breadsticks grant provides for one-to-one literacy support to six children by providing training and support to two volunteer and reading helpers in Islington and Haringey.

The Trustees are pleased that the achievements and performance of the Trust in its second year have been well demonstrated in the grantees' early monitoring and evaluation process.

THE BREADSTICKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

Financial review

In the period under review, the Foundation received £950,000 in donor funding plus £267,982 in Gift Aid and £538 in bank interest while disbursements totalled £1,004,298 to the organisations described above. The cash balance at year end was £341,663. In the course of disbursing funds, the Foundation incurred expenses that amounted to 0.28% of funds received.

Investment policy and performance

The investment policy of the Foundation is that we aim to spend funds as soon as practicable and certainly within one year. Prior to disbursement, funds are kept on interest-bearing bank deposit.

Risk management

Any financial risk to which the Foundation is exposed is mitigated by the investment policy described above - whereby surplus fund balances are minimised and kept only as savings deposits and only with UK clearing banks. Operational risk we define as funding disbursed that gives rise to outcomes that are not in line with the Foundation's objectives. We look to mitigate this risk by thorough appraisal of the integrity, capacity, capability and governance of potential recipients of funding prior to disbursement of that funding.

Plans for the future

In 2009, after its first period of operation, The Breadsticks Foundation identified further strategic aims:

- a widening of its geographical focus, while remaining focussed on those geographical areas where the Trustees felt they had some direct knowledge
- a continued emphasis on relatively small, embedded, community-based organisations

Trustees' responsibilities in relation to the financial statements

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

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the accounts comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE BREADSTICKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

Auditors

Caladine Ltd of 1 The Avenue, Eastbourne acted as auditors during the period and they have indicated they will be prepared to continue in office.

On behalf of the board of trustees

Ms Beatrix Payne

Trustee

Dated:

THE BREADSTICKS FOUNDATION

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE BREADSTICKS FOUNDATION

We have audited the accounts of The Breadsticks Foundation for the year ended 30 September 2010 set out on pages 8 to 12. These accounts have been prepared in accordance with the accounting policies set out on page 10.

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described on page 5, the trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for satisfying themselves that the charity's accounts give a true and fair view.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Charities Act 1993 and give a true and fair view.

In addition we report to you if, in our opinion, the charity has not kept sufficient accounting records, if the accounts do not accord with those records, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

THE BREADSTICKS FOUNDATION

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF THE BREADSTICKS FOUNDATION

Opinion

In our opinion:

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the accounts have been prepared in accordance with the Charities Act 1993.
- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Foundation as at 30 September 2010, and of its incoming resources and application of resources, for the year then ended; and

**Caladine Limited, Statutory Auditors
Chartered Certified Accountants**

1 The Avenue
Eastbourne
East Sussex
BN21 3YA

Dated:

THE BREADSTICKS FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Notes	2010 £	2009 £
<u>Incoming resources from generated funds</u>			
Donations and legacies	2	1,217,982	538,462
Investment income	3	538	1,925
		<hr/>	<hr/>
Total incoming resources		1,218,520	540,387
		<hr/>	<hr/>
<u>Resources expended</u>			
	4		
Support costs		1404	946
Costs of generating funds		540	172
Charitable activities		1,004,298	409,044
Governance costs		750	702
		<hr/>	<hr/>
Total resources expended		1,006,992	410,864
		<hr/>	<hr/>
Net income for the period/ Net movement in funds		211,528	129,523
Fund balances at 1 October 2009		129,523	-
		<hr/>	<hr/>
Fund balances at 30 September 2010		341,051	129,523
		<hr/>	<hr/>

THE BREADSTICKS FOUNDATION

BALANCE SHEET

AS AT 30 SEPTEMBER 2010

	Notes	2010 £	£	2009 £	£
Current assets					
Debtors and prepayments	8	138		118,975	
Cash at bank and in hand		341,663		11,100	
		<u>341,801</u>		<u>130,075</u>	
Creditors: amounts falling due within one year					
	9	(750)		(552)	
Total assets less current liabilities		<u>341,051</u>		<u>129,523</u>	
Income funds					
Unrestricted funds		<u>341,051</u>		<u>129,523</u>	
		<u>341,051</u>		<u>129,523</u>	

The accounts were approved by the Trustees on

.....
Ms Beatrix Payne
Trustee

.....
Dr Paul Ballantyne
Trustee

THE BREADSTICKS FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Charities Act 1993.

1.2 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

1.3 Resources expended

Resources expended are recognised in the period in which they are incurred and allocated to the particular cost centre to which they relate. These costs include irrecoverable VAT.

1.4 Tangible fixed assets

There are no fixed assets.

1.5 Unrestricted Funds

These include donations and other incoming resources receivable or generated for the objects of the Foundation without further specified purposes and are available as general funds.

1.6 Taxation

The Trust is not subject to tax on its incoming resources.

2 Voluntary Income

	2010 £	2009 £
Donations and gifts	950,000	420,000
Gift Aid Claim	267,982	118,462
	<u>1,217,982</u>	<u>538,462</u>

3 Investment income

	2010 £	2009 £
Interest receivable	538	1,925
	<u>538</u>	<u>1,925</u>

THE BREADSTICKS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

4 Total resources expended

	Other costs £	Grant funding £	Total 2010 £	Total 2009 £
Support costs				
Website	165	-	165	810
Telephone	56	-	56	-
Conference costs	350	-	350	-
Management and Administration	477	-	477	-
Bank charges	356	-	356	136
	<u>1404</u>	<u>-</u>	<u>1404</u>	<u>946</u>
Costs of generating funds				
Subscriptions	540	-	540	172
	<u>540</u>	<u>-</u>	<u>540</u>	<u>172</u>
Charitable activities				
<u>Donations</u>				
Grant funding of activities	-	1,004,298	1,004,298	409,044
	<u>-</u>	<u>1,004,298</u>	<u>1,004,298</u>	<u>409,044</u>
Governance Costs				
Auditors remuneration	600	-	600	552
Accountancy	150	-	150	150
	<u>750</u>	<u>-</u>	<u>750</u>	<u>702</u>
	<u>2,694</u>	<u>1,004,298</u>	<u>1,006,992</u>	<u>410,864</u>

THE BREADSTICKS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

5 Grants payable

	Total 2010 £	Total 2009 £
Grants to institutions:		
Class Act Educational Services	377,479	10,000
Hope & Homes for Children	200,000	200,000
Christine Revell Children's Home	17,656	19,044
The Medical Foundation	153,000	150,000
Friends of the Rose Bowl	-	30,000
Zisize Educational Team	25,500	-
Action on Disability & Development	78,000	-
Lao Disabled Women	22,610	-
Lao Basic Needs	61,620	-
Volunteer Reading Help	1,200	-
Kids in Need of Education	62,433	-
Raphael Support & Skills Development	4,800	-
	<u>1,004,298</u>	<u>409,044</u>

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year.

7 Employees

There were no employees during the year.

8 Debtors	2010 £	2009 £
HM Revenue and Customs (Gift Aid)	-	118,847
Prepayments and accrued income	138	128
	<u>138</u>	<u>118,975</u>

9 Creditors: amounts falling due within one year	2010 £	2009 £
Accruals	750	552