

# **Birmingham Solidarity Kitchen**

## **Annual finance report**

Period covered: 21st March 2020 - 21st March 2021

### **Notes**

These accounts cover the entire first year of operations, which began in the last week of March 2020.

For the first 13 weeks (until 28th June 2020) we delivered 6 days a week nearly every week. This tapered down to 4 days a week until the end of August, after which point we have been cooking 1 day a week and delivering with a single driver to Northfield Food Service for further distribution.

Account updates were posted roughly weekly to the forum for most of this period, with more occasional updates during the recent period of lower activity.

The accounts have been fully checked and updated for this report and supersede the weekly reports. No major errors were found (income and expenditure had both been underreported by ~£70-90 due to missed entries and minor mistypes).

# Income

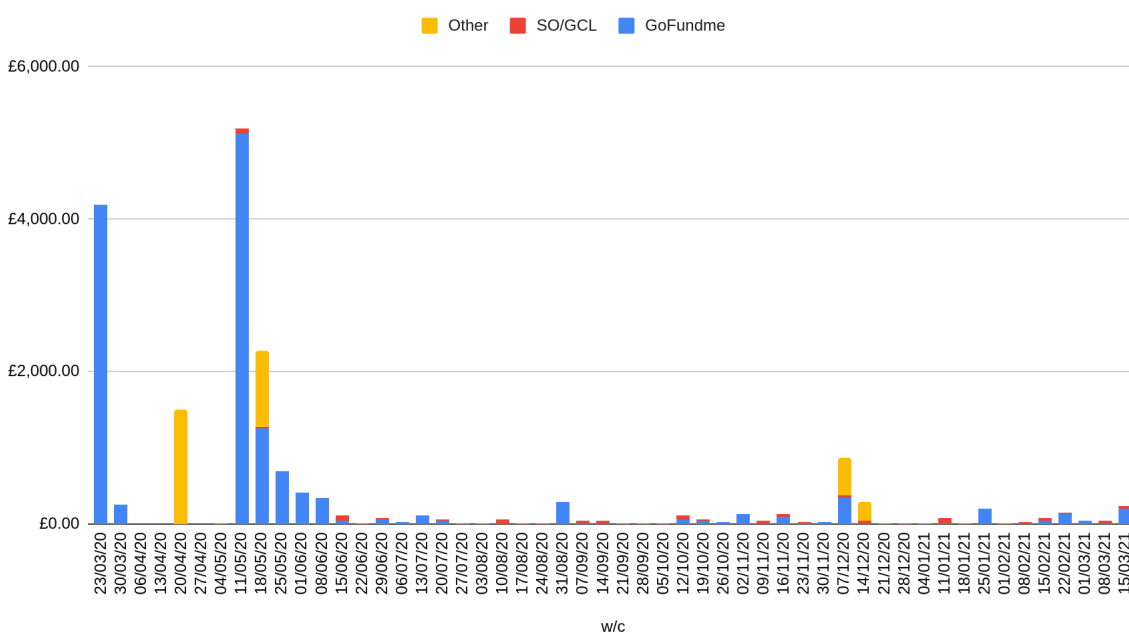
## Projection review

We “projected” £10,000 income based on our impression of the potential scale of the project. We passed this point within two months. We had no initial funding plans beyond the GoFundme.

## First year report

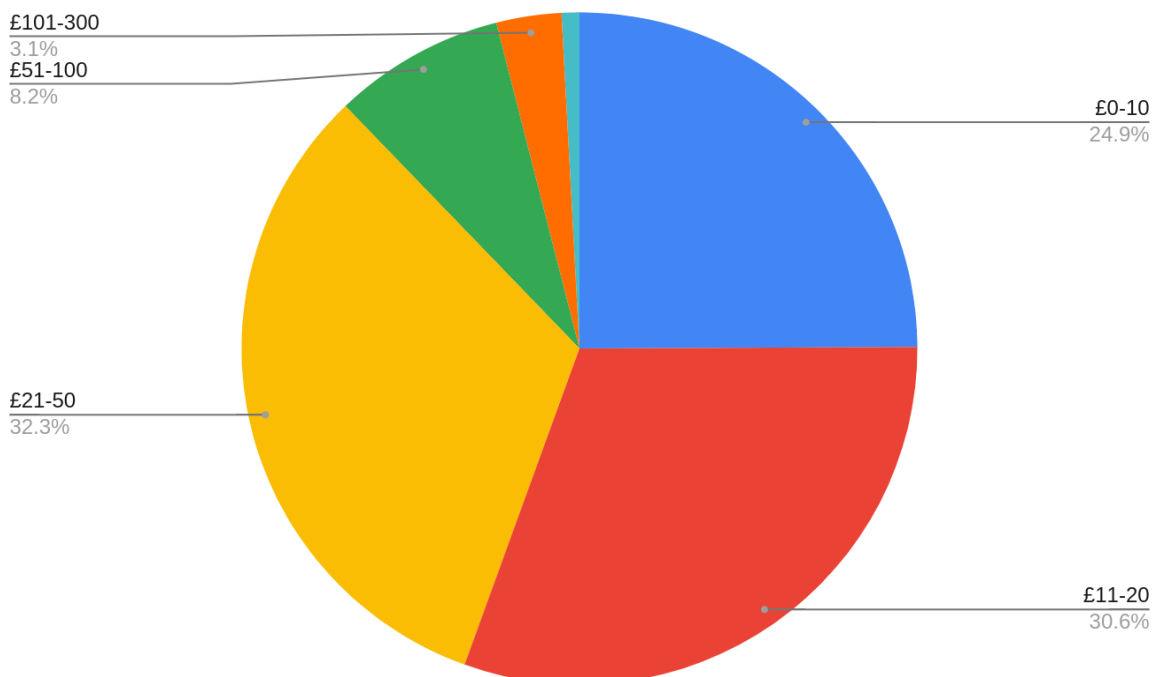
<b>Gross bank income</b>	<b>£18,361.91</b>	
Of which:		
<b>GoFundme</b>	<b>£14,263.32</b>	<b>78%</b>
<b>Standing orders / Gocardless</b>	<b>£848.59</b>	<b>5%</b>
<b>Other donations</b>	<b>£3,250.00</b>	<b>18%</b>

### Income sources



- The majority of income came from the two big payouts from GoFundme
  - The initial £4k
  - 5 weeks locked out of the account for banking reasons... and then £5k that had cleared in the meantime (there is a lag between donations to the campaign and payout)
  - Since then, GoFundme donations have fallen to an average of £50/wk
- There have been several large individual donations

- We began using GoCardless in May to allow people to set up standing orders. This continues to drip feed about £20/wk
- The organisation benefited from national and international support for being one of the earliest mutual aid projects. This initial fundraising has supported us ever since but we have no long-term funding source for future operations.
- One important feature of mutual aid as opposed to charity is that mutual aid is a way of using collective working class resources so that the class can sort out their problems themselves. Considering this, it is relevant that the majority of Gofundme donations were small (£20 or less). Although we have no way of knowing the class of donators, and many were outside the area (making it not strictly “mutual”), this is a qualitatively different funding model to the centralised and often state/corporate-dependent charity and foodbank system.



# Expenditure

## Projection review

We budgeted to spend all of the £10k we hoped to fundraise:

<b>Projected expenditure</b>	<b>£10,000.00</b>	
Of which:		
<b>Ingredients</b>	£3,000.00	30%
<b>Labour</b>	£3,100.00	31%
<b>Utilities</b>	£1,000.00	10%
<b>Delivery expenses</b>	£500.00	5%
<b>Packaging &amp; Hygiene</b>	£1,000.00	10%
<b>Petty Cash</b>	£200.00	2%
<b>Donations</b>	£1,000.00	10%
<b>Promo / event expenses</b>	£200.00	2%
<b>Rent</b>		0%
<b>Miscellaneous</b>		0%

## First year report

<b>Total expenditure</b>	<b>£17,091.05</b>	
Of which:		
<b>Ingredients</b>	£7,502.52	44%
<b>Labour</b>		0%
<b>Utilities</b>	£1,760.84	10%
<b>Delivery expenses</b>	£1,245.18	7%
<b>Packaging &amp; Hygiene</b>	£3,621.15	21%
<b>Petty Cash</b>		0%
<b>Donations</b>	£400.00	2%
<b>Promo / event expenses</b>	£76.56	0%
<b>Rent</b>	£1,900.00	11%
<b>Miscellaneous</b>	£585.80	3%

Total spending (as a proportion of budgeted/actual income) **exceeded budget** for:

- **Ingredients:** despite massive amounts of donated food, we still had to buy staples
- **Packaging and hygiene:** packaging in particular was very expensive
- **Rent:** we had hoped not to have to pay BFoE much for the space but agreed on £50/day
- **Miscellaneous:** this included parking, taxis, emergency takeaways

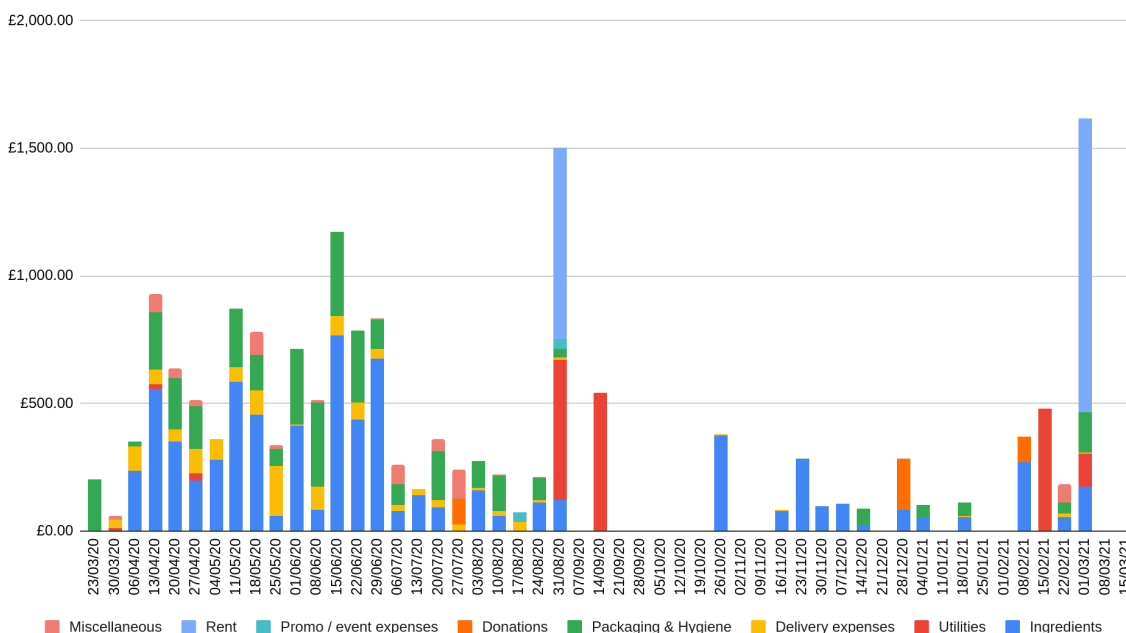
Total spending was **roughly on budget** for:

- **Utilities:** on budget overall, but waste was vastly more expensive than expected, gas & electric much cheaper
- **Delivery expenses:** despite having no idea of the potential scale, our petrol cost estimates were about right

Total spending was **under budget** for:

- **Labour:** due to the unexpected furlough scheme cafe staff were able to cover their living expenses without contributions from Cooperation Birmingham
- **Petty cash:** the project has neither held nor received any cash due to circumstances
- **Donations:** we made a few donations (strike funds, food sources) but not many. However we did also provide several hundred pounds worth of food, drinks, masks etc. to COVID-19, Climate Strike, BLM and KtB events, which is accounted elsewhere.
- **Event expenses:** lockdown conditions meant we only held a few small events

Weekly expenditure



- Unsurprisingly, regular weekly expenditure was highest during periods of most deliveries (especially ingredients, packaging & hygiene (mostly plastic boxes) and delivery expenses)

- Utilities and rent were paid in several single payments covering multiple months - £500+ at a time, paid in arrears. This was no doubt convenient for BFoE but a big problem for a project with very frontloaded income.
- As activity has slowed, ingredients and packaging are being bought in fewer, larger installments. This also makes it hard to plan our expenditure.
- Cooperation Birmingham is not a charity so 'value for money' or (worse) 'effective altruism' is not a concern. However we may wish to note that over the most active period we delivered around 140 meals a day, 6 days a week, for under 60p per person. Of course this model of mutual aid is dependent on a supply of donated food and participant labour (and hence the furlough scheme), but it is a great display of class power.

## Current situation & projections

We have run down our reserves significantly due to low income and continued expenditure (mostly expenses paid in arrears - utilities and rent, and meal supplies to a lesser extent). At the end of the first year of operations we had **£1,271 in the bank with no major outstanding liabilities**. This is on the verge of the £1,000 reserves we previously agreed to try to keep for emergencies.

For the calendar year up to 21st March 2021 our actual average weekly spend was about £330. However this was inflated by several unusual payments:

- Paying Oct, Nov and Dec's rent/utilities to BFoE (£610), in addition to rent/utilities for the first 2 months of this year
- Running 8 days in Feb due to half term (raising rent for Feb by £200)
- Paying for approx 6 months worth of Fareshare (£270, approx. half of this for last year)
- Waste collection since September (£480)
- Donating £100 to TRJFP and £200 to the Heartland Porters strike fund

Adjusting for all of these, and including the cost of March's rent (not yet invoiced), our typical weekly spend is about **£185**.

Typical weekly income is about **£60**; this leaves us with a run rate of **-£125/wk**.

At this rate, our reserves will take us for about **ten more weeks** of current operations.

# Suggestions

1. If we want to continue delivering food to the Northfield Food Service, we need to find a funding model which supports this - a new crowdfunding campaign? If we can't do this then we need to manage a winddown and plan to do something else.
2. Irregular payments are difficult to plan for. I think this is now sorted but we should try to make sure we pay rent monthly rather than quarterly. Is it possible to pay for waste on a more regular basis too?
3. We are glad not to be dependent on institutional funding (charities or the state). However, we are still very reliant on individual donations which are arguably driven by a charitable impulse rather than mutuality. In the medium term we should consider what truly independent funding sources would look like - membership fees or income-yielding operations, for instance.
4. So far we have shared the Athletic Community Action Birmingham bank account. We should move to an independent, transparent and accountable system such as Open Collective (as already proposed).