



A company limited by guarantee
and not having share capital

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

Company no 5039813

Charity no 1103431

TRANSFORM NETWORK
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

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TRANSFORM NETWORK
REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2020

Trustees	Nicole Adamides Ian Butcher Gordon Cowie (Treasurer) Nigel Desborough (All the above trustees have held office during the whole of the year, and to the date of this report)
Key Management Staff	Carol Bostridge, Foodbank Chief Operating Officer (until July 2021) Sheena Starrett, Foodbank Deputy Project Manager (until July 2021), Foodbank Project Manager (from July 2021)
Registered Office	17 Sydenham Road London SE26 5EX
Registered Company no.	5039813
Registered Charity no.	1103431
Bankers	HSBC 14 High Street Beckenham BR3 1BX
Independent Examiner	Sinead Mandlik FCA 66 Bargery Road London SE6 2LW

**TRANSFORM NETWORK
TRUSTEES REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2020**

The Trustees present their report and the financial statements for the year ended 31st December 2020.

Objectives and activities

Charitable objectives

Transform Network is governed by its Memorandum and Articles of Association. Transform Network's objects are:

1. To promote and advance the Christian Faith throughout the world generally including by the worship of God, the instruction and edification of Christians, the care and Christian instruction of young people and children and the evangelisation of non-Christians.
2. To relieve poverty, hardship, sickness and distress among all peoples of the world.
3. To promote education and training.
4. To support such other charities and charitable purposes as the trustees shall decide.

Principal Activity

Transform Network is supported by a group of independent, self-governing churches to enable them to facilitate and operate activities that they decide to do together, including outreach and community based programmes.

Activities during 2020

The activities in the year 2020 and subsequently were very significantly impacted by the Coronavirus pandemic and the Lockdown which commenced in March 2020 and continued, in various ways, through 2020 and into 2021. This greatly affected the ways we were able to operate and the needs which we aimed to meet.

Lewisham Foodbank was very much re-shaped by events in 2020. When the pandemic hit in March, we were forced to close all our centres and revert to a full delivery system which lasted for five months. Many of our long-standing volunteers had to shield and we recruited a huge number of new volunteers, many of whom were furloughed. In total, in 2020, around 400 people volunteered with us. Due to massively increased demand at the start of the pandemic (more than triple the usual) and the difficulty of buying food in bulk quantity, we decided to enter into a partnership called the Lewisham Covid Hub. This comprised organisations such as Lewisham Council, Voluntary Services Lewisham and Age UK. As part of this Lewisham Council seconded three members of staff to us. Together, we supported the people in Lewisham who either needed free food parcels or shielding parcels.

At the start of the pandemic an increased number of Latin American people who tended to have little or no English started to use our services. In response, we applied for funding and were able to commission the Latin American Disabled People's Project (LADPP) to provide us with a Spanish-speaking advice worker. This was done by making grants to LADPP covering the employment costs of the advice worker.

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During the first National Lockdown we closed our centres to customers and ran the Hope Centre as a distribution warehouse. In the autumn of 2020, we re-opened the Hope Centre for collection as well as five new centres in Deptford, Catford and Lewisham Salvation Army Halls, Perry Rise Baptist Church, Forest Hill, and St John's Anglican Church, Catford. Our other original distribution centres in Bellingham, Lewisham and New Cross never re-opened. Due to growing levels of destitution, we started to use a churches' giving website called Acts 435. Through this scheme, we are able to help people who cannot afford essential items like beds, white goods and school uniforms. At the end of 2020, we found ourselves in a very different place from the start of it, but with new partnerships and services to offer those in need.

Grants were made to support smaller Foodbanks and other organisations responding to food poverty in Lewisham Borough. Two grants of £1,000 each were made directly, and two grants of £10,000 each were made to Rushey Green Time Bank (Lewisham Local) to enable them to support foodbanks within the Lewisham Covid Food Network.

The increase in Foodbank operations means that it now accounts for over 95% of the income and expenditure of Transform Network.

Street Pastors' operations significantly reduced during 2020. The operations of **School Pastors** ceased in lockdown. Towards the end of 2020 the Trustees decided that Street and School Pastors were no longer viable, at least as part of Transform Network, and that they should cease. Subsequently, in 2021, formal notice of this has been given to the Ascension Trust.

Switch It!, the football youth outreach project, has been suspended for much of the year, as a result of the pandemic and lockdown, and also the lack of availability of a suitable venue after the closure of the Bridge Leisure Centre in Sydenham.

The Women's Commission of the World Evangelical Alliance operates as part of Transform Network. Payments were made for various travel costs.

The Trustees have complied with the duty imposed by Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission in December 2008.

Achievements and performance

The activities of Transform Network were substantially affected in 2020 by Covid-19 and the consequent government restrictions, particularly lockdowns. The churches all continued to function, partly by moving activities online where possible, principally on Zoom and YouTube. Christian worship, prayer, pastoral support, education and training was still delivered on these platforms, and that was a significant achievement making necessary changes and deploying new technologies.

Projects such as Street Pastors and Switch It! did not operate in the pandemic. Lewisham Foodbank saw major changes, and a very significant increase in activity, including for part of the year a 300% increase in the number of people being helped and fed. It was a great achievement to manage this expansion, manage the changing logistics, source the necessary food, recruit new volunteers, and switch from customers coming to collect their food, to a delivery-only service for a few months, and then switch back to a collection service. The staff worked hard on these changes, and in opening up new distribution centres.

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The table below shows the number of vouchers fulfilled (each voucher represents one food parcel) and number of people helped for the whole of 2020 compared to 2019.

	2020	2019
Vouchers fulfilled	6,442	4,337
Number of people helped	14,526 (9,354 adults, 5,172 children)	9,018 (5,722 adults, 3,296 children)

Fundraising

In the past funds have been raised from churches and individuals to ensure there were sufficient funds to run our activities and provide sufficient support to them. A fairly informal approach has generally been taken. However, with the significant increase in Foodbank activity we have applied for grants for specific costs as well as taking a more intentional approach to communicating specific Foodbank needs on social media.

The Trustees are very grateful to individuals, grant making and other organisations, the Mayor of Lewisham for supporting the Foodbank via the Mayor's appeal and the individuals who donated via that, as well as the member churches and other churches, for not only their continued financial support but very significant increased levels of support throughout this difficult & challenging year and for their willingness to participate in this tangible way in the extension of God's kingdom, and in particular the provision of food to those most in need in our community. We are particularly grateful that we received a much greater level of funding than we had any expectation of!

Financial review

Unrestricted income was £6,243, a decrease of £2,707 on the previous year, and unrestricted expenditure was £873, a decrease of £4,539 on the previous year. Both decreases were due a youth weekend away happening in the previous year but not in this; and also less other activity in the year being paid for from general funds. There was an increase in unrestricted reserves from £13,782 to £19,152.

Restricted income was £902,745, an increase of £701,815; and restricted expenditure was £526,634, an increase of £347,467. Restricted reserves increased from £76,797 to £452,908. These increases are due to increased Foodbank income and activity as previously mentioned.

Reserves Policy

The Trustees have reviewed the level of reserves and will aim to maintain reserves, in the relevant funds, of at least 3 months committed costs. Based on current levels of spend this would require approximately £2,000 unrestricted fund reserves and £30,000 reserves in the Foodbank fund. Current unrestricted and restricted fund reserves are therefore more than sufficient. At the end of the year we had £19,152 in unrestricted reserves, and £452,908 in restricted reserves (including £380,641 in the Foodbank fund). Note 11a gives a breakdown of the end of year reserves.

2020 has been an extremely unusual year, with very unusually high levels of funds flowing to us for the work of the Foodbank. A substantial amount of this money came from funds from Lewisham Council,

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FOR THE YEAR ENDED 31ST DECEMBER 2020**

and a very generous public response to the pandemic. We ended the year having both spent significantly more money, and accumulating much higher reserves. We have funds in hand to meet all the needs presented to us, and also to consider reducing reserves by investing in new ways of alleviating poverty, such as providing advice and support to enable financial inclusion for people who are struggling financially. We are not anticipating large donations from Lewisham Council or the Mayor of Lewisham's Fund going forward, so we are expecting the current high level of reserves to reduce to more usual levels.

Risk Management

The Trustees have given consideration to the major risks faced by the charity, and reviewed policies and procedures to mitigate those risks. In addition the Trustees have ensured that the charity has appropriate public liability and property insurance.

Plans for future periods

The decision has been taken to close Lewisham Street and School Pastors as a project of Transform Network. Work was done to wind up the operation, and hand remaining resources back to Ascension Trust. We would be happy if Ascension Trust re-launched the project at a future date, but it would not be under our auspices.

The future of Switch It! is uncertain, with the lack of suitable premises, and insufficient volunteers. We anticipate the project remaining dormant but will support the organisers in re-activating the project if they find the people and resources they need.

We plan to continue the work of Lewisham Foodbank. We will review staffing and consider the need for additional staff for the expanded operation. We have formed a new Steering Group to oversee the operations of Foodbank. Foodbank is linked to the national foodbank organisation, Trussell Trust. We will continue to liaise with Trussell Trust and consider any proposals and recommendations they make for improving the provision of the relief of poverty. Supply of food and signposting to other appropriate organisations remains our core provision. We have added to this in the last year the provision of fuel payments, access to supplies of baby products, and the presence of an advice worker, as well as a translation service for Spanish speakers. We will consider other means of poverty-relief, such as financial inclusion, and consider offering other appropriate services from time to time, where the finance and capacity exist to support them. We will consider whether we have sufficient distribution centres, or whether any additional ones should be added. The Hope Centre has become a central warehouse serving the other distribution centres and ceased to serve customers at the building. The owners of the Hope Centre are considering selling it for development, with a possible date for this being February 2023. We will monitor the situation, and search for alternative premises at the appropriate time.

The churches affiliated to Transform Network, continue to support each other at leadership level. We aim to encourage each church to fulfil its vision, and to find opportunities to serve the local communities as we emerge from the pandemic.

**TRANSFORM NETWORK
TRUSTEES REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2020**

Structure, governance and management

Transform Network is a charitable company limited by guarantee, incorporated on 10 February 2004 and registered as a charity on 27 April 2004. It is governed by its Memorandum and Articles of Association dated 29 January 2004.

The Board of Trustees has been stable in recent years, and there has not been a perceived need for ongoing training for the trustees. However, with the significant increase in the size of the charity, the Board of Trustees is aware of needing to consider appointing additional trustees, and how they would be inducted as well as any ongoing training needs for trustees. The Board intends to look at this when it meets in the first part of 2022.

Transform Network is run by a Board of Trustees who are directors of the company. The Trustees are responsible for the strategy and management of the charity. There is also a leadership group that includes the main leaders of the member churches which meets bi-monthly and discusses, reviews, and prays about the activities of Transform Network.

Administration is carried out by a part time administrator.

In addition Lewisham Foodbank was managed by a dedicated committee under the supervision of the Board of Trustees. This was put on hold at the start of the Covid pandemic in March 2020 and day to day management of the Foodbank was delegated directly to Carol Bostridge, the Foodbank Chief Operating Officer.

Staff remuneration has been considered in the light of salaries paid in the Transform Network churches, and with a view to the London Minimum wage when considering pay for basic admin work. In terms of remunerating staff working with Lewisham Foodbank, consideration was also made of pay in other local Foodbanks. It was decided to conduct a pay review in February 2021, and to implement some pay increases by the summer of 2021.

The Board of Trustees met eight times during the year, three times in person and five times remotely. Two of the meetings specifically focussed on the development of the Foodbank. In the first part of 2022 the Trustees will review pay rates for key management personnel again.

Five churches, based in South East London are members of Transform Network. These churches are:

- * Brockley Community Church
- * Catford Community Church
- * Crystal Palace Community Church
- * Forest Hill Community Church
- * Micah Community Church

All are registered companies limited by guarantee and registered charities.

Lewisham Foodbank operates as part of Transform Network, and also has a franchise agreement with Trussell Trust, a national umbrella organisation for many foodbanks. Under this agreement the trustees of the franchisee organisation (Transform Network) are responsible for all aspects of running a foodbank with particular focus on vision, strategy, governance and management arrangements. Under the agreement we also commit to certain Trussell Trust values, including upholding organisational values of

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FOR THE YEAR ENDED 31ST DECEMBER 2020**

compassion, justice, dignity and community; involvement of those with lived experience of foodbank where possible; and working towards ending the need for foodbank services. Trussell Trust provide a wide range of support to enable the smooth running of the Foodbank including a detailed manual, access to their software packages, training and personal support.

Non-perishable food is donated by the public through supermarket collections and donation points in schools, businesses, churches and other organisations. Volunteers store, pack and distribute food. Advice, care and support agencies refer people in crisis; and vouchers are exchanged for three day's emergency food supplies. Because of its ability to partner with national organisations, the Trussell Trust can offer opportunities which foodbanks may choose to participate in, such as: grants to support new initiatives, national supermarket food collection events, access to equipment, or provision of additional food.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are required by law to prepare financial statements for each financial year which give a true and fair view of the company's financial activities during the financial year and of the income and expenditure and financial position of the company as at the end of that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make adjustments and estimates that are prudent;
- state whether the policies adopted are in accordance with the Companies Act 2006 and with applicable accounting standards and statements of recommended practice, 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 company will continue its activities.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees confirm that the accounts comply with current statutory requirements and those of the company's governing documents.

**Approved by the board of trustees on 24 December 2021
and signed on its behalf by**

Nigel Desborough
Trustee

**TRANSFORM NETWORK
INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2020**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accounts in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe:

1. Accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Sinead Mandlik FCA
66 Bargery Road, London, SE6 2LW

24 December 2021

TRANSFORM NETWORK
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST DECEMBER 2020

				2020			2019
	Note	Unrestricted £	Restricted £	Total £	Unrestricted	Restricted	Total £
Income from:							
Donations and legacies:							
Gifts, offerings & grants:		120	597,564	597,684		74,790	74,790
Gifts in Kind - food for Foodbank	5		305,661	305,661		125,902	125,902
General Contributions from member churches:		6,230	1,800	8,030	7,280		7,280
Charitable activities							
Fees & takings for courses & activities				0	1,670	238	1,908
Investments		13		13			0
Total income		6,363	905,025	911,388	8,950	200,930	209,880
Expenditure on:							
Charitable Activities							
Foodbank	2		150,079	150,079		34,156	34,156
Foodbank food distributed	2		375,561	375,561		135,235	135,235
Street Pastors	2		1,712	1,712		6,847	6,847
Sound (including youth weekend)	2			0	2,790		2,790
Other courses, activities and grants	2	993	1,562	2,555	2,622	2,929	5,551
Total expenditure		993	528,914	529,907	5,412	179,167	184,579
Net income for the year		5,370	376,111	381,481	3,538	21,763	25,301
Transfers between funds		0	0	0	-3,277	3,277	0
Net movement in funds		5,370	376,111	381,481	261	25,040	25,301
Reconciliation of funds:							
Total funds brought forward		13,782	76,797	90,579	13,521	51,757	65,278
Total funds carried forward		19,152	452,908	472,060	13,782	76,797	90,579

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 11 to the financial statements.

TRANSFORM NETWORK
COMPANY NUMBER: 5039813
BALANCE SHEET AS AT 31ST DECEMBER 2020

		2020 £	2019 £
	Note		
Current Assets			
Foodbank stock	5	29,050	13,528
Debtors	8	24,818	5,303
Cash at bank and in hand		428,239	74,244
		482,107	93,075
Current Liabilities			
Creditors: amounts falling due within one year	9	10,047	2,496
Net Assets (Assets less current liabilities)		<u>472,060</u>	<u>90,579</u>
The funds of the charity:	10		
Restricted Funds	11	452,908	76,797
Unrestricted Funds	11	19,152	13,782
Total charity funds		<u>472,060</u>	<u>90,579</u>

Audit Exemption

The opinion of the trustees is that the company is entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies.

The trustees acknowledge the following responsibilities:

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime.

Approved by the board on 24 December 2021

Signed on its behalf by

Nigel Desborough

Trustee

TRANSFORM NETWORK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020 £	2019 £
Net income for the reporting year (as per the statement of financial activities)	381,481	25,301
Dividends, interest and rents from investments	-13	0
(Increase)/decrease in stocks	-15,522	-1,509
(Increase)/decrease in debtors	-19,515	-2,015
Increase/(decrease) in creditors	7,551	-2,190
Net cash provided by / (used in) operating activities	<u>353,982</u>	<u>19,588</u>
 Cash flows from investing activities:		
Dividends, interest and rents from investments	13	0
Net cash provided by (used in) investing activities	<u>13</u>	<u>0</u>
 Change in cash and cash equivalents in the year	353,995	19,587
Cash and cash equivalents at the beginning of the year	<u>74,244</u>	<u>54,657</u>
Cash and cash equivalents at the end of the year	<u>428,239</u>	<u>74,244</u>

TRANSFORM NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

1 ACCOUNTING POLICIES

a) Statutory information

Transform Network is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 17 Sydenham Road, London, SE26 5EX.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006/Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The board has considered the impact of both Covid 19 and future plans and the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

TRANSFORM NETWORK
NOTES TO THE FINANCIAL STATEMENTS
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g) **Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) **Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

i) **Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) **Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration, comprising the salary and overhead costs of the central function, is apportioned based on an estimate of staff time attributable to each activity.

k) **Tangible fixed assets**

Items of equipment are only capitalised where the purchase price exceeds £1,000.

As the charity has no fixed assets there is no policy on depreciation.

l) **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

n) **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) **Pensions**

Transform Network contributes to a defined contributions scheme. Payments in respect of the current service contributions are charged in the accounts as they fall due.

TRANSFORM NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

2a ANALYSIS OF EXPENDITURE (CURRENT YEAR)

	Foodban k £	Foodbank food distributed £	Street Pastors £	Other courses, activities and grants £	Support costs £	2020 £	2019 £
Food distributed		375,561				375,561	135,235
Staff costs	61,956		500	572	3,156	66,184	28,479
Rent and other property costs	38,336			350		38,686	5,435
Grants to other organisations	25,212					25,212	0
Acts 435 purchases	2,634					2,634	0
Other Foodbank costs	17,783					17,783	8,675
Special events				150		150	3,626
Accounting costs					600	600	600
Insurance	436				393	829	784
Other admin, office & miscellaneous costs			964	490	814	2,268	1,745
	146,357	375,561	1,464	1,562	4,963	529,907	184,579
Support costs	3,722		248	993	-4,963	0	0
Total expenditure 2020	150,079	375,561	1,712	2,555	0	529,907	0
Total expenditure 2019	34,156	135,235	6,847	8,341	0	0	184,579

2b ANALYSIS OF EXPENDITURE (PRIOR YEAR)

	Foodban k £	Foodbank food distributed £	Street Pastors £	Sound (including youth weekend) £	Other courses, activities and grants £	Support costs £	2019 £
Food distributed		135,235					135,235
Staff costs	18,254		5,500			4,725	28,479
Rent and other property costs	4,455				980		5,435
Grants to other organisations							0
Acts 435 purchases							0
Other Foodbank costs	8,675						8,675
Special events				2,081	1,545		3,626
Accounting costs						600	600
Insurance	150					634	784
Other admin, office & miscellaneous costs			692	54	404	595	1,745
	31,534	135,235	6,192	2,135	2,929	6,554	184,579
Support costs	2,622		655	655	2,622	-6,554	0
Total expenditure 2019	34,156	135,235	6,847	2,790	5,551	0	184,579

TRANSFORM NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

3 ANALYSIS OF STAFF COSTS AND TRUSTEE REMUNERATION AND EXPENSES

a) Six people (2019 - five people) were employed by the company during the year.

b) Employment Costs	2020	2019
	£	£
Gross Pay	63,242	28,094
Social Security costs (Employer's National Insurance	293	0
Pension costs (Employer's contribution)	2,649	385
	<u>66,184</u>	<u>28,479</u>

c) No employee earned more than £60,000 during the year.

d) The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: one - see Note 4).

e) No charity trustees received payment or reimbursement of travel or subsistence costs (2019: £nil).

4 RELATED PARTY TRANSACTIONS

The charity pays rent to Forest Hill Community Church (one of the members of the charity) for the Foodbank's use of the Hope Centre as a warehouse. The total rent paid to Forest Hill Community Church was £23,192 (2019 - £4,455).

Forest Hill Community Church also provides free usage to the charity of 17 Sydenham Road. The charity uses this as its registered office and as an administrative and staff base. Income and equal expenditure of £1,800 has been included in the 2020 accounts to recognise the donated facilities

In 2019 Gordon Cowie, treasurer and a trustee, invoiced £600 for preparation of the 2019 annual accounts, as allowed for in, and in accordance with, the charitable company's Memorandum of Association (clause 5: 5(i)).

In 2020 Gordon Cowie did not charge for his work preparing the 2020 annual accounts, therefore income and equal expenditure of £600 has been included in the 2020 accounts to recognise the donated professional services.

There were no other related party transactions in 2020.

5 GIFTS IN KIND - food for Foodbank

This is food given by individuals and organisations for distribution at the Lewisham Foodbank. In accordance with recommendations in the FRS 102 it is recognised as income when received and appears as stock on the balance sheet. Food distributed also includes food purchased for distribution (around 22% of the total by value).

	2020	2019
	£	£
Opening stock at 01.01.20	13,528	12,019
Gifts in Kind	305,661	125,902
Bought in stock	85,422	10,842
Food distributed	-375,561	-135,235
Closing stock at 31.12.20	<u>29,050</u>	<u>13,528</u>

Donated stock is valued at £1.85 per kilogram (2019 - £1.77 per kilogram) based on the Trussell Trust recommended valuation.

The Foodbank stock is not a liquid asset and is only to be donated to individuals in need.

Normally the Foodbank weighs and records all donations of food received into the warehouse and all food distributed out of the warehouse. In 2020 due to the significantly increased demand as a result of COVID and the requirement to socially distance in the warehouse, it became difficult to carry on weighing food in and out, so the pragmatic decision was made to temporarily stop this. Instead a record of the number of parcels distributed was kept. The weight of the total parcels distributed in 2020 was then estimated. Using the opening and closing stock figures, the food distributed figure and the bought in stock figure, the Gifts in Kind figure was able to be calculated as a balancing figure.

Due to COVID restrictions it was also not possible to undertake a stock take close to 31 December 2020, so instead a stock take was undertaken later in 2021, and the year end stock figure was estimated based on the Foodbank's understanding of the similarity of stock levels at 31 December 2020.

TRANSFORM NETWORK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

6 GRANTMAKING	2020 £	2019 £
Grants to institutions		
Rushey Green Time Bank (Lewisham Local)	20,000	0
Whitefoot and Downham Community Food Plus Project	1,000	0
Evelyn Community Store (Packed Lunch Appeal)	1,000	0
Latin American Disabled People's Project	3,212	0
Grants to individuals	0	0
	25,212	0

7 TAXATION

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes

8 DEBTORS	2020 £	2019 £
Income tax recoverable (Gift Aid)	7,748	5,024
Accrued income	16,749	0
Other debtors	321	279
	24,818	5,303

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020 £	2019 £
Trade Creditors	0	487
Accruals	4,823	1,684
Taxation and social security	1,417	243
Other creditors	3,807	82
	10,047	2,496

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2020			2019		
	Unrestricted	Restricted	Total funds	Unrestricted	Restricted	Total funds
	£	£	£	£	£	£
Tangible fixed assets	0	0	0	0	0	0
Net current assets	19,152	452,908	472,060	13,782	76,797	90,579
Net assets	19,152	452,908	472,060	13,782	76,797	90,579

TRANSFORM NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

11a MOVEMENTS IN FUNDS (CURRENT YEAR)

		At 1.01.20 £	Income & gains £	Expenditure & losses £	Transfers	At 31.12.20 £
Restricted funds:						
Foodbank Fund		45,026	557,447	221,832		380,641
Foodbank Salary Fund		6,806	6,110	7,824		5,092
Foodbank Financial Inclusion Fund		0	25,000	3,212		21,788
Foodbank Food Fund	4	13,528	305,661	290,138		29,051
Acts 435		0	2,905	2,634		271
Transformed Lives Funds		1,195	0	0		1,195
Street Pastors Fund		71	5,269	1,712		3,628
Women's Commission		3,815	0	150		3,665
Switchit!		652	600	840		412
InsideOut		0	308	572		-264
Other Restricted Funds		5,704	1,725	0		7,429
Total restricted funds		76,797	905,025	528,914	0	452,908
Total unrestricted funds		13,782	6,363	993		19,152
Total funds		90,579	911,388	529,907	0	472,060

11b MOVEMENTS IN FUNDS (PRIOR YEAR)

		At 1.01.19 £	Income & gains £	Expenditure & losses £	Transfers	At 31.12.19 £
Restricted funds:						
Foodbank Fund		23,907	62,391	43,934	2,622	45,026
Foodbank Salary Fund		0	7,910	1,104		6,806
Foodbank Financial Inclusion Fund		0	0	0		0
Foodbank Food Fund	4	12,019	125,902	124,393		13,528
Acts 435		0	0	0		0
Transformed Lives Funds		1,195	0	0		1,195
Street Pastors Fund		2,676	3,587	6,847	655	71
Women's Commission		5,360	0	1,545		3,815
Switchit!		1,436	600	1,384		652
InsideOut		0	0	0		0
Other Restricted Funds		5,164	540	0		5,704
Total restricted funds		51,757	200,930	179,207	3,277	76,797
Total unrestricted funds		13,521	8,950	5,412	-3,277	13,782
Total funds		65,278	209,880	184,619	0	90,579

TRANSFORM NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

Purposes of restricted funds

Foodbank Fund

This fund represents gifts and grants given for the work of Lewisham Foodbank

Foodbank Salary Fund

This fund is a grant received to enable the employment of the Foodbank deputy Chief Operating Officer

Foodbank Financial Inclusion Fund

This fund represents two grants received to pay for the provision of an Income Maximisation Advisor for Foodbank clients.

Foodbank Food Fund

This fund represents food donated for Lewisham Foodbank

Acts 435

This a fund connected with the "Acts 435" charity that enables equipment, such a white goods and beds, to be provided to Foodbank clients.

Transformed Lives Funds

These are funds given to support the running of "Transformed Lives" courses, and to enable individuals, who may not otherwise be able to afford it, to attend these courses.

Street Pastors Fund

This fund represents gifts given for the work of Lewisham Street Pastors

Women's Commission

This fund represents gifts given for the work of the World Evangelical Alliance Women's Commission

Switchit!

This fund is for the work of the Switchit! youth outreach project

Inside Out

This fund provides administrative support to the InsideOut project working with ex-prisoners, run by the Christian Life Fellowship, Greenwich

12 LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**TRANSFORM NETWORK
INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2020**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accounts in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe:

1. Accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Sinead Mandlik FCA
66 Bargery Road, London, SE6 2LW

24 December 2021