



A company limited by guarantee
and not having share capital

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

Company no 5039813

Charity no 1103431

TRANSFORM NETWORK
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

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TRANSFORM NETWORK
REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2021

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 June 2021) Sheena Starrett, Foodbank Project Manager (from July 2021 until April 2022)
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	Neil Atherton ACMA, CGMA Rosemount Garden Close Lane Newbury RG14 6PR

**TRANSFORM NETWORK
TRUSTEES REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021**

The Trustees present their report and the financial statements for the year ended 31st December 2021.

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 2021

The activities in the year 2021 were still significantly impacted by the Coronavirus pandemic, particularly in the first half of the year. Despite this we continued with meetings on Zoom where necessary, and Lewisham Foodbank reorganised again so that customers could come and collect their food and receive other help, rather than just have food delivered to their doorstep under Lockdown conditions.

Lewisham Foodbank was very much re-shaped and re-shaped again from 2020 and into 2021. Moving from a collection only service to a delivery only service and back again. In Lockdown 1 in 2020 we entered into an emergency partnership called the Lewisham Covid Hub. This comprised organisations such as Lewisham Council, Voluntary Services Lewisham and Age UK. This partnership ran from late March 2020, up to August 2020. We have maintained good relationships with other organisations but have not needed to work in that close partnership in 2021.

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. This has continued throughout 2021.

When our period of delivery only service ended we re-opened sessions for the public. These have functioned throughout 2021 and into 2022. We are open 1 day a week in each of 5 centres: 3 Salvation Army Halls – in Catford, Deptford, and Lewisham, Perry Rise Baptist Church (Forest Hill), and St. John's Church (Catford/Downham). This provides a collection and advice service Monday to Friday,

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with advice provided by Deptford Reach. We also have a central warehouse and operations hub at the Hope Centre, Malham Road, Forest Hill.

In addition to our central warehouse and operations hub, and 5 distribution centres we continued to use a churches' giving website called Acts 435 in 2021. Through this scheme, we are able to help people who cannot afford essential items like beds, white goods and school uniforms. During 2021 we were also recognised as a Fuelbank – able to provide people in fuel poverty with money on a card so they could buy necessary fuel. Through very challenging circumstances we have been able to provide food for approximately 1,200 people a month, and also advice and other support. We remain committed to providing emergency food, and some other additional support, but are not seeking to develop a massively increased wrap-around service to try to meet everyone's poverty-related needs in a borough of over 300,000 people. Rather we play our crucial part alongside numerous other voluntary organisations. When we were able to meet people face to face again, we began to offer Christian prayer to our customers again, as we had before the pandemic. We see that meeting people's spiritual needs is a crucial part of what we do, and treats people in an holistic way.

The ongoing level of Foodbank activity following its increase during the pandemic means that it continues to account for over 95% of the income and expenditure of Transform Network.

Street Pastors: The operations of **School Pastors** ceased in lockdown and those of Street Pastors were put on hold. 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 was given to the Ascension Trust and Transform Network is no longer responsible for the operations of Lewisham Street Pastors. We understand that Ascension Trust is seeking to re-start Lewisham Street Pastors, which we welcome.

Switch It!, the football youth outreach project activities have remained suspended throughout 2021 and into 2022, with a lack of sufficient volunteer leaders 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 event fees and design and printing of books.

InsideOut: During the early part of the year, we continued to provide administrative support to the InsideOut project which works with ex-prisoners.

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 2021 by the ongoing impact of the Covid-19 pandemic. However, the churches all continued to function, partly by moving activities online where possible, principally on Zoom and YouTube, but with a reduced level of activities overall compared with 2019. Christian worship, prayer, pastoral support, education and training was still delivered online or in person. Community groups at The Point, Catford, and Here For Good, Sydenham, were re-opened in 2021.

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Projects such as Street Pastors and Switch It! did not operate in the pandemic; Switch It! continues to be mothballed in 2021 and going into 2022; and Street Pastors ceased to be a project of Transform Network in 2021.

Lewisham Foodbank had seen major changes and a very significant increase in activity during 2020 in response to the pandemic. The level of activity broadly continued throughout 2021. However, alongside this there was a continued return to normal operations with clients being seen in person in the distribution centres. From the middle of the year food donated started to be weighed in and out again and more detailed records were kept.

The table below shows the number of vouchers fulfilled (each voucher represents one food parcel) and number of people helped for 2021 compared to 2020.

	2021	2020
Vouchers fulfilled	7,404	6,442
Number of people helped	17,522 (10,997 adults, 6,525 children)	14,526 (9,354 adults, 5,172 children)

Note: In addition to the 2020 figures above there was some additional food distributed and, as well as this, parcel sizes were double for the 3 months April to June. This resulted in there being more food distributed in 2020 than in 2021.

Fundraising

In the past funds had 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 had generally been taken. However, with the significant increase in Foodbank activity we applied for grants for specific costs as well as taking a more intentional approach to communicating specific Foodbank needs on social media. This has continued through 2021.

The Trustees are very grateful to individuals, grant making and other organisations, as well as the member churches and other churches, for their continued financial support during another 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 regular donations for the work of the Foodbank have continued to be at a high level.

Financial review

Unrestricted income was £5,903 a decrease of £460 on the previous year, and unrestricted expenditure was £824, a decrease of £169 on the previous year. There was an increase in unrestricted reserves from £19,152 to £24,231.

Restricted income was £500,612, a decrease of £404,413. This decrease was due to the very high level of financial donations and grants and food donations in 2020. Restricted expenditure was £508,007 a decrease of £20,907. Restricted reserves decreased from £452,908 to £445,513.

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TRUSTEES REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021**

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 up to £1,000 unrestricted fund reserves and £40,000 reserves in the Foodbank fund. Current unrestricted and restricted fund reserves are therefore more than sufficient. At the end of the year, we had £24,231 in unrestricted reserves, and £445,513 in restricted reserves, including £390,503 in the Foodbank fund. Note 11a gives a breakdown of the end of year reserves.

Income was significantly less in 2021 than in 2020. This was mainly due to the high & very welcome level of support from Lewisham Council and other institutional funders in 2020.

The very generous response from both the public and grant funders has continued through 2021 and income has broadly matched expenditure. We therefore ended the year with a similar high level of reserves as 2020. 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 and of course are conscious of the effects of the current cost of living crisis and therefore the continued and possibly increased use of our services.

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

We plan to continue the work of Lewisham 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 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 continues as 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. However, a new lease has been signed for the period August 2022 to August 2024 (but with a 2-month break clause available to either party). We will monitor the situation, and search for alternative premises at the appropriate time when necessary.

Lewisham Street and School Pastors as a project of Transform Network ceased in 2021 and work was done to wind up the operation. We are pleased that Ascension Trust are considering re-launching the project. The trustees plan to transfer the remaining restricted Street Pastor funds, still held at the year end, to support the plans of Ascension Trust in their relaunch of the project.

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.

**TRANSFORM NETWORK
TRUSTEES REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021**

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.

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.

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.

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 continues to be aware of needing to consider appointing additional trustees, and how they would be inducted as well as any ongoing training needs for trustees and continues to keep this under active consideration.

Administration is carried out by a part time administrator. This post became vacant in late 2021 and remains unfilled in the summer of 2022.

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 the Foodbank Chief Operating Officer/ Project Manager. A new Steering group, including trustees and the Project Manager, was established in September 2021 to oversee the work of Lewisham Foodbank, under the supervision of the Board of Trustees.

Staff remuneration has been considered in the light of salaries paid in the Transform Network churches, and with a view to the London Living 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. A pay review was conducted in February 2021, and some pay increases were implemented in the summer of 2021.

The Board of Trustees met five times during the year, four times in person and once remotely, one of the meetings focussing specifically on the development of the Foodbank.

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.

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TRUSTEES REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021**

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 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 days' 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 29 September 2022
and signed on its behalf by**

Nigel Desborough
Trustee

**TRANSFORM NETWORK
INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2021.

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 Chartered Institute of Management Accountants, 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.

Neil Atherton ACMA, CGMA
Rosemount, Garden Close Lane
Newbury RG14 6PR

29 September 2022

TRANSFORM NETWORK
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST DECEMBER 2021

		Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	Note	£	£	£			£
Income from:							
Donations and legacies:							
Gifts, offerings & grants:			307,961	307,961	120	597,564	597,684
Gifts in Kind - food for Foodbank	5		190,851	190,851		305,661	305,661
General Contributions from member churches:		5,880	1,800	7,680	6,230	1,800	8,030
Charitable activities							
Fees & takings for courses & activities				0			0
Investments		23		23	13		13
Total income		5,903	500,612	506,515	6,363	905,025	911,388
Expenditure on:							
Charitable Activities							
Foodbank	2		212,353	212,353		150,079	150,079
Foodbank food distributed	2		293,137	293,137		375,561	375,561
Street Pastors	2		400	400		1,712	1,712
Sound (including youth weekend)	2			0			0
Other courses, activities and grants	2	824	2,117	2,941	993	1,562	2,555
Total expenditure		824	508,007	508,831	993	528,914	529,907
Net income for the year		5,079	-7,395	-2,316	5,370	376,111	381,481
Transfers between funds		0	0	0	0	0	0
Net movement in funds		5,079	-7,395	-2,316	5,370	376,111	381,481
Reconciliation of funds:							
Total funds brought forward		19,152	452,908	472,060	13,782	76,797	90,579
Total funds carried forward		24,231	445,513	469,744	19,152	452,908	472,060

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 2021

		2021 £	2020 £
	Note		
Current Assets			
Foodbank stock	5	23,717	29,050
Debtors	8	18,603	24,818
Cash at bank and in hand		437,889	428,239
		480,209	482,107
Current Liabilities			
Creditors: amounts falling due within one year	9	10,465	10,047
Net Assets (Assets less current liabilities)		<u>469,744</u>	<u>472,060</u>
The funds of the charity:	10		
Restricted Funds	11	445,513	452,908
Unrestricted Funds	11	24,231	19,152
Total charity funds		<u>469,744</u>	<u>472,060</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 29 September 2022

Signed on its behalf by

Nigel Desborough

Trustee

TRANSFORM NETWORK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2021

	2021 £	2020 £
Net income for the reporting year (as per the statement of financial activities)	-2,316	381,481
Dividends, interest and rents from investments	-23	-13
(Increase)/decrease in stocks	5,333	-15,522
(Increase)/decrease in debtors	6,215	-19,515
Increase/(decrease) in creditors	418	7,551
Net cash provided by / (used in) operating activities	<u>9,627</u>	<u>353,982</u>
 Cash flows from investing activities:		
Dividends, interest and rents from investments	<u>23</u>	<u>13</u>
Net cash provided by (used in) investing activities	<u>23</u>	<u>13</u>
 Change in cash and cash equivalents in the year	9,650	353,995
Cash and cash equivalents at the beginning of the year	<u>428,239</u>	<u>74,244</u>
Cash and cash equivalents at the end of the year	<u>437,889</u>	<u>428,239</u>

TRANSFORM NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

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
FOR THE YEAR ENDED 31ST DECEMBER 2021

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 2021

2a ANALYSIS OF EXPENDITURE (CURRENT YEAR)

	Foodbank	Foodbank food distributed	Street Pastors	Other courses, activities and grants	Support costs	2021	2020
	£	£	£	£	£	£	£
Food distributed		293,137				293,137	375,561
Staff costs	103,726			568	5,511	109,805	66,184
Rent and other property costs	35,916					35,916	38,686
Grants to other organisations	26,788					26,788	25,212
Acts 435 purchases	14,237					14,237	2,634
Other Foodbank costs	26,760					26,760	17,783
Special events	1,980					1,980	150
Accounting costs					1,200	1,200	600
Insurance	475				441	916	829
Other admin, office & miscellaneous costs			400	1,549	-3,857	-1,908	2,268
	209,882	293,137	400	2,117	3,295	508,831	529,907
Support costs	2,471			824	-3,295	0	0
Total expenditure 2021	212,353	293,137	400	2,941	0	508,831	0
Total expenditure 2020	150,079	375,561	1,712	2,555	529,907	0	529,907

2b ANALYSIS OF EXPENDITURE (PRIOR YEAR)

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

TRANSFORM NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

3 ANALYSIS OF STAFF COSTS AND TRUSTEE REMUNERATION AND EXPENSES

a) Eight people (2020 - six people) were employed by the company during the year.

b) Employment Costs	2021	2020
	£	£
Gross Pay	103,003	63,242
Social Security costs (Employer's National Insurance	3,846	293
Pension costs (Employer's contribution)	2,956	2,649
	<u>109,805</u>	<u>66,184</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 (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

e) No charity trustees received payment or reimbursement of travel or subsistence costs (2020: £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 £25,958 (2020 - £23,192).

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 (2020: £1,800) has been included in the 2021 accounts to recognise the donated facilities

There were no other related party transactions in 2021.

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).

	2021	2020
	£	£
Opening stock at 01.01.21	29,050	13,528
Gifts in Kind	190,851	305,661
Bought in stock	96,953	85,422
Food distributed	-293,137	-375,561
Closing stock at 31.12.21	<u>23,717</u>	<u>29,050</u>

Donated stock is valued at £1.85 per kilogram (2020: £1.85 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.

Prior to Covid the Foodbank weighed and recorded 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 was difficult to weigh 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 calculated as a balancing figure. This process continued until June 2021. From June 2021 onwards food was weighed in and weighed out as before.

A stock take was undertaken as at 31 December 2021.

TRANSFORM NETWORK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2021

6 GRANTMAKING	2021 £	2020 £
Grants to institutions		
Latin American Disabled People's Project	21,788	3,212
Therapy 4 Healing	3,000	0
The Salvation Army	2,000	0
Rushey Green Time Bank (Lewisham Local)	0	20,000
Whitefoot and Downham Community Food Plus Project	0	1,000
Evelyn Community Store (Packed Lunch Appeal)	0	1,000
Grants to individuals	0	0
	26,788	25,212

7 TAXATION

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

8 DEBTORS	2021 £	2020 £
Income tax recoverable (Gift Aid)	12,243	7,748
Accrued income	5,999	16,749
Other debtors	361	321
	18,603	24,818

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021 £	2020 £
Trade Creditors	1,061	0
Accruals	4,038	4,823
Taxation and social security	2,366	1,417
Other creditors	3,000	3,807
	10,465	10,047

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2021			2020		
	Unrestricted £	Restricted £	Total funds £	Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	0	0	0	0	0	0
Net current assets	24,231	445,513	469,744	19,152	452,908	472,060
Net assets	24,231	445,513	469,744	19,152	452,908	472,060

TRANSFORM NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

11a MOVEMENTS IN FUNDS (CURRENT YEAR)

	At 1.01.21 £	Income & gains £	Expenditure & losses £	Transfers	At 31.12.21 £
Restricted funds:					
Foodbank Fund	380,641	275,601	267,139	1,400	390,503
Foodbank Salary Fund	5,092	6,294	6,141		5,245
Foodbank Financial Inclusion Fund	21,788	10,000	21,788		10,000
Foodbank Food Fund	29,051	190,851	196,185		23,717
Acts 435	271	14,014	14,237		48
Transformed Lives Funds	1,195	0	0		1,195
Street Pastors Fund	3,628	2,720	400		5,948
Women's Commission	3,665	0	1,549		2,116
Switchit!	412	0	0		412
InsideOut	-264	832	568		0
Other Restricted Funds	7,429	300	0	-1,400	6,329
Total restricted funds	452,908	500,612	508,007	0	445,513
Total unrestricted funds	19,152	5,903	824		24,231
Total funds	472,060	506,515	508,831	0	469,744

11b MOVEMENTS IN FUNDS (PRIOR 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	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	0	19,152
Total funds	90,579	911,388	529,907	0	472,060

TRANSFORM NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

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 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 is a fund connected with the "Acts 435" charity that enables equipment, such as 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 2021**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2021.

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 Chartered Institute of Management Accountants, 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.

Neil Atherton ACMA, CGMA
Rosemount, Garden Close Lane
Newbury RG14 6PR

29 September 2022