



A company limited by guarantee
and not having share capital

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

Company no 5039813

Charity no 1103431

TRANSFORM NETWORK
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

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TRANSFORM NETWORK
REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2023

Trustees	Nicole Adamides Ian Butcher Gordon Cowie (Treasurer) Nigel Desborough Elizabeth Maxted (from 10 September 2024) (All the above trustees have held office during the whole of the year, and to the date of this report, except where mentioned)
Key Management Staff	Sarah Vitty, Foodbank Project Manager
Registered Office	17 Sydenham Road London SE26 5EX
Registered Company no.	5039813
Registered Charity no.	1103431
Bankers	HSBC 184 High Street Bromley BR1 1HE
Independent Examiner	Neil Atherton Accountancy Services Limited Rosemount, Garden Close Lane Newbury RG14 6PR

**TRANSFORM NETWORK
TRUSTEES REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2023**

The Trustees present their report and the financial statements for the year ended 31st December 2023.

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 2023

For many years as a small group of churches, the main church leaders met together regularly throughout the year for support and encouragement. This provided a vehicle for church leaders to share together candidly, and discuss what they were doing to benefit their local communities. However, in 2023 two of the three remaining churches actively engaged in the Network decided to close. Brockley Community Church completed its closure in 2023, while Catford Community Church is winding up its activities during 2024. This leaves one active church, Forest Hill Community Church. The range of Transform Network activities has therefore shrunk, and the main focus has become the significant work in the community of Lewisham Foodbank.

Lewisham Foodbank continued to serve the people of Lewisham Borough. From 1st January to 31st December 2023, we provided 24,803 food parcels to 4,664 unique households; of these households, 2,758 households were referred to us for the first time. We have continued to operate one warehouse, and significantly moved the warehouse from Hope Centre, Malham Road, Forest Hill to St. John the Baptist Church of England Church Hall, Bromley Road, South Catford, in November 2023. We continue to have 5 centres strategically placed around the Borough: 3 Salvation Army Halls – in Catford, Deptford, and Lewisham, Perry Rise Baptist Church (Forest Hill), and St. John's Church (Catford/Downham).

St John's Church Hall is now our central warehouse and operations hub and all stock and equipment has been relocated from our old premises. In August 2023, we recruited a new Warehouse Manager, Glenn Elliott, to replace Martin Anns, who had retired after working with us for the previous two years. Glenn helped us to manage the warehouse move and has been instrumental in improving our stock management and forecasting systems. We are now purchasing a significant part of our stock to keep up with the rising demand, and in 2023 the proportion purchased, by weight, was 36%.

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Glenn has put a system in place to regularly compare stock prices and expand our list of suppliers to ensure that we are purchasing stock in the most cost effective and efficient ways.

Central to our mission is our commitment to providing a welcoming and supportive space where people feel valued and can be treated in a holistic way. We provide refreshments and a listening ear as well as prayer and pastoral support as we see that meeting people's spiritual needs is crucial to what we do. A number of local churches partner with us to provide this essential support and our skilled team of signposting volunteers are trained to listen and signpost people to local support and opportunities.

A key part of our offer involves collaborating with other services to support foodbank customers with underlying causes of their food poverty. We partner with a range of local advice agencies to provide advice workers in all of our foodbanks; these include Citizen's Advice Lewisham, Deptford Reach, SELCE, LADPP and Employment Plus who provide advice on financial management, debt, housing, benefits, bills, energy costs and employment. We also run a Fuelbank to provide people with gas and electric vouchers as well as an Essentials Fund, in partnership with 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.

We continue to work closely with the council, local churches and a network of local support projects, to inform local policy and planning that has an impact on our client group; most recently we have been involved in shaping the council's Food Justice Action Plan and inputting into the Borough's Homelessness Forum. On a wider scale we contribute to the Trussell Trusts national campaigns, working towards alleviating food poverty and eventually ending the need for foodbanks.

The ongoing level of Foodbank activity continues to account for all but a very small part of the income and expenditure of Transform Network.

The Women's Commission of the World Evangelical Alliance now no longer operates as part of Transform Network, and we made two payments on their behalf and have thus reduced the associated restricted fund to zero.

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 September 2013.

Achievements and performance

The activities of Transform Network continued in the three member churches of Forest Hill Community Church (FHCC), Brockley CC and Catford CC going into 2023. However, while a range of church and community activities are ongoing in late 2024 at FHCC; Brockley CC decided to close down in the summer of 2023; and Catford CC decided to wind down its activities in the first quarter of 2024 and to close by the end of that year. While this reduces the amount of local church-based activities, there has been a substantial increase in the work of Lewisham Foodbank.

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A table is included below which shows the rise in the number of people fed in 2022 and 2023. Foodbank accounts for most of the staff and finances of Transform Network. As well as receiving food, clients have access to help such as: white goods, fuel vouchers, advice, employment advice, and prayer. The work of Lewisham Foodbank makes a major contribution to the wellbeing of people with issues around poverty in the Borough of Lewisham. Thousands of people are helped through the crisis of lack of food and other poverty related issues. In 2023 Lewisham Foodbank was made the Mayor of Lewisham's charity of the year.

	2023	2022
Vouchers fulfilled*	11,025	8,342
Number of people helped**	24,803 (16,553 adults, 8250 children)	18,503 (11,982 adults, 6521 children)

* each voucher represents one food parcel

** number of people helped will include some people who have made repeat visits

Christian worship, prayer, pastoral support, education and training were delivered by the churches, but by the summer of 2024 this was just by Forest Hill Community Church, based at the Here for Good, Sydenham. Free services available included: employment preparation, youth club, open coffee morning, warm space, ESOL classes, children's group, and elders support group.

Fundraising

We have continued to apply for grants for specific costs as well as taking an intentional approach to communicating specific Foodbank needs on social media. Various community groups have continued to run fundraising events for Foodbank. We have also continued to have a large number of regular monthly donors.

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 and donation of food during another 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 financial donations for the work of the Foodbank and the continued donation of food have continued to be at a high level.

Financial review

Unrestricted income was £1,480 a decrease of £6,800 on the previous year. This decrease was due to the changing circumstances of the churches as mentioned, plus no longer having activities funded from general funds. Unrestricted expenditure was £677, a decrease of £301 on the previous year. There was an increase in unrestricted reserves from £31,651 to £32,454.

Restricted income was £782,512, an increase of £190,802. The reasons for this increase were an increase in financial donations and grants for the Foodbank, and an increase in Food donations and in the valuation of those donations (the valuation per kilo went up in September 2022 – see note 5). Restricted expenditure was £727,251 an increase of £238,729. This main reasons for this increase were an increase in food distributed (29% by weight), the increased valuation mentioned above, and costs associated with the Warehouse move. Restricted reserves increased from £548,701 to £603,962.

**TRANSFORM NETWORK
TRUSTEES REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2023**

Reserves Policy

The Trustees 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 £500 unrestricted fund reserves and £60,000 reserves in the Foodbank fund. Current unrestricted and restricted fund reserves are therefore more than sufficient. At the end of the year, we had £32,454 in unrestricted reserves, and £603,962 in restricted reserves, including £511,753 in the Foodbank fund. Note 12a gives a breakdown of the end of year reserves.

The very generous response from both the public and grant funders has continued and increased through 2023 and income has exceeded expenditure. We therefore ended the year with a higher level of reserves than 2022. 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 ongoing cost of living crisis and therefore the continued and possibly increased use of our services. As predicted, there was significant costs associated with our move towards at the end of 2023, as well as substantial time taken up in the process. We will now, though actively review our reserves and the various possible calls on them.

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, which is the largest project in Transform Network. We have found that demand for our services has expanded substantially in recent years. 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. We will have a greater staff presence at each of our foodbank centres to support the volunteer centre managers, improve volunteer training and provide more thorough and consistent follow up for clients, including referring them to other support agencies that may be able to support them with their wider needs.

We plan to continue the church and community work of Forest Hill Community Church, based at the Here For Good Centre, Sydenham.

The future of Switch It! remains uncertain, with the lack of suitable premises, and insufficient volunteers. We anticipate the project remaining dormant.

We continue to hold funds for other projects that have either closed or moved elsewhere, and, where appropriate, will ensure those funds are transferred.

**TRANSFORM NETWORK
TRUSTEES REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2023**

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 met bi-monthly to discuss, review, and pray about the activities of Transform Network.

The Board of Trustees has been stable in recent years without any changes in personnel. However, with the significant increase in the size of the charity, the Board continues to be aware of needing to consider appointing additional trustees and how they would be inducted, and has been actively seeking suitable additional trustees, as well as any ongoing training needs for trustees and continues to keep this under active consideration. The trustees are delighted that Elizabeth Maxted has agreed to join the Board of Trustees and her appointment as a trustee was agreed by the board in September 2024.

The work of Lewisham Foodbank is overseen by a Steering group, under the supervision of the Board of Trustees. The Steering group, which includes trustees and the Project Manager, met several times during the year, both on a regular basis and as particular needs arose.

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, with some pay increases being implemented in September 2023. The current plan is to review in November and implement increases in January. However, this was done earlier this year due to inflation and rising costs.

The Board of Trustees met three times during the year, the main focus being on the work of the Foodbank, and also particularly on the planned Warehouse move and lease negotiations for that.

Three churches, based in Southeast London are or were members of Transform Network. These churches are:

- * Brockley Community Church (which closed in July 2023)
- * Catford Community Church (which stopped meeting in December 2023)
- * Forest Hill Community Church

All are or were registered companies limited by guarantee and registered charities.

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TRUSTEES REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2023**

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 27 September 2024
and signed on its behalf by**

Gordon Cowie
Trustee

**TRANSFORM NETWORK
INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2023**

We report to the charity trustees on our examination of the accounts of the Company for the year ended 31 December 2023.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. Our examination has been undertaken so that we might state to the trustees those matters we are required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions we 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 ourselves 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, we report in respect of our examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out our examination we 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. We confirm that we are qualified to undertake the examination with myself being a Chartered Institute of Management Accountants member in practice, which is one of the listed bodies.

We have completed our examination and confirm that no material matters have come to our attention in connection with the examination giving us 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

We 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
Neil Atherton Accountancy Services Limited
Rosemount, Garden Close Lane
Newbury RG14 6PR

27 September 2024

TRANSFORM NETWORK
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST DECEMBER 2023

		Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies:							
Gifts, offerings & grants:			444,732	444,732		367,144	367,144
Gifts in Kind - food for Foodbank	5		325,596	325,596		222,771	222,771
General Contributions from member churches:		1,480		1,480	8,280		8,280
Charitable activities							
Fees & takings for courses & activities			4,900	4,900	100	1,666	1,766
Investments			7,284	7,284	18	129	147
Total income		1,480	782,512	783,992	8,398	591,710	600,108
Expenditure on:							
Charitable Activities							
Foodbank	2		273,824	273,824		198,428	198,428
Foodbank food distributed	2		451,549	451,549		286,228	286,228
Street Pastors	2		0	0		3,628	3,628
Other courses, activities and grants	2	677	1,878	2,555	978	238	1,216
Total expenditure		677	727,251	727,928	978	488,522	489,500
Net income for the year		803	55,261	56,064	7,420	103,188	110,608
Transfers between funds		0	0	0	0	0	0
Net movement in funds		803	55,261	56,064	7,420	103,188	110,608
Reconciliation of funds:							
Total funds brought forward		31,651	548,701	580,352	24,231	445,513	469,744
Total funds carried forward		32,454	603,962	636,416	31,651	548,701	580,352

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 12 to the financial statements.

TRANSFORM NETWORK
COMPANY NUMBER: 5039813
BALANCE SHEET AS AT 31ST DECEMBER 2023

		2023 £	2022 £
Fixed Assets	Note 8	48,403	0
Current Assets			
Foodbank stock	5	40,007	46,891
Debtors	9	61,758	30,503
Cash at bank and in hand		535,337	518,085
		637,102	595,479
Current Liabilities			
Creditors: amounts falling due within one year	10	49,089	15,127
Net Assets (Assets less current liabilities)		<u>636,416</u>	0 <u>580,352</u>
The funds of the charity:	11		
Restricted Funds	12	603,962	548,701
Unrestricted Funds	12	32,454	31,651
Total charity funds		<u>636,416</u>	<u>580,352</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 27 September 2024

Signed on its behalf by

Gordon Cowie

Trustee

TRANSFORM NETWORK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023 £	2022 £
Net income for the reporting year (as per the statement of financial activities)	56,064	110,608
Dividends, interest and rents from investments	-7,284	-147
(Increase)/decrease in fixed assets	-48,403	0
(Increase)/decrease in stocks	6,884	-23,174
(Increase)/decrease in debtors	-31,255	-11,900
Increase/(decrease) in creditors	33,962	4,662
Net cash provided by / (used in) operating activities	<u>9,968</u>	<u>80,049</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	7,284	147
Net cash provided by (used in) investing activities	<u>7,284</u>	<u>147</u>
Change in cash and cash equivalents in the year	17,252	80,196
Cash and cash equivalents at the beginning of the year	518,085	437,889
Cash and cash equivalents at the end of the year	<u>535,337</u>	<u>518,085</u>

TRANSFORM NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

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 given consideration to the resources available to the charity and to its 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.

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.

TRANSFORM NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

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**

Fixed assets acquired for use by the charity are capitalised and depreciated over their estimated useful life. Items with a cost of under £1,000 are treated as an expense of the year in which purchased.

Buildings, associated building works and fittings 5 years

(Note: whereas the buildings and building works are expected to last considerably longer than 5 years, 5 years has been selected as the minimum time they are expected to be available to the charity and on a cautious basis)

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 2023

2a ANALYSIS OF EXPENDITURE (CURRENT YEAR)

	Foodbank	Foodbank food distributed	Other courses, activities and grants	Support costs	2023	2022
	£	£	£	£	£	£
Food distributed		451,549			451,549	286,228
Staff costs	118,506			5,933	124,439	105,735
Rent and other property costs	61,868			2,400	64,268	31,303
Grants to other organisations	10,008				10,008	23,636
Acts 435 purchases	18,252				18,252	11,237
Other Foodbank costs	50,636				50,636	24,118
Special events					0	1,841
Accounting costs				1,000	1,000	1,200
Depreciation	820				820	0
Insurance	4,306			0	4,306	2,905
Other admin, office & miscellaneous costs			1,878	772	2,650	1,297
	264,396	451,549	1,878	10,105	727,928	489,500
Support costs	9,428		677	-10,105	0	0
Total expenditure 2023	273,824	451,549	2,555	0	727,928	0
Total expenditure 2022	198,428	286,228	4,844	0	0	489,500

2b ANALYSIS OF EXPENDITURE (PRIOR YEAR)

	Foodbank	Foodbank food distributed	Other courses, activities and grants	Support costs	2022
	£	£	£	£	£
Food distributed		286,228			286,228
Staff costs	100,606			5,129	105,735
Rent and other property costs	28,903			2,400	31,303
Grants to other organisations	20,008		3,628		23,636
Acts 435 purchases	11,237				11,237
Other Foodbank costs	24,118				24,118
Special events	1,841				1,841
Accounting costs				1,200	1,200
Insurance	2,458			447	2,905
Other admin, office & miscellaneous costs			431	866	1,297
	189,171	286,228	4,059	10,042	489,500
Support costs	9,257		785	-10,042	0
Total expenditure 2022	198,428	286,228	4,844	0	489,500

TRANSFORM NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

3 ANALYSIS OF STAFF COSTS AND TRUSTEE REMUNERATION AND EXPENSES

a) Seven people (2022 - eight people) were employed by the company during the year.

b) Employment Costs	2023	2022
	£	£
Gross Pay	117,075	99,871
Social Security costs (Employer's National Insurance	4,225	3,062
Pension costs (Employer's contribution)	3,139	2,802
	<u>124,439</u>	<u>105,735</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 (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

e) No charity trustees received payment or reimbursement of travel or subsistence costs (2022: £nil).

4 RELATED PARTY TRANSACTIONS

The charity paid rent to Forest Hill Community Church (one of the members of the charity) for the Foodbank's use of the Hope Centre (and from March the adjoining house) as a warehouse until November. The total rent paid was £31,342 (2022 - £25,958).

The charity also pays rent to Forest Hill Community Church for use of 17 Sydenham Road. The charity uses this as its registered office and as an administrative base. The total rent paid was £2,400 (2022: the facilities were donated. Income and equal expenditure of £2,400 was included in the 2022 accounts to recognise the donated facilities).

There were no other related party transactions in 2023.

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.

	2023	2022
	£	£
Opening stock at 01.01.23	46,891	23,717
Gifts in Kind	325,596	222,771
Bought in stock	119,069	86,631
Food distributed	-451,549	-286,228
Closing stock at 31.12.23	<u>40,007</u>	<u>46,891</u>

Donated stock was valued at £2.37 per kilogram (2022: £1.85 per kilogram until August 2022 and £2.37 per kilogram from September 2022) 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.

A stock take was undertaken as at 31 December 2023.

TRANSFORM NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

6 GRANTMAKING	2023	2022
	£	£
Grants to institutions		
Latin American Disabled People's Project	10,008	10,008
Rushey Green Time Bank (Lewisham Local)	0	10,000
Ascension Trust	0	3,628
Grants to individuals	0	0
	<u>10,008</u>	<u>23,636</u>

7 TAXATION

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

8 TANGIBLE FIXED ASSETS

	Building costs & Fittings £	Total 2023 £
Cost		
At 1 January 2023	0	0
Additions	49,223	49,223
At 31 December 2023	<u>49,223</u>	<u>49,223</u>
Accumulated depreciation		
At 1 January 2023	0	0
Charge for the year (December only)	820	820
At 31 December 2023	<u>820</u>	<u>820</u>
Net book value		
At 31 December 2023	<u>48,403</u>	<u>48,403</u>
At 1 January 2023	<u>0</u>	<u>0</u>

Note: 2022 Tangible Fixed Assets (Nil)

9 DEBTORS	2023	2022
	£	£
Income tax recoverable (Gift Aid)	28,033	12,521
Accrued income	32,393	17,820
Prepayments	1,170	0
Other debtors	162	162
	<u>61,758</u>	<u>30,503</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade Creditors	38,830	4,444
Accruals	2,552	2,365
Taxation and social security	3,187	4,118
Other creditors	4,520	4,200
	<u>49,089</u>	<u>15,127</u>

TRANSFORM NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2023			2022		
	Unrestricted	Restricted	Total funds	Unrestricted	Restricted	Total funds
	£	£	£	£	£	£
Tangible fixed assets	0	48,403	48,403	0	0	0
Net current assets	32,454	555,559	588,013	31,651	548,701	580,352
Net assets	32,454	603,962	636,416	31,651	548,701	580,352

12a MOVEMENTS IN FUNDS (CURRENT YEAR)

	At 1.01.23	Income & gains	Expenditure & losses	Transfers	At 31.12.23
	£	£	£		£
Restricted funds:					
Foodbank Fund	482,754	388,051	359,043	-8	511,753
Foodbank Warehouse Move Fund	0	49,030	5,590		43,440
Foodbank Salary Fund	0	0	0		0
Foodbank Financial Inclusion Fund	10,000	0	10,008	8	0
Foodbank Food Fund	46,891	325,596	332,480		40,007
Acts 435	131	19,665	18,252		1,544
Transformed Lives Funds	1,195	0	0		1,195
Street Pastors Fund	3,040	170	0		3,210
Women's Commission	1,878	0	1,878		0
Switchit!	431	0	0		431
Other Restricted Funds	2,381	0	0		2,381
Total restricted funds	548,701	782,512	727,251	0	603,962
Total unrestricted funds	31,651	1,480	677		32,454
Total funds	580,352	783,992	727,928	0	636,416

12b MOVEMENTS IN FUNDS (PRIOR YEAR)

	At 1.01.22	Income & gains	Expenditure & losses	Transfers	At 31.12.22
	£	£	£		£
Restricted funds:					
Foodbank Fund	390,503	346,880	258,577	3,948	482,754
Foodbank Salary Fund	5,245	0	5,245		0
Foodbank Financial Inclusion Fund	10,000	10,000	10,000		10,000
Foodbank Food Fund	23,717	222,771	199,597		46,891
Acts 435	48	11,320	11,237		131
Transformed Lives Funds	1,195	0	0		1,195
Street Pastors Fund	5,948	720	3,628		3,040
Women's Commission	2,116	0	238		1,878
Switchit!	412	19	0		431
Other Restricted Funds	6,329	0	0	-3,948	2,381
Total restricted funds	445,513	591,710	488,522	0	548,701
Total unrestricted funds	24,231	8,398	978	0	31,651
Total funds	469,744	600,108	489,500	0	580,352

TRANSFORM NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

Purposes of restricted funds

Foodbank Fund

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

Foodbank Warehouse Move Fund

This fund represents two grants made towards the costs of relocating Lewisham Foodbank warehouse; one grant for the purchase and construction of bespoke outbuildings, and the other grant towards general costs of moving and fitting out the new warehouse.

Note: the fund was fully spent in 2023, but the purchase and construction of the outbuildings and some warehouse fittings were capitalised (see note 8)

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 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

13 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 2023**

We report to the charity trustees on our examination of the accounts of the Company for the year ended 31 December 2023.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. Our examination has been undertaken so that we might state to the trustees those matters we are required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions we 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 ourselves 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, we report in respect of our examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out our examination we 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. We confirm that we are qualified to undertake the examination with myself being a Chartered Institute of Management Accountants member in practice, which is one of the listed bodies.

We have completed our examination and confirm that no material matters have come to our attention in connection with the examination giving us 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

We 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
Neil Atherton Accountancy Services Limited
Rosemount, Garden Close Lane
Newbury RG14 6PR

27 September 2024