

**TRANSFORM NE  
(FORMERLY BETHSHAN (NORTH EAST))**

**Company Limited by Guarantee**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2023**

# **TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))**

## **COMPANY LIMITED BY GUARANTEE**

### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)**

#### **YEAR ENDED 31 MARCH 2023**

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The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2023.

#### **Reference and administrative details**

<b>Registered charity name</b>	Transform NE (Formerly Bethshan (North East))
<b>Charity registration number</b>	1120015
<b>Company registration number</b>	06131576
<b>Principal office and registered office</b>	Top Club Manor Road Washington Tyne and Wear NE37 3BD

#### **The trustees**

	Mr S J Burton	(Resigned 31 March 2023)
	Dr T P Dunnett	
	Mr D J Spelman	(Resigned 31 March 2023)
	Mr W C Todd	
	Mrs B Browne	(Appointed 1 April 2023)
	Dr R L Faulkner	(Appointed 1 April 2023)
	Mr A J Davies	(Appointed 1 August 2023)
	Mr N Anderson	(Resigned 16 October 2023)
<b>Company Secretary</b>	Dr T P Dunnett	(Appointed 16 October 2023)
	Mr N Anderson	(Resigned 16 October 2023)
<b>Independent Examiner</b>	Alison Henshaw FCCA East Suite, Ground Floor Avalon House St Catherine's Court Sunderland SR5 3XJ	

# **TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))**

## **COMPANY LIMITED BY GUARANTEE**

### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)** (continued)

**YEAR ENDED 31 MARCH 2023**

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#### **Structure, governance and management**

Transform NE is a charity which was registered with the Charity Commission on 11 July 2007, number 1120015. It is also a private company limited by guarantee and not having a share capital, being registered with Companies House on 28 February 2007 under company number 06131576. Originally the charity was registered as Metro Church International both at Companies House and with the Charity Commission but the name was changed to Bethshan Pentecostal Church, then Bethshan (North East). In November 2023 the name was changed to Transform NE.

#### **Trustees**

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees and officers who served during the period and since the year end were:

Daniel Spelman	(Resigned 31 March 2023)
Timothy Dunnett	
Warren Todd	
Stephen Burton	(Resigned 31 March 2023)
Nathan Anderson	(Resigned 16 October 2023)
Bernice Browne	(Appointed 1 April 2023)
Ruth Faulkner	(Appointed 1 April 2023)
Andrew Davies	(Appointed 1 August 2023)

Senior staff members to whom the day-to-day management of the Charity is delegated are:

Timothy Dunnett  
Joanne Dunnett  
John Finlayson

The charity is governed by Memorandum and Articles of Association incorporated 28 February 2007 as amended by Special Resolution passed 19 March 2007 and Special Resolution passed 15 September 2023.

#### **Organisational Structure**

Senior Leadership Team – responsible to initiate and implement new vision and strategy for the charity, programs, and gatherings of Transform NE

Management committee – responsible to implement and operationalise the strategy of Transform NE

Trustees/Directors – responsible to provide financial accountability for the vision and strategy of Transform NE. They are also responsible to ensure that everything the charity does meets all regulatory requirements, laws, etc

#### **Permanent Staff Members**

Chief Executive Officer – Tim Dunnett

Chief Advocacy & Impact Officer - Joanne Dunnett

Strategic Executive – John Finlayson (organisation safeguarding lead)

# **TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))**

## **COMPANY LIMITED BY GUARANTEE**

### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)** *(continued)*

#### **YEAR ENDED 31 MARCH 2023**

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Resource Manager – Shaun Edmondston

Business Manager – Mark Taylor

#### **Directors Recruitment and Appointment**

New directors are recruited and appointed by the existing directors as and when the need arises. Not less than three trustees but aiming for minimum five.

#### **Induction and training of Directors**

The existing directors shall ensure that new trustees are fully aware of their responsibilities and provide any necessary training.

#### **Risk Management**

The Trustees have identified the major risks to which the charity may be subject. Key risks are deemed to be exit or long term absence of key staff and the cashflow position affordability of loan repayments. Systems have been established which are designed to mitigate all major risks. The trustees review their risk management strategy annually or more often if circumstances require.

#### **Objectives and activities**

##### **Mission Statement**

The betterment and transformation of society, relieving suffering, inequality and systemic poverty through addressing health, educational, financial, spiritual, and relational needs.

##### **Principal Objects**

The principal objects of the charity are as follows:

- 1 to advance the Christian faith in accordance with the Statement in such ways and in such parts of the United Kingdom or the world as the directors from time to time may think fit
- 2 to relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind including through the provision of counselling and support in such parts of the United Kingdom or the world as the directors from time to time think fit and
- 3 to advance education in such ways and in such parts of the United Kingdom or the world as the directors from time to time may think fit

##### **In fulfilment of the principle objects the following activities are undertaken:**

- 1 Community intervention projects to support ongoing mental, emotional, financial, relational and spiritual wellbeing.
- 2 Public gatherings online & in person throughout the week providing pastoral care and opportunity for prayer.
- 3 Training of leaders and conferences that transform society for the good.
- 4 Compassionate grants for those in need.

# **TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))**

## **COMPANY LIMITED BY GUARANTEE**

### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)** (continued)

**YEAR ENDED 31 MARCH 2023**

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#### **Achievements and performance**

This year has seen a fundamental shift in our operational structure away from being a predominantly pastoral model to a community transformation charity addressing the needs of the disadvantaged in the North East of England. We have successfully changed our operating name to Transform NE reflecting our desire to work towards the elimination of systemic poverty in relation to our region's health, educational, financial, spiritual, and relational needs. We work with the community vision to see the whole of the North East transformed and regenerated with hope.

We have continued to offer gatherings online and in person, in multiple different ways to provide community support and opportunities for personal growth and reflective prayer.

This year we have continued to improve the Top Club, Washington to serve the local community of Sulgrave. Although much delayed with supply difficulties in the pandemic we have finished the first phase of work which includes the refurbishment of a community café. This has been operational since August 2022 and houses a number of weekly projects hosted by volunteers and paid staff addressing local needs. Refurbished offices have brought in local companies who have served the ongoing health & employment needs of the local community. A training rail track has been installed in the yard of the Top Club which hosts multiple apprenticeship railway courses, bringing finance into the club and advancing employment prospects in the city.

The Park Road church building is currently leased to Oasis Community Housing and functions as a resource centre for homelessness in Sunderland with great success. The Longbenton building is leased by Hopespring and serves the disadvantaged young people of our region with an excellent educational facility. There are no plans to change these, and the buildings are actively used well.

Our finances have remained remarkably constant thanks to the faithful support of our stakeholders. We continue to look for a variety of funding options to expand the capital and project funding out of our base of operations.

#### **Financial review**

##### **Reserves**

During the period under review the accumulated reserves amount to £349,767 (2022: £382,944) which are represented by unrestricted funds of £338,902 (2022: £318,320), designated funds of £nil (2022: £44,418) and restricted funds of £10,865 (2022: £20,206). Unrestricted funds consist of general funds - revaluation of £10,129 (2022: £10,129) due to a revaluation of investment property and other unrestricted funds of £328,773 (2022: £308,191). The target free reserves for the charity is 1 months expenditure, estimated at £30k, actual free reserves are a deficit of £21,299 (2022: deficit of £12,942). The charity is working to make each project individually sustainable to build free reserves.

The property at Longbenton was last valued at £85,000 (March 2020) and the property at Sulgrave is included at a purchase cost of £225,000 with an outstanding joint mortgage of £305,433 (Kingdom Bank). The property at Park Road, Sunderland was last valued at £335,947 (March 2020) with an outstanding mortgage of £89,159 (Lloyds Bank).

##### **Main Funders**

All funding is raised from within the community. This comprises regular partner giving weekly or monthly as well as special appeals for projects, which we undertake.

##### **Investment policy**

The directors have the power to invest in such assets as they see fit.

# **TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))**

## **COMPANY LIMITED BY GUARANTEE**

### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)** *(continued)*

**YEAR ENDED 31 MARCH 2023**

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The charity sometimes needs to react quickly to particular needs and has a policy of keeping surplus liquid funds in short term deposits which can be accessed readily.

#### **Plans for future periods**

This year we intend to complete the transition legally as a charity to Transform NE and update our articles and memorandums of association. We intend to reform our trustee board reflecting our desire for more community impact.

We intend to secure funding for phase 2 of the capital refurbishment of the Top Club which will include a community hall and training facility. We intend to secure project funding for an expanding of services to meet local needs.

#### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 20.12.23 and signed on behalf of the board of trustees by:



Dr T P Dunnett  
Trustee

# **TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))**

## **COMPANY LIMITED BY GUARANTEE**

### **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))**

**YEAR ENDED 31 MARCH 2023**

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I report to the trustees on my examination of the financial statements of Transform NE (Formerly Bethshan (North East)) ('the charity') for the year ended 31 March 2023.

#### **Responsibilities and basis of report**

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements 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 the 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 charity'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 Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no 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 charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

# **TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))**

**COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))** *(continued)*

**YEAR ENDED 31 MARCH 2023**

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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.



Alison Henshaw FCCA  
Independent Examiner

East Suite, Ground Floor  
Avalon House  
St Catherine's Court  
Sunderland  
SR5 3XJ

20/12/23

# TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))

## COMPANY LIMITED BY GUARANTEE

### STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2023

		2023			2022	
	Note	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds £	Total funds £
<b>Income and endowments</b>						
Donations and legacies	5	8,859	—	17,818	26,677	33,928
Charitable activities	6	197,532	—	6,843	204,375	267,051
Other trading activities	7	7,582	—	—	7,582	2,804
Other income	8	23,480	5	—	23,485	47,767
<b>Total income</b>		<u>237,453</u>	<u>5</u>	<u>24,661</u>	<u>262,119</u>	<u>351,550</u>
<b>Expenditure</b>						
Expenditure on charitable activities	9,10	268,853	2,186	24,257	295,296	290,350
Other expenditure	11	—	—	—	—	3,801
<b>Total expenditure</b>		<u>268,853</u>	<u>2,186</u>	<u>24,257</u>	<u>295,296</u>	<u>294,151</u>
<b>Net (expenditure)/income and net movement in funds</b>						
		<u>(31,400)</u>	<u>(2,181)</u>	<u>404</u>	<u>(33,177)</u>	<u>57,399</u>
Transfer between funds		51,982	(42,237)	(9,745)	—	—
<b>Net movement in funds</b>		20,582	(44,418)	(9,341)	(33,177)	57,399
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>318,320</u>	<u>44,418</u>	<u>20,206</u>	<u>382,944</u>	<u>325,545</u>
<b>Total funds carried forward</b>		338,902	—	10,865	349,767	382,944

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 12 to 24 form part of these financial statements.

# TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))

## COMPANY LIMITED BY GUARANTEE

### STATEMENT OF FINANCIAL POSITION

31 MARCH 2023

	Note	2023 £	£	2022 £
<b>Fixed Assets</b>				
Tangible fixed assets	17		323,718	292,903
Investments	18		420,947	420,947
			<u>744,665</u>	<u>713,850</u>
<b>Current Assets</b>				
Debtors	19	6,674		4,603
Cash at bank and in hand		12,232		88,837
		<u>18,906</u>		<u>93,440</u>
<b>Creditors: amounts falling due within one year</b>	20	44,695		31,629
<b>Net Current Liabilities</b>			(25,789)	61,811
<b>Total Assets Less Current Liabilities</b>			<u>718,876</u>	<u>775,661</u>
<b>Creditors: amounts falling due after more than one year</b>	21		369,109	392,717
<b>Net Assets</b>			<u>349,767</u>	<u>382,944</u>
<b>Funds of the Charity</b>				
Designated funds			–	44,418
Restricted funds			10,865	20,206
Unrestricted funds:				
Revaluation		10,129		10,129
General funds		<u>328,773</u>		<u>308,191</u>
<b>Total unrestricted funds</b>			<u>338,902</u>	<u>318,320</u>
<b>Total charity funds</b>	23		<u>349,767</u>	<u>382,944</u>

For the year ending 31 March 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

The statement of financial position  
continues on the following page.

The notes on pages 12 to 24 form part of these financial statements.

**TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))**

**COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL POSITION** *(continued)*

**31 MARCH 2023**

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These financial statements were approved by the board of trustees and authorised for issue on ~~20.12.23~~ and are signed on behalf of the board by:

Dr T P Dunnett  
Trustee



The notes on pages 12 to 24 form part of these financial statements.

**TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))**  
**COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 MARCH 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Cash Flows from Operating Activities</b>		
Net (expenditure)/income	(33,177)	57,399
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	8,883	8,607
Loss on disposal of tangible fixed assets	—	3,801
Accrued expenses	504	192
<i>Changes in:</i>		
Trade and other debtors	(2,071)	261
Trade and other creditors	7,283	(4,888)
Cash generated from operations	(18,578)	65,372
Net cash (used in)/from operating activities	<u>(18,578)</u>	<u>65,372</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of tangible assets	(39,698)	(39,830)
Net cash used in investing activities	<u>(39,698)</u>	<u>(39,830)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	(18,329)	(19,616)
Net cash used in financing activities	<u>(18,329)</u>	<u>(19,616)</u>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(76,605)</b>	<b>5,926</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>88,837</b>	<b>82,911</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b><u>12,232</u></b>	<b><u>88,837</u></b>

The notes on pages 12 to 24 form part of these financial statements.

# **TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))**

## **COMPANY LIMITED BY GUARANTEE**

### **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2023**

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#### **1. General Information**

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Top Club, Manor Road, Washington, Tyne and Wear, NE37 3BD.

#### **2. Statement of Compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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)) and the Companies Act 2006.

#### **3. Accounting Policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Going concern**

There are no material uncertainties about the charity's ability to continue.

##### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

**TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 MARCH 2023**

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**3. Accounting Policies** *(continued)*

**Incoming resources**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

**Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

**Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

# **TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))**

## **COMPANY LIMITED BY GUARANTEE**

### **NOTES TO THE FINANCIAL STATEMENTS *(continued)***

#### **YEAR ENDED 31 MARCH 2023**

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#### **3. Accounting Policies *(continued)***

##### **Operating leases *(continued)***

Lease income is recognised in income or expenditure on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- 2% straight line
Fixtures and fittings	- 25% reducing balance

##### **Investment property**

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

##### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

# TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### YEAR ENDED 31 MARCH 2023

#### 3. Accounting Policies *(continued)*

##### Defined contribution plans *(continued)*

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

#### 4. Limited by Guarantee

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

#### 5. Donations and Legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
<b>Donations</b>			
Donations	8,859	—	8,859
<b>Grants</b>			
Grants receivable	—	17,818	17,818
	<u>8,859</u>	<u>17,818</u>	<u>26,677</u>

  

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
<b>Donations</b>			
Donations	4,028	—	4,028
<b>Grants</b>			
Grants receivable	29,900	—	29,900
	<u>33,928</u>	<u>—</u>	<u>33,928</u>

#### 6. Charitable Activities

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2023 £
Stakeholder Giving/Gift Aid	169,479	—	—	169,479
Events	680	—	—	680
House of Prayer Northumbria	—	—	5,868	5,868
Appeals	—	—	975	975
Centre	27,373	—	—	27,373
	<u>197,532</u>	<u>—</u>	<u>6,843</u>	<u>204,375</u>

# TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### YEAR ENDED 31 MARCH 2023

#### 6. Charitable Activities *(continued)*

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2022 £
Stakeholder Giving/Gift Aid	247,624	—	—	247,624
Events	—	—	—	—
House of Prayer Northumbria	—	—	8,705	8,705
Appeals	—	1,888	—	1,888
Centre	8,834	—	—	8,834
	<u>256,458</u>	<u>1,888</u>	<u>8,705</u>	<u>267,051</u>

#### 7. Other Trading Activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Other income	<u>7,582</u>	<u>7,582</u>	<u>2,804</u>	<u>2,804</u>

#### 8. Other Income

	Unrestricted Funds £	Designated Funds £	Total Funds 2023 £
Rent Income	23,480	—	23,480
Property Income	—	5	5
	<u>23,480</u>	<u>5</u>	<u>23,485</u>

	Unrestricted Funds £	Designated Funds £	Total Funds 2022 £
Rent Income	22,800	—	22,800
Property Income	—	24,967	24,967
	<u>22,800</u>	<u>24,967</u>	<u>47,767</u>

# TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### YEAR ENDED 31 MARCH 2023

#### 9. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2023 £
Events and conferences	–	–	7,137	7,137
Centre	159,423	–	–	159,423
House of Prayer Northumbria	–	–	16,341	16,341
School Meals & Hopespring Appeal	–	–	779	779
Top Club Development	–	2,186	–	2,186
Support costs	109,430	–	–	109,430
	<u>268,853</u>	<u>2,186</u>	<u>24,257</u>	<u>295,296</u>

  

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2022 £
Events and conferences	–	–	–	–
Centre	183,588	–	–	183,588
House of Prayer Northumbria	–	–	735	735
School Meals & Hopespring Appeal	–	1,918	–	1,918
Top Club Development	–	629	–	629
Support costs	103,480	–	–	103,480
	<u>287,068</u>	<u>2,547</u>	<u>735</u>	<u>290,350</u>

#### 10. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Events and conferences	7,137	1,842	8,979	990
Centre	159,423	87,474	246,897	256,545
House of Prayer Northumbria	16,341	–	16,341	735
School Meals & Hopespring Appeal	779	1	780	1,918
Top Club Development	2,186	–	2,186	629
Governance costs	–	20,113	20,113	29,533
	<u>185,866</u>	<u>109,430</u>	<u>295,296</u>	<u>290,350</u>

#### 11. Other Expenditure

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Loss on disposal of tangible fixed assets held for charity's own use	–	–	3,801	3,801

# TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### YEAR ENDED 31 MARCH 2023

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#### 12. Taxation

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### 13. Net (Expenditure)/Income

Net (expenditure)/income is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation of tangible fixed assets	8,883	8,607
Loss on disposal of tangible fixed assets	—	3,801
	<u>          </u>	<u>          </u>

#### 14. Independent Examination Fees

	2023	2022
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	<u>5,604</u>	<u>5,502</u>

#### 15. Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023	2022
	£	£
Wages and salaries	111,689	120,321
Social security costs	4,894	899
Employer contributions to pension plans	5,501	6,016
	<u>122,084</u>	<u>127,236</u>

The average head count of employees during the year was 5 (2022: 6).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

#### Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation costs in respect of key management personnel for services provided to the charity was £39,157 (2022: £45,479).

# TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### YEAR ENDED 31 MARCH 2023

#### 16. Trustee Remuneration and Expenses

During the year T Dunnett, a trustee of the charitable company, received a gross salary of £33,999 (2022: £39,249) and employer pension contributions of £1,697 (2022: £2,034) for their services to the charitable company.

The trustee above received remuneration during the year for their services to the charitable company, under their contract of employment. No other trustee received any remuneration for professional or other services supplied by the charity (2022: nil).

The aggregate amount of travelling and subsistence expenses reimbursed to the trustees during the year was £nil (2022: £nil). The number of persons reimbursed was nil (2022: nil).

During the year the charity paid trustee's indemnity insurance of £363 (2022: £360).

#### 17. Tangible Fixed Assets

	Freehold property £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2022	304,028	121,975	426,003
Additions	36,660	3,038	39,698
<b>At 31 March 2023</b>	<u>340,688</u>	<u>125,013</u>	<u>465,701</u>
<b>Depreciation</b>			
At 1 April 2022	19,300	113,800	133,100
Charge for the year	6,523	2,360	8,883
<b>At 31 March 2023</b>	<u>25,823</u>	<u>116,160</u>	<u>141,983</u>
<b>Carrying amount</b>			
<b>At 31 March 2023</b>	<u>314,865</u>	<u>8,853</u>	<u>323,718</u>
At 31 March 2022	<u>284,728</u>	<u>8,175</u>	<u>292,903</u>

#### 18. Investments

	Investment properties £
<b>Valuation</b>	
At 1 April 2022 and 31 March 2023	<u>420,947</u>
<b>Impairment</b>	
At 1 April 2022 and 31 March 2023	
<b>Carrying amount</b>	
<b>At 31 March 2023</b>	<u>420,947</u>
At 31 March 2022	<u>420,947</u>

All investments shown above are held at valuation.

# TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### YEAR ENDED 31 MARCH 2023

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#### 18. Investments *(continued)*

##### Investment properties

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2023 by the trustees. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The Longbenton property was acquired in 2000 for £68,500 and the Sunderland property was acquired in 2003 for £131,253.

The charity has pledged its investment property shown above as security over its bank loans and overdrafts.

#### 19. Debtors

	2023	2022
	£	£
Trade debtors	3,405	678
Other debtors	3,269	3,925
	<u>6,674</u>	<u>4,603</u>

#### 20. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	25,483	20,204
Trade creditors	6,496	—
Accruals and deferred income	5,610	5,106
Social security and other taxes	3,179	2,840
Other creditors	3,927	3,479
	<u>44,695</u>	<u>31,629</u>

Included within creditors due within one year is an amount of £25,483 (2022: £20,204) which is secured by:

- a legal charge from Transform NE over the freehold property at Longbenton Community Church Somervyl Chapel Chesters Avenue Newcastle NE12 8UZ;
- a legal charge from Transform NE over the freehold property at Top Club Manor Road Sulgrave Washington Tyne & Wear NE37 3BD;
- a legal charge from Transform NE over the freehold property at Park Road Methodist Church Park Road Sunderland SR2 8HR.

#### 21. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans and overdrafts	<u>369,109</u>	<u>392,717</u>

# TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### YEAR ENDED 31 MARCH 2023

#### 21. Creditors: amounts falling due after more than one year *(continued)*

Included within creditors: amounts falling due after more than one year is an amount of £267,803 (2022: £326,252) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Included within creditors falling due in more than one year is an amount of £369,109 (2022: £392,717) which is secured by:

- a legal charge from Transform NE over the freehold property at Longbenton Community Church Somervyl Chapel Chesters Avenue Newcastle NE12 8UZ;
- a legal charge from Transform NE over the freehold property at Top Club Manor Road Sulgrave Washington Tyne & Wear NE37 3BD;
- a legal charge from Transform NE over the freehold property at Park Road Methodist Church Park Road Sunderland SR2 8HR.

#### 22. Pensions and Other Post Retirement Benefits

##### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £5,501 (2022: £6,016).

#### 23. Analysis of Charitable Funds

##### Unrestricted funds

	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
General funds	308,191	237,453	(268,853)	51,982	328,773
General funds - revaluation	10,129	—	—	—	10,129
	<u>318,320</u>	<u>237,453</u>	<u>(268,853)</u>	<u>51,982</u>	<u>338,902</u>

  

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
General funds	242,673	315,990	(290,869)	40,397	308,191
General funds - revaluation	10,129	—	—	—	10,129
	<u>252,802</u>	<u>315,990</u>	<u>(290,869)</u>	<u>40,397</u>	<u>318,320</u>

# TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### YEAR ENDED 31 MARCH 2023

#### 23. Analysis of Charitable Funds *(continued)*

General funds - 'free reserves' after allowing for designated funds.

General reserve - revaluation - arising on revaluation of investment property.

#### Restricted funds

	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 20 23 £
House of Prayer Northumbria	20,206	5,868	(16,340)	—	9,734
Appeals Fund	—	975	(780)	—	195
Funded Events	—	17,818	(7,137)	(9,745)	936
	<u>20,206</u>	<u>24,661</u>	<u>(24,257)</u>	<u>(9,745)</u>	<u>10,865</u>

  

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 20 22 £
House of Prayer Northumbria	12,825	8,705	(735)	(589)	20,206
Appeals Fund	—	—	—	—	—
Funded Events	—	—	—	—	—
	<u>12,825</u>	<u>8,705</u>	<u>(735)</u>	<u>(589)</u>	<u>20,206</u>

Restricted funds - comprise of gifts made to be used for specific purposes.

House of Prayer Northumbria - funds received towards prayer room hosting live prayer and worship.

Appeals Fund - funds received towards Book Aid for Africa Appeal and the Hopespring Christmas Appeal.

Funded Events - funds received to support communities in Washington in order to offer a 'Warm Space' for those most in need during the autumn and winter months.

Transfers between funds represents reallocation of wages costs between funds.

# TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### YEAR ENDED 31 MARCH 2023

#### 23. Analysis of Charitable Funds *(continued)*

##### Designated funds

	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
Designated Fund	44,418	5	(2,186)	(42,237)	—
Appeals Fund	—	—	—	—	—
	<u>44,418</u>	<u>5</u>	<u>(2,186)</u>	<u>(42,237)</u>	<u>—</u>

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Designated Fund	59,918	24,967	(629)	(39,838)	44,418
Appeals Fund	—	1,888	(1,918)	30	—
	<u>59,918</u>	<u>26,855</u>	<u>(2,547)</u>	<u>(39,808)</u>	<u>44,418</u>

Funds were designated to be utilised towards the café project within the Washington Property. This year funds were spent on the renovation and furniture for the café. The transfer represents capital items.

Appeals fund represents funds received towards the school meals and Hopespring appeal in the prior year.

#### 24. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	323,718	—	—	323,718
Investments	420,947	—	—	420,947
Current assets	8,041	—	10,865	18,906
Creditors less than 1 year	(44,695)	—	—	(44,695)
Creditors greater than 1 year	(369,109)	—	—	(369,109)
<b>Net assets</b>	<u>338,902</u>	<u>—</u>	<u>10,865</u>	<u>349,767</u>

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	292,903	—	—	292,903
Investments	420,947	—	—	420,947
Current assets	28,816	44,418	20,206	93,440
Creditors less than 1 year	(31,629)	—	—	(31,629)
Creditors greater than 1 year	(392,717)	—	—	(392,717)
<b>Net assets</b>	<u>318,320</u>	<u>44,418</u>	<u>20,206</u>	<u>382,944</u>

# TRANSFORM NE (FORMERLY BETHSHAN (NORTH EAST))

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

#### YEAR ENDED 31 MARCH 2023

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#### 25. Analysis of Changes in Net Debt

	At 1 Apr 2022	Cash flows	At 31 Mar 2023
	£	£	£
Cash at bank and in hand	88,837	(76,605)	12,232
Debt due within one year	(20,204)	(5,279)	(25,483)
Debt due after one year	(392,717)	23,608	(369,109)
	<u>(324,084)</u>	<u>(58,276)</u>	<u>(382,360)</u>

#### 26. Operating Lease Commitments

##### As lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Not later than 1 year	6,017	6,017
Later than 1 year and not later than 5 years	20,057	24,069
Later than 5 years	—	2,006
	<u>26,074</u>	<u>32,092</u>

##### As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Not later than 1 year	<u>2,700</u>	<u>2,700</u>

