

Charity registration number 1149780

Company registration number 08032776 (England and Wales)

JUNCTION COMMUNITY TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



Caladine

Chartered Certified Accountants

JUNCTION COMMUNITY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Rev'd Martyn Layzell Ms Millicent Freeman Mr Rajiv Jayaratnam Ms Lucy Price Ms Emily Hough Mr Padmesh Vishani Ms Sarah Williams Mr Christopher Payne Ms Esther Chew Mr Jonny Walker	(Appointed 21 September 2022) (Appointed 1 September 2022) (Appointed 3 November 2021) (Appointed 3 November 2021) (Appointed 14 November 2022)
Charity number	1149780	
Company number	08032776	
Principal address	c/o St Mark's Church Battersea Rise London SW11 1EJ	
Registered office	c/o St Mark's Church Battersea Rise London SW11 1EJ	
Independent examiner	John Caladine FCCA CTA FCIE Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF	
Bankers	National Westminster Bank 66-68 St John's Road Battersea London SW1 9QR	

JUNCTION COMMUNITY TRUST

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JUNCTION COMMUNITY TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (effective 1 January 2019).

Objectives and activities

JCT is a charity set up by, and linked to, St Mark's Battersea Rise. It is a positive expression of St Mark's Church demonstrating God's love in practical ways. Its aim is to:

- help and support people practically in Clapham Junction and the surrounding areas.
- mobilise St Mark's congregation and local people to make a positive difference in their community.

JCT trustees are motivated by the hope of the message of Jesus Christ and the desire to turn faith into practical action, by living out God's love for people who are in need and marginalised. Based on Jesus' teaching on poverty and injustice, they believe in the Christian values of compassion, justice, honesty, integrity, and care for all people.

JCT serves people and works with organisations of any belief to bring about transformation in the community. We believe that everyone has the right to food on their plate, dignity in society, the chance to develop their skills and find work that pays fairly, and hope for the future; and we advocate for these to become reality.

More formally, the objects of the Trust, as set out in its Articles of Association, are:

...the relief of persons who are in conditions of need, hardship or distress as a result of poverty, social isolation, addiction, sickness or other social or economic circumstances, in particular any such persons in the community local to St Mark's and the Borough of Wandsworth;

...the promotion and support of such other exclusively charitable purposes and institutions as may from time to time be determined by the Trustees,

in each case, as an expression of the Christian life and faith of St Mark's and in sympathy with the ethos and values of St Mark's.

The trustees have had regard to the Charity Commission guidance on public benefit, and regard JCT's activities as manifestly for the public benefit in that there is an identifiable benefit to local young people (Spear programmes), or to local people in crisis and facing significant deprivation (the Foodbank).

Achievements and performance

JCT has two principal activities; it's 'Spear Clapham Junction' programmes for young people and 'Wandsworth Foodbank'. Each is reviewed in turn.

Spear Clapham Junction

From 1 April 2021 to 31 March 2022, JCT successfully continued its 'Spear' programmes in co-operation with Resurgo Trust. These are personal and professional development programmes providing young people aged 16-24 and not in education, employment or training ('NEET') with the work and life skills they need. Each programme starts with a 6-week foundation phase, which consists of group sessions and one to ones on becoming more Work Ready through discussions and coaching on mindsets, presentations, self-esteem and self-motivation; guidance on the completion of job application forms and cover letters; training in interview skills (including participation in mock interviews), as well as wellbeing. Following the foundation phase, further support in gaining and retaining employment continues for 12 months. The programmes are free for participants. Resurgo has successfully run these programmes for eighteen years; JCT started running them in 2012.

JUNCTION COMMUNITY TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

To achieve its objective, JCT sought to maintain a strong relationship with its partner Resurgo; to raise adequate funding; to retain suitably qualified and trained staff; to publicise the work of JCT and the Spear programmes in order to encourage attendance; and maintain a strong volunteer base and continuing financial support.

JCT has typically employed three permanent members of staff to coach the foundation programme and support the young people for 12 months after the foundation phase. They receive regular training from Resurgo. The relationship with Resurgo is further strengthened through regular formal and informal meetings between individual JCT trustees and Resurgo.

Funding was sought from various sources. Individual donations and other receipts of about £15,000 were raised from a fundraising dinner organised by JCT. This included generous event sponsorship from BPL Global for £10,000. Further funding of £12,000 and £14,500 was received from Rank Foundation and London Community Response Fund. Resurgo contributed benefits in kind worth £55,000 per annum in development, training and other support. Together with other individual donations in 2021 and in previous years, these sums were sufficient to fund the 2021 and 2022 Spear programmes. As at 31st March 2022, Spear had restricted funds of £429 remaining. Fundraising for future Spear programmes will be a high priority of the JCT trustees in the coming months.

In order to attract young people to the Spear programmes, JCT staff continued to publicise the programmes to local social service professionals, and directly at local unemployment offices to potential participants. JCT issued invitations to local civic, political and charitable figures to attend the events that occur during each Spear programme to celebrate students' progress; many of these kindly attended.

JCT looks to make extensive use of volunteers in its activities. In the context of the 'Spear' programmes, about 150 individuals generously gave their time, for example as mock interviewers of programme participants, as hosts for company visits, and as volunteers at events. Volunteers include both members of St Mark's Church and of the wider community.

JCT ran five Spear Programmes and one Spear Express Programme (a lighter touch, four week programme) from April 2021 to March 2022. We were unable to run our June 2020 programme due to lockdown restrictions and furlough. The overall targets for the Spear programme per year are as follows:

- (a) around 90 participants register for and attend a Spear programme;
- (b) 80% of course participants meet at least one of various barriers to employment
- (c) 80% of participants complete the 6-week foundation phase of the programme
- (d) 75% of those participants that complete the foundation phase enter into work or education, and remain in work or education one year later.

Economists predicted the massive spike in unemployment (and particularly youth unemployment) that we're now experiencing due to the economic effects of Covid-19. As such the work that the Spear Programme does to equip young people who have faced barriers with the skills they need to access and sustain both employment and education is incredibly important.

The total number of young people supported on the Foundation Phase and Spear Career support between 1st April 2021 and 31st March 2022 was 115. The total number of young people who completed the programme between 1st April 2021 and 31st March 2022 was 60 of whom 100% had at least one barrier to employment. At 3 months, 65% of our trainees are EET (in employment, education or training) and 100% of trainees are known, meaning we are able to track where they are working. At 12 months, on average 76% of our young people are EET (in employment, education or training) and 96% known. This means we are above target in each area.

Wandsworth Foodbank

Wandsworth Foodbank continued to see high levels of need throughout 2021-22, with referrals still at double what they were prior to the pandemic. The cost-of-living crisis is causing hardship in Wandsworth, as benefit payments fail to cover the cost of essentials like food, rent and bills. During the reporting period 1 April 2021 to 31 March 2022, we provided nutritionally-balanced emergency food aid and essential toiletries to 2,127 individual households referred to us in crisis.

JUNCTION COMMUNITY TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

In the first half of this period, from April – September 2021, we continued to provide food by home delivery, as had been the case throughout the COVID-19 pandemic. However, from September 2021 we re-opened our five food bank centres whilst opening two brand new centres (in Roehampton and Nine Elms), as well as continuing to deliver to households unable to collect because of illness or disability. During 21/22 we provided 9,908 emergency food parcels, almost four in ten of these food supplies were for children. The 9,908 food parcels provided represents a 15 per cent decrease on the number of food parcels in the previous year, a 53% increase on 2019/20, and a 303% increase on our first year of operation in 2013/14. In total, during 21/22, Wandsworth Foodbank supported 4,687 individual adults and children.

From 1 April to 20 September 2021, we provided larger 7-day food supplies in response to each referral made, and also provided a supermarket Gift Card to supplement each parcel, purchased from donated funds. When our Welcome Centres reopened on 20 September 2021, we reverted back to our previous model of standard-sized ('3-day') food parcels (to enable people to be able to carry them home) and kept the gift card provision for just the month of December, as extra support around Christmas time.

The Foodbank Advice Project continued to provide much-needed specialist advice and casework to 572 individual households, to maximise their income and reduce the need for emergency food. This Foodbank Advice Project, in partnership with Citizens Advice Wandsworth (CAW), is part-funded by a Henry Smith Foundation grant to CAW; and in 20/21 was also part-funded by grants from Trussell Trust.

To achieve its objective, JCT maintained a strong relationship with its partner Trussell Trust; to raise adequate funding; to retain suitably qualified and trained staff; to publicise the food bank; and to build a strong volunteer base and continuing financial support. Trussell Trust and national Citizens Advice have created a free national helpline, where people can speak to a Citizen's Advice Advisor and be referred to a local food bank across the UK, including to Wandsworth Foodbank.

We would like to thank generous sources of funding which includes grants or donations from Trussell Trust for £197,000, Love Triangle Pizza for £26,300, The Golden Bottle Trust for £3,000, Jusaca Charitable Trust for £2,000, Fabrik Ltd for £1,288 and Everyday Church for £1,000. We also wish to thank many local individuals and groups who donated online via our JustGiving page, monthly or as a one-off gift.

137,806kg of food and toiletries were donated in this period with an estimated value of £246,773. Many of these food donations were made spontaneously by individual shoppers at supermarkets that kindly gave permission to Foodbank to publicise its activities on their premises; as well as by schools, churches, community groups and individuals. Many other people donated via Bankuet, a social enterprise that enables people to donate money which in turn enables Wandsworth Foodbank to order the food items it needs, in bulk and often at reduced cost.

Research and Advocacy work was carried out, and the Foodbank published A Time of Crisis, a snapshot of our 2022 research, looking at the drivers and impacts of poverty and food bank use during FY 2021-22. Additionally, our team worked with the wider voluntary sector to successfully advocate for more generous and effective local welfare assistance in 21/22 – leading to Wandsworth Council increasing the generosity of awards for crisis and community care grants for residents in hardship, and creating a policy to pay all its employees and contractors the London Living Wage.

Further details of Foodbank's activities can be found at <http://wandsworth.foodbank.org.uk/>

Financial review

JCT's overall income in the year to 31 March 2022 was £844,002 compared to £1,144,024 in the year to 31 March 2021. The main points relating to the change in the income levels are as follows:

- Food donations to Foodbank decreased from £327,490 in 2021 to £246,773 in 2022 as donations returned to nearer pre-pandemic levels
- Income from donations and gifts decreased significantly from £657,075 in 2021 to £377,664 in 2022. Again these income levels though smaller than 2021 remain higher than pre-pandemic giving and reflect generous donations in continuing difficult economic times
- The notional value of the benefits in kind provided by Resurgo to JCT for the Spear programmes remained the same at £55,000 per annum. This reflected the continued strength of the relationship between JCT and Resurgo.

JUNCTION COMMUNITY TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Expenditure for the year to 31 March 2022 was £936,111 compared to £810,134 in the year ended 31 March 2021. The increase in expenditure can be accounted for by the following factors

- An increase in directly employed staff from 6 employees in 2021 to 10 in 2022 has caused staff costs to increase from £225,866 in 2021 to £302,409 in 2022
- Contributions to Wandsworth Citizen's Advice have increased from £40,193 in 2021 to £97,916 in 2022 as additional expert advisors have been retained

The trustees noted that in the year to 31 March 2022 JCT recorded a deficit of £92,109. Due to the large surplus recorded in the year to 31 March 2021, JCT remain well-funded as at 31 March 2022. The trustees are focusing on fundraising, especially for the activities of Spear in 2022.

Reserves

JCT engages in a number of distinct charitable activities. Contributions to JCT are typically directed to one of these activities, and since their use is restricted they are not reserves. Much of JCT's income to support these activities comes from large fundraising events or one-off grants rather than regular donations. It is therefore irregular in timing and size. For this reason, it aims to have assets that, together with future regular contributions and other committed sums, would be sufficient to cover at least the next 6 months of each of its activities.

JCT makes use of St Mark's Church premises. It therefore has limited exposure to the costs of repair and upkeep of its facilities, and therefore has agreed to make a contribution of £15,000 per annum towards these costs. JCT expects that any new charitable initiative would be funded through additional fundraising activity. It therefore does not hold reserves to cover the costs of such expansion. Given these facts, and the policy of pre-funding specific activities it sees limited need for substantial additional reserves.

Nevertheless, to meet contingencies such as minor repair costs or a delay in the receipt of a promised source of income, it aims to hold a sum equivalent to at least one month of its total regular outgoings as a general reserve. Assets not immediately required would normally be held on deposit.

At 31 March 2022, JCT held restricted funds sufficient to cover less than one month of regular outgoings for Spear, and more than six months of regular outgoings for Foodbank; it held unrestricted funds sufficient to cover six months of total regular outgoings. (These figures ignore future income.) It plans to continue fund raising.

Structure, governance and management

JCT is constituted under Articles of Association as a Company Limited by Guarantee and not having a share capital.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Andi Britt	(Resigned 21 September 2022)
Rev'd Martyn Layzell	
Ms Millicent Freeman	
Mr Rajiv Jayaratnam	
Ms Lucy Price	
Ms Emily Hough	
Mr Padmesh Vishani	(Appointed 21 September 2022)
Ms Sarah Williams	(Appointed 1 September 2022)
Mr Christopher Payne	(Appointed 3 November 2021)
Ms Esther Chew	(Appointed 3 November 2021)
Mr Geoffrey Sanders	(Resigned 21 September 2022)
Mr Gary Window	(Resigned 21 September 2022)
Mr Jonny Walker	(Appointed 14 November 2022)

JUNCTION COMMUNITY TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Any person who is willing to act as a trustee, and who would not be disqualified from acting, may be appointed to be a trustee by a decision of the trustees. The Vicar of St Mark's Church is an ex officio trustee and Chair of JCT, though his authority is typically delegated to an acting Chair. The Rev Paul Perkin retired as Vicar of St Mark's Church in April 2020 and the acting Vicar during the inter-regnum, Rev Charlie Thompson, was appointed Chairman. The new Vicar of St Mark's, Martyn Layzell, was appointed Chairman following his appointment in November 2020. The PCC of St Mark's also has the right to appoint up to two members of the PCC to the position of trustee.

There are no specific policies or procedures relating to the induction and training of trustees. However, in practice, trustees with relevant knowledge or experience are appointed.

Any decision of the trustees must be either by decision of a majority of the trustees present and voting at a quorate trustees' meeting, or when the majority of trustees have indicated to all the trustees by any means (including email) that they share a common view on a matter. Full trustee meetings typically occur every two months.

Decisions relating to some routine financial matters are delegated by the trustees to a finance committee, consisting of the acting Chair, Vice Chair and Treasurer of JCT. Day-to-day decision making relating to JCT's specific charitable activities is delegated to JCT staff appointed to oversee these activities. The organisation of fundraising events is typically delegated to an events committee consisting of selected trustees and other individuals with relevant experience.

The trustees have reviewed the major risks to which the charity is exposed and systems or procedures have been established to manage those risks. In particular, the charity has documented procedures with regards to finance, working with children and vulnerable adults, health and safety and other matters.

JCT looks to learn from and work in partnership with other organisations with experience relevant to its charitable activities. In particular, since 2012, it has worked closely with Resurgo Trust. Resurgo Trust is a charity founded through St. Paul's Church in Hammersmith in 2004. Resurgo aims to stimulate significant social transformation in local communities by helping people facing serious social disadvantage to transform their situation. In particular, among its activities, it has provided 'Spear' programmes for young people (discussed above). Resurgo has provided JCT staff with extensive training, ongoing support and materials to enable them to conduct these programmes.

Similarly, since 2013 JCT has worked closely with the Trussell Trust. The Trussell Trust's mission is to develop, run, and enable communities to replicate sustainable projects that combat poverty and exclusion, and to share their experiences in order to raise awareness of the issues. In 2004, Trussell Trust launched the UK Foodbank Network to teach churches and communities nationwide how to start their own foodbank. Trussell Trust has provided extensive guidance and support to JCT as it launched its Foodbank.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

JUNCTION COMMUNITY TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Statement of trustees' responsibilities

The Trustees, who are also the directors of Junction Community Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

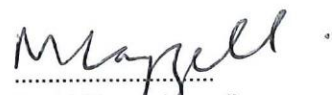
Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.



Rev'd Martyn Layzell

Trustee

Date: 6.12.22

JUNCTION COMMUNITY TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF JUNCTION COMMUNITY TRUST

I report to the Trustees on my examination of the financial statements of Junction Community Trust (the charity) for the year ended 31 March 2022.

Responsibilities and basis of report

As the Trustees of the charity (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 financial statements of the charity 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable 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 that in any material respect:

- 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).

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 financial statements to be reached.



John Caladine FCCA CTA FCIE

Caladine Limited
Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

Dated: 7th December 2022

JUNCTION COMMUNITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
Income from:						
Donations and legacies	3	37,763	559,432	597,195	46,014	801,318
Charitable activities	4	-	246,773	246,773	-	342,663
Investments	5	34	-	34	43	43
Total income		37,797	806,205	844,002	46,057	1,144,024
Expenditure on:						
Raising funds	6	-	254	254	-	3,571
Charitable activities	7	10,455	925,402	935,857	10,261	806,563
Total expenditure		10,455	925,656	936,111	10,261	810,134
Net income/(expenditure) for the year/						
Net movement in funds		27,342	(119,451)	(92,109)	35,796	333,890
Fund balances at 1 April 2021		146,533	368,851	515,384	110,737	181,494
Fund balances at 31 March 2022		173,875	249,400	423,275	146,533	515,384

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

JUNCTION COMMUNITY TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Inventories	11	26,464		39,883	
Trade and other receivables	12	5,362		11,097	
Cash at bank and in hand		407,247		476,558	
		<u>439,073</u>		<u>527,538</u>	
Current liabilities	13	(15,798)		(12,154)	
Net current assets			<u>423,275</u>		<u>515,384</u>
Income funds					
Restricted funds	16		249,400		368,851
Unrestricted funds			173,875		146,533
			<u>423,275</u>		<u>515,384</u>

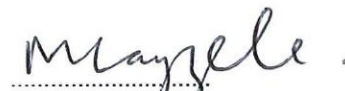
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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

The financial statements were approved by the Trustees on 6-12-22



Rev'd Martyn Layzell
Trustee

Company registration number 08032776

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Junction Community Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is c/o St Mark's Church, Battersea Rise, London, SW11 1EJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes all costs in relation to generating voluntary income, fundraising events and fundraising trading;
- Expenditure on charitable activities includes costs in relation to the Spear Courses, and Food Bank Activities.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Staff costs are allocated between cost headings according to the function of each employee.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include governance costs, administrative office function costs, HR and recruitment, and premises costs. They are incurred directly in support of expenditure on the objects of the charitable company.

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These costs include costs related to the independent examination, statutory audit and legal fees.

Support and Governance costs have been allocated across the charitable activities based on an analysis of the time spent on each project.

1.6 Inventories

The Balance sheet contains the estimated value of food that can be donated and used in the Junction Community Trust Foodbank. The estimated cost of food is calculated by weight at an average retail cost of £1.75 per kilogram.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 1 of Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	30,425	347,239	377,664	46,004	611,071	657,075
Grants	7,338	212,193	219,531	10	144,233	144,243
	<u>37,763</u>	<u>559,432</u>	<u>597,195</u>	<u>46,014</u>	<u>755,304</u>	<u>801,318</u>
Donations and gifts						
Donations	25,883	270,526	296,409	42,113	492,549	534,662
Gift aid recovered	4,542	21,713	26,255	3,891	63,522	67,413
Donated services (Management Consultancy)	-	55,000	55,000	-	55,000	55,000
	<u>30,425</u>	<u>347,239</u>	<u>377,664</u>	<u>46,004</u>	<u>611,071</u>	<u>657,075</u>

4 Charitable activities

	Foodbank	Spear	Foodbank	Total
	2022	2021	2021	2021
	£	£	£	£
Donated food for Foodbank	246,773	-	327,490	327,490
Spear Summer Party and events	-	15,173	-	15,173
	<u>246,773</u>	<u>15,173</u>	<u>327,490</u>	<u>342,663</u>

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5 Investments

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Interest receivable	34	43
	<u> </u>	<u> </u>

6 Raising funds

	Restricted funds	Restricted funds
	2022 £	2021 £
<u>Fundraising and publicity</u>		
Costs of generating voluntary income	254	3,571
	<u> </u>	<u> </u>

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Charitable activities

	Spear	Foodbank	Total 2022	Spear	Foodbank	Total 2021
	2022	2022		2021	2021	
	£	£	£	£	£	£
Staff costs	84,408	218,001	302,409	66,688	159,178	225,866
Supermarket vouchers	-	65,689	65,689	-	62,982	62,982
Food distributed	-	303,119	303,119	-	320,774	320,774
Childcare voucher admin fees	-	181	181	-	3,073	3,073
Citizen's Advice contributions	-	97,916	97,916	-	40,193	40,193
PCC contributions	7,840	23,521	31,361	7,500	7,500	15,000
Casual labour	5,630	2,425	8,055	-	2,419	2,419
Storage	-	8,527	8,527	-	4,400	4,400
Publicity	-	182	182	-	1,052	1,052
Misc	1,784	457	2,241	818	74	892
Consultancy and training	55,000	-	55,000	55,000	-	55,000
	<u>154,662</u>	<u>720,018</u>	<u>874,680</u>	<u>130,006</u>	<u>601,645</u>	<u>731,651</u>
Share of support costs (see note 8)	8,927	45,036	53,963	10,331	57,119	67,450
Share of governance costs (see note 8)	3,607	3,607	7,214	-	7,462	7,462
	<u>167,196</u>	<u>768,661</u>	<u>935,857</u>	<u>140,337</u>	<u>666,226</u>	<u>806,563</u>
Analysis by fund						
Unrestricted funds	5,227	5,228	10,455	5,130	5,131	10,261
Restricted funds	161,969	763,433	925,402	135,207	661,095	796,302
	<u>167,196</u>	<u>768,661</u>	<u>935,857</u>	<u>140,337</u>	<u>666,226</u>	<u>806,563</u>

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Sundry	2,085	-	2,085	2,012	-	2,012
Office expenses	9,163	-	9,163	23,956	-	23,956
Telephone and IT	9,261	-	9,261	8,055	-	8,055
Postage and stationery	399	-	399	1,080	-	1,080
Travel and subsistence	861	-	861	216	-	216
Insurance	1,260	-	1,260	989	-	989
Administration costs	16,594	-	16,594	25,069	-	25,069
Client and stock transport costs	14,340	-	14,340	6,073	-	6,073
Audit fees	-	540	540	-	5,400	5,400
Legal and professional	-	2,654	2,654	-	2,062	2,062
Accountancy and IE for earlier years	-	1,680	1,680	-	-	-
Accountancy	-	1,500	1,500	-	-	-
Independent examination	-	840	840	-	-	-
	<u>53,963</u>	<u>7,214</u>	<u>61,177</u>	<u>67,450</u>	<u>7,462</u>	<u>74,912</u>
<u>Analysed between</u>						
Charitable activities	<u>53,963</u>	<u>7,214</u>	<u>61,177</u>	<u>67,450</u>	<u>7,462</u>	<u>74,912</u>

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

The Trustees donated an aggregate sum of £720 (2021: £nil) to the charity during the year.

10 Employees

The average monthly number of employees during the year was:

2022	2021
Number	Number
<u>10</u>	<u>6</u>

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Employees (Continued)

Employment costs	2022 £	2021 £
Wages and salaries	270,238	203,172
Social security costs	18,659	12,743
Other pension costs	13,512	9,951
	<u>302,409</u>	<u>225,866</u>

There were no employees whose annual remuneration was more than £60,000.

11 Inventories

	2022 £	2021 £
Food stocks for distribution	<u>26,464</u>	<u>39,883</u>

12 Trade and other receivables

	2022 £	2021 £
Amounts falling due within one year:		
Other receivables	2,254	1,383
Prepayments and accrued income	3,108	9,714
	<u>5,362</u>	<u>11,097</u>

13 Current liabilities

	Notes	2022 £	2021 £
Other taxation and social security		-	3,010
Deferred income	14	10,000	-
Trade payables		1,606	1,677
Other payables		1,852	2,067
Accruals and deferred income		2,340	5,400
		<u>15,798</u>	<u>12,154</u>

14 Deferred income

	2022 £	2021 £
Other deferred income	<u>10,000</u>	<u>-</u>

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

14 Deferred income (Continued)

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	10,000	-
Movements in the year:		
Deferred Income at 1 April 2021	-	-
Resources deferred in the year	10,000	-
Deferred income at 31 March 2022	10,000	-

15 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £13,512 (2021 - £9,951).

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Spear	(7,334)	205,757	(138,678)	59,745	102,907	(162,223)	429
Foodbank	78,091	892,210	(661,195)	309,106	703,298	(763,433)	248,971
	70,757	1,097,967	(799,873)	368,851	806,205	(925,656)	249,400

Spear

Spear funds are held for the use of the "Spear" training course, focused on aiding young people to gain key skills to aid employment and life chances.

Foodbank

The Foodbank fund is aimed at providing emergency food and support to people in crisis.

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

17 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances are represented by:						
Current assets/(liabilities)	173,875	249,400	423,275	146,533	368,851	515,384
	<u>173,875</u>	<u>249,400</u>	<u>423,275</u>	<u>146,533</u>	<u>368,851</u>	<u>515,384</u>

18 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).