

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 2023



JUNCTION COMMUNITY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Rev'd Martyn Layzell	
	Mr Rajiv Jayaratnam	
	Ms Lucy Price	
	Mr Padmesh Vishani	(Appointed 21 September 2022)
	Ms Sarah Williams	(Appointed 1 September 2022)
	Mr Christopher Payne	
	Ms Esther Chew	
	Mr Jonathan Walker	(Appointed 14 November 2022)
	Mr Thomas Ahern	(Appointed 14 November 2022)
	Mr Daniel Free	(Appointed 14 December 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 2023

The Trustees present their annual report and financial statements for the year ended 31 March 2023.

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.

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.

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.

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

The trustees consider the work of JCT to be in accordance with Charity Commission guidance on public benefit through the impact of its two principal activities, specifically:

- Supporting local young people through the Spear programme; and
- Helping local people in crisis and facing significant deprivation through the Foodbank.

Each is reviewed in turn.

Achievements and performance

Spear Clapham Junction

From 1 April 2022 to 31 March 2023, JCT successfully continued its Spear programmes in cooperation 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.

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

JUNCTION COMMUNITY TRUST

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

FOR THE YEAR ENDED 31 MARCH 2023

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.

Wandsworth Foodbank

From 1 April 2022 to 31 March 2023, JCT successfully continued to run the Wandsworth Foodbank it launched in 2013. This aims to provide emergency food and support to local people in financial hardship. Each food box contains a minimum of three days' nutritionally balanced, non-perishable food. Clients of the foodbank are referred by care professionals, when extreme financial hardship means they can't afford essentials like food.

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

Financial review

JCT's overall income in the year ended 31 March 2023 was £980,892, compared to £844,002 for the year ended 31 March 2022.

- Income received in relation to Foodbank in 2023 was £767,833 (2022: £710,637). The increase was primarily driven by donations in relation to the Winter Warmer campaign, a new initiative to raise funds to support households in crisis with energy bills, which raised £42,677 (2022: nil).
- Income received in relation to Spear in 2023 was £158,271 (2022: £102,907). The increase was primarily driven by event income of £52,284 (2022: nil), as a Spear fundraising event was held for the first time since the COVID-19 pandemic.

Expenditure for the year ended 31 March 2023 was £893,496, compared to £936,111 for the year ended 31 March 2022.

- Expenditure in relation to Foodbank was £710,521 (2022: £769,536). This reduction of £59,015 or 7.7% was primarily driven by a reduced Citizens Advice contribution of £54,288 (2022: £97,916), reduced expenditure on supermarket vouchers of £9,734 (2022: £65,689), and reduced storage costs of £736 (2022: £8,527). These reductions were offset by an increase in distributed food to £274,970 (2022: £260,291) and expenditure on the Winter Warmer campaign of £48,000 (2022: nil).
- Expenditure in relation to Spear was £171,740 (2022: £156,118). This increase of £15,622 or 10.0% was primarily driven by the increased cost of fundraising in relation to the Spear fundraising event of £17,490 (2022: nil).

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 a limited exposure to the costs of repair and upkeep of its facilities, and therefore had agreed to make a contribution of £31,000 per annum towards these costs. In November 2022, the Trustees approved to increase this to £33,000 per annum to reflect inflation.

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.

JUNCTION COMMUNITY TRUST

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

FOR THE YEAR ENDED 31 MARCH 2023

Nevertheless, to meet contingencies such as minor repair costs throughout the year 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.

As at 31 March 2023, 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. Total unrestricted reserves at the end of the year were £197,680.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

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	(Resigned 14 December 2022)
Mr Rajiv Jayaratnam	
Ms Lucy Price	
Ms Emily Hough	(Resigned 14 December 2022)
Mr Padmesh Vishani	(Appointed 21 September 2022)
Ms Sarah Williams	(Appointed 1 September 2022)
Mr Christopher Payne	
Ms Esther Chew	
Mr Geoffrey Sanders	(Resigned 21 September 2022)
Mr Gary Window	(Resigned 21 September 2022)
Mr Jonathan Walker	(Appointed 14 November 2022)
Mr Thomas Ahern	(Appointed 14 November 2022)
Mr Daniel Free	(Appointed 14 December 2022)

JUNCTION COMMUNITY TRUST

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

FOR THE YEAR ENDED 31 MARCH 2023

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 Mr Andrew Britt as an acting Chair. Mr Andrew Britt resigned from the Board of Trustees on 21 September 2022, following 10 years of service as a Trustee, since which date the Vicar of St Mark's Church has fulfilled the responsibilities of the Chair. 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.

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.

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

Rev'd Martyn Layzell
Trustee



2 October 2023

JUNCTION COMMUNITY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

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 2023.

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:

JUNCTION COMMUNITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	41,373	626,839	668,212	37,763	559,432	597,195
Charitable activities	4	-	312,305	312,305	-	246,773	246,773
Investments	5	375	-	375	34	-	34
Total income		41,748	939,144	980,892	37,797	806,205	844,002
Expenditure on:							
Raising funds	6	-	17,838	17,838	-	254	254
Charitable activities	7	8,311	867,347	875,658	10,455	925,402	935,857
Total expenditure		8,311	885,185	893,496	10,455	925,656	936,111
Net incoming/(outgoing) resources before transfers							
		33,437	53,959	87,396	27,342	(119,451)	(92,109)
Gross transfers between funds	17	(9,632)	9,632	-	-	-	-
Net income/(expenditure) for the year/							
Net movement in funds		23,805	63,591	87,396	27,342	(119,451)	(92,109)
Fund balances at 1 April 2022		173,875	249,400	423,275	146,533	368,851	515,384
Fund balances at 31 March 2023		197,680	312,991	510,671	173,875	249,400	423,275

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 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Inventories	12	11,515		26,464	
Trade and other receivables	13	48,693		5,362	
Cash at bank and in hand		605,500		407,247	
		<u>665,708</u>		<u>439,073</u>	
Current liabilities	14	(155,037)		(15,798)	
		<u></u>		<u></u>	
Net current assets			510,671		423,275
			<u></u>		<u></u>
Income funds					
Restricted funds	17		312,991		249,400
Unrestricted funds			197,680		173,875
			<u>510,671</u>		<u>423,275</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 2023.

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 2 October 2023

Rev'd Martyn Layzell
Trustee



Company registration number 08032776

JUNCTION COMMUNITY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	21		197,878		(69,345)
Investing activities					
Investment income received		375		34	
Net cash generated from investing activities			375		34
Net increase/(decrease) in cash and cash equivalents			198,253		(69,311)
Cash and cash equivalents at beginning of year			407,247		476,558
Cash and cash equivalents at end of year			605,500		407,247

Mayzell

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company 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 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. Donated food for the Foodbank has been measured at £2.37/kg (2022: £1.75/kg). 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 2023

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 £2.37 per kilogram (2022: £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 2023

1 Accounting policies (Continued)

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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 2023

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.

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts						
Grants	41,373	452,387	493,760	30,425	347,239	377,664
	-	174,452	174,452	7,338	212,193	219,531
	41,373	626,839	668,212	37,763	559,432	597,195
Donations and gifts						
Donations	39,520	349,971	389,491	25,883	270,526	296,409
Gift aid recovered	1,853	47,416	49,269	4,542	21,713	26,255
Donated services (Management Consultancy)	-	55,000	55,000	-	55,000	55,000
	41,373	452,387	493,760	30,425	347,239	377,664

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	Spear	Foodbank	Total 2023	Foodbank 2022
	2023 £	2023 £	£	2022 £
Donated food for Foodbank	-	260,021	260,021	246,773
Spear Summer Party and events	52,284	-	52,284	-
	<u>52,284</u>	<u>260,021</u>	<u>312,305</u>	<u>246,773</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Interest receivable	<u>375</u>	<u>34</u>

6 Raising funds

	Restricted funds	Restricted funds
	2023 £	2022 £
<u>Fundraising and publicity</u>		
Costs of generating voluntary income	<u>17,838</u>	<u>254</u>

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Charitable activities

	Spear	Foodbank	Total 2023	Spear	Foodbank	Total 2022
	2023 £	2023 £	£	2022 £	2022 £	£
Staff costs	84,045	251,308	335,353	84,408	218,001	302,409
Supermarket vouchers	-	9,734	9,734	-	65,689	65,689
Food distributed	-	280,093	280,093	-	303,119	303,119
Childcare voucher admin fees	-	116	116	-	181	181
Citizen's Advice contributions	-	54,288	54,288	-	97,916	97,916
PCC contributions	8,380	25,141	33,521	7,840	23,521	31,361
Casual labour	-	-	-	5,630	2,425	8,055
Storage	-	6,713	6,713	-	8,527	8,527
Publicity	-	629	629	-	182	182
Miscellaneous costs	2,263	2,884	5,147	1,784	457	2,241
Consultancy and training	55,000	48,000	103,000	55,000	-	55,000
	<u>149,688</u>	<u>678,906</u>	<u>828,594</u>	<u>154,662</u>	<u>720,018</u>	<u>874,680</u>
Share of support costs (see note 8)	6,111	35,742	41,853	8,927	45,036	53,963
Share of governance costs (see note 8)	2,606	2,605	5,211	3,607	3,607	7,214
	<u>158,405</u>	<u>717,253</u>	<u>875,658</u>	<u>167,196</u>	<u>768,661</u>	<u>935,857</u>
Analysis by fund						
Unrestricted funds	4,156	4,155	8,311	5,227	5,228	10,455
Restricted funds	154,249	713,098	867,347	161,969	763,433	925,402
	<u>158,405</u>	<u>717,253</u>	<u>875,658</u>	<u>167,196</u>	<u>768,661</u>	<u>935,857</u>

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Sundry	1,044	-	1,044	2,085	-	2,085
Office expenses	7,987	-	7,987	9,163	-	9,163
Telephone and IT	5,470	-	5,470	9,261	-	9,261
Postage and stationery	721	-	721	399	-	399
Travel and subsistence	2,234	-	2,234	861	-	861
Insurance	2,367	-	2,367	1,260	-	1,260
Administration costs	10,149	-	10,149	16,594	-	16,594
Client and stock transport costs	11,881	-	11,881	14,340	-	14,340
Audit fees	-	-	-	-	540	540
Legal and professional	-	2,751	2,751	-	2,654	2,654
Accountancy and IE for earlier years	-	-	-	-	1,680	1,680
Accountancy	-	1,570	1,570	-	1,500	1,500
Independent examination	-	890	890	-	840	840
	<u>41,853</u>	<u>5,211</u>	<u>47,064</u>	<u>53,963</u>	<u>7,214</u>	<u>61,177</u>
<u>Analysed between</u>						
Charitable activities	<u>41,853</u>	<u>5,211</u>	<u>47,064</u>	<u>53,963</u>	<u>7,214</u>	<u>61,177</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 Trust received aggregate donations from Trustees and related parties of £2,365 (2022: £720) during the year.

10 Employees

The average monthly number of employees during the year was:

2023	2022
Number	Number
11	10
<u>11</u>	<u>10</u>

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Employees (Continued)

Employment costs	2023 £	2022 £
Wages and salaries	298,497	270,238
Social security costs	21,931	18,659
Other pension costs	14,925	13,512
	<u>335,353</u>	<u>302,409</u>

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

11 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.

12 Inventories

	2023 £	2022 £
Food stocks for distribution	<u>11,515</u>	<u>26,464</u>

13 Trade and other receivables

	2023 £	2022 £
Amounts falling due within one year:		
Other receivables	4,419	2,254
Prepayments and accrued income	44,274	3,108
	<u>48,693</u>	<u>5,362</u>

14 Current liabilities

	Notes	2023 £	2022 £
Deferred income	15	75,767	10,000
Trade payables		72,457	1,606
Other payables		4,353	1,852
Accruals		2,460	2,340
		<u>155,037</u>	<u>15,798</u>

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

15 Deferred income

	2023 £	2022 £
Other deferred income	75,767	10,000

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	75,767	10,000
Movements in the year:		
Deferred income at 1 April 2022	10,000	-
Released from previous periods	(10,000)	-
Resources deferred in the year	75,767	10,000
Deferred income at 31 March 2023	75,767	10,000

Deferred income primarily relates to grants received towards work to be carried out in future periods. This will be released in the period that the work relates to.

16 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 £14,925 (2022 - £13,512).

JUNCTION COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 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:

	Balance at 1 April 2021 £	Movement in funds		Balance at 1 April 2022 £	Movement in funds		Transfers	Balance at 31 March 2023 £
		Incoming resources £	Resources expended £		Incoming resources £	Resources expended £	£	
Spear	59,745	102,907	(162,223)	429	161,678	(171,739)	9,632	-
Foodbank	309,106	703,298	(763,433)	248,971	777,466	(713,446)	-	312,991
	368,851	806,205	(925,656)	249,400	939,144	(885,185)	9,632	312,991

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. The deficit at 31 March 2023 has been met by a transfer from unrestricted funds.

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 2023

18 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fund balances are represented by:						
Current assets/(liabilities)	197,680	312,991	510,671	173,875	249,400	423,275
	<u>197,680</u>	<u>312,991</u>	<u>510,671</u>	<u>173,875</u>	<u>249,400</u>	<u>423,275</u>

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	7,626	-
Between two and five years	13,980	-
	<u>21,606</u>	<u>-</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

21 Cash generated from operations

	2023	2022
	£	£
Surplus/(deficit) for the year	87,396	(92,109)
Adjustments for:		
Investment income recognised in statement of financial activities	(375)	(34)
Movements in working capital:		
Decrease in inventories	14,949	13,419
(Increase)/decrease in trade and other receivables	(43,331)	5,735
Increase/(decrease) in trade and other payables	73,472	(6,356)
Increase in deferred income	65,767	10,000
Cash generated from/(absorbed by) operations	<u>197,878</u>	<u>(69,345)</u>

22 Analysis of changes in net funds

The charity had no debt during the year.