

# TRANSFORMING COMMUNITIES TOGETHER<sup>⊕</sup>

Transforming Communities Together  
(a charitable company limited by guarantee and registered in England)

Report and Financial Statements  
For Year ending 31<sup>st</sup> December 2022

Charity number 1157772  
Company number 9010580

<b>CONTENTS</b>	<b>Page</b>
Trustees' report	2
Independent auditors' report	9
Statement of financial activities	12
Balance sheet	13
Notes to the financial statements	14

## Reference and Administration Details

Charity Name:	Transforming Communities Together
Charity Number:	1157772
Company Number:	09010580
Registered Office:	St Mary's House, The Close, Lichfield, WS13 7LD
Bankers	Lloyds Bank, 22 Conduit Street, Lichfield WS13 7LD
Auditors	Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG
Insurers	PIB Insurance Brokers, Poppleton Grange, Low Poppleton Lane, York. YO26 6GZ
Chief Officer	Adam Edwards (until 31 <sup>st</sup> March 2022) Jane Bamber (until 6 <sup>th</sup> December 2022) Jon Miles (acting until February 2023) Restructure from March 2023 – see Trustees report
Company Secretary:	Jonathan Hill
Treasurer	Jessamine Dace
Clerk to Trustees:	Emma Smith

Trustee name	Office (if any)	Dates acted if not for whole year	Appointed by
Sarah Bullock	Chair		Mercian Trust
Julian Francis			Mercian Trust
Robert Higham	Vice-Chair		Church Urban Fund
Dave Cope			Church Urban Fund
Amanda Mallen			Church Urban Fund
Jassica Castillo-Burley			Church Urban Fund
Daphne Francis			Mercian Trust

## Structure, governance and management

The Board of Trustees of Transforming Communities Together have been appointed by the Mercian Community Trust on behalf of the Diocese of Lichfield, and the Church Urban Fund. Prior to new articles in December 2020, the Church Urban Fund appointed five of the Charity's nine trustees, and the Mercian Community Trust appointed four of the Charity's nine trustees. As part of disaggregation from the Church Urban Fund, both Members agreed a Written Resolution dated 5<sup>th</sup> December adopting new Articles of Association which have been registered with Companies House and the Charity Commission. Both Members now appoint three trustees, and the Board co-opts a further three trustees.

The Trustees have considered their responsibilities, the diversity of their membership, and their collective skills and experience. During this year, new trustees have been recruited, with lived experience of the issues with which the Charity is engaged and direct connection with local black and minority ethnic communities. With assistance from the Church Urban Fund, Transforming Communities Together developed a five-year Business Plan which was adopted at the beginning of the year. It was subsequently revised at the end of the year in the light of the Charity's new arrangements with the Diocese of Lichfield and with the Church Urban Fund.

The key management of the charity is considered to be the trustees and the staff members. Staff remuneration is set with reference to similar roles in comparably sized charities. During 2020, the Board established an effective pattern of working with its new officers, and successfully managed the retirement of its founder CEO and the recruitment of a replacement. There were no other key management issues in the year.

### **Connected Charities**

Transforming Communities Together is directly connected to its two Members, the Church Urban Fund (registered charity 297483) and the Mercian Community Trust (registered charity 1090596).

Transforming Communities Together Trust has no direct connection with other charities, although by the involvement of the projects and work undertaken by the Charity, there is a working relationship, with no financial obligation, with the Lichfield Diocesan Board of Finance. The Chief Officer is employed by the Lichfield Diocesan Board of Finance. From 1<sup>st</sup> January 2021, the Chief Officer was seconded full-time to serve the Charity.

### **Pension Scheme**

Following Pension Auto Enrolment in September 2017, the Transforming Communities Together operates Pension Scheme through NEST (National Earnings Savings Trust).

### **Risk Management**

Transforming Communities Together maintain a risk register on the basis of which there is regular reporting to the Board. The principal risks and uncertainties relevant to Transforming Communities Together are partnership withdrawal, loss of key staff, reputational damage, and disruption in funding. The Board is developing strategies to address these issues; and in the current climate alternative income streams or closure of certain areas of work.

### **Reserves policy**

The Charity's reserves policy is to retain net unrestricted reserves equivalent to three months of core costs, in line with current good practice in the charity sector. The Charity also retains sufficient reserves to provide continuity in service delivery should confirmation of funding be subject to minor delay. Expenditure for most projects or areas of work is based on grants awarded for the work to be carried out. In the autumn of each year the trustees consider a budget for the forthcoming financial year, based on secured grant funding and anticipated expenditure. The Trustees build in termination and redundancy costs into the financial planning where applicable. The Trustees agreed to use unrestricted reserves to meet the anticipated deficit for core costs during 2022. As at 31 December 2022, there were net unrestricted reserves, after underwriting negative restricted fund reserves, of £26,162 (2021: £23,150); with monthly core costs averaging £5,000; three months representing £15,000. Each project has a review or termination date on commencement; the reserves per project are shown in Note 9 on

page 18; and therefore, the Trustees are satisfied with the current guaranteed funding streams being sufficient to cover the forthcoming overall charity expenditure in 2023.

## **Auditors**

Haysmacintyre LLP has expressed its willingness to continue as auditors to the Charity.

## **Objectives and Achievements**

Transforming Communities Together (TCT) is the Diocese of Lichfield's joint venture with the Church Urban Fund. We encourage and support the ministry of churches and local organisations in communities which are vulnerable to or experiencing aspects of poverty across the Diocese of Lichfield and extending to include the whole of the Black Country, parts of which are in the Dioceses of Worcester and Birmingham.

At various times during 2022, twelve individuals were employed by TCT, averaging the equivalent of up to 5 full time equivalent (2021: 7). In accordance with our Business Plan, these were deployed across four themes. In Community Cohesion and Integration, we ran Near Neighbours, Places of Welcomes and Bringing People Together, whilst developing Shared Silence. In Social and Financial Inclusion, we ran Just Finance, with its Covid Cash course, Preventing Shocking Debt, and a Modern Slavery Campaign, as well as developing a Modern Slavery Partnership. In Health and Wellbeing, we ran Dementia Friendly Church. In Developing Work, we developed out GDPR-compliant data-base and engaged with Food Poverty, Homelessness, and Mental Health. Further information can be obtained from [www.tctogether.org.uk](http://www.tctogether.org.uk)

## **Public Benefit Statement**

The Trustees of Transforming Communities Together are aware of the Charity Commission's guidance on public benefit in the '*The Advancement of Religion for the Public Benefit*' and have had regard to it in their administration of the Trust.

The Board of Transforming Communities Together believes that, by promoting the work of the Church of England in the Diocese of Lichfield and surrounding areas, it helps promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes and associated projects, and that in doing so it provides a benefit to the public by its objectives: -

- to promote the efficiency and effectiveness of Christian based charities in the furtherance of their objects or any one of them, mainly but not exclusively, by the provision of information, advice, support and infrastructure provision; and
- the relief of financial hardship, either generally or individually, through the provision of grants, goods or services.

## **Financial Review**

In the financial year to 31 December 2022, the charitable income totalled £79,079 (2021:£181,328); expenditure of £137,769 (2021: £252,972). This resulted in a deficit of £58,690 (2021:Deficit £71,644); and overall reserves decreased to £27,461 (2021:£86,151). The reserves were represented by Unrestricted Reserves of £26,162 (2021:£65,932) and restricted reserves of £1,299 (2021:£20,219).

## **Financial Reporting**

The Finance Department of Diocese of Lichfield handled the Charity's finances during 2022 producing management accounts, reports for Board meetings and regular meetings with TCT's Chief Officer, along with ensuring the returns for all grants are completed. Employment responsibilities for Lesley Bovington, Shaz Akhtar, Carrie Blount, Jon Miles, Debbie Huxton, Rachel Moore and Rue Green were with Transforming Communities Together, with The Diocese of Lichfield's Finance Department providing payroll services for the Charity as well as administering pension contributions. Adam Edwards, Emma Smith, Jane Bamber, Sarah Thorpe, Zoe Heming and Zoe Corney were all employed by Lichfield DBF and seconded to TCT.

## **Annual Report**

2022 saw two significant wider contexts for the work of the TCT team: the emergence from the wider restrictions of the COVID 19 pandemic, and the growing impact of cost of living issues across our communities.

As pandemic lockdown restrictions began to ease, much of the focus of the team's activity was on re-establishing links with the organisations, groups and networks we support. While significant activity had continued through the pandemic (facilitated by online resources and remote working), there were many groups and activities that had paused because they weren't able to meet in person. Reopening support and advice was offered, for example the resources and insights on how best to safely reopen Places of Welcome.

The team was part of wider conversations that saw a growing recognition of the important lessons learnt and networks formed during the pandemic, as networks sought to respond to the emerging cost of living crisis. Cross-sector partnerships proved an important context for the joint development of resources and advice to support those in local communities who were facing financial challenges, and TCT was able to collate a wide range of these resources in a dedicated signposting section on our website, complementing and promoting activity happening across the region.

Through our Places of Welcome network in particular, we were able to promote and support national initiatives such as the Warm Welcome response to the rising cost of fuel and the need for 'warm spaces' within communities that would be available to people struggling to heat their homes.

The year saw TCT build on some of these regional and national conversations to explore connections on issues as housing and probation work, helping broker connections between key stakeholders, statutory bodies, and grassroots work in local communities. We also contributed to wider regional and national discussions and interventions around issues such as cost of living (including supporting a national research report by the Theos thinktank which saw Wolverhampton as one of their key areas of focus). We worked closely with our partners in the Church Urban Fund's Together Network, including participating in the review and development of financial resilience training resources which CUF hopes to release in 2023.

There was also a recognition that resources remained scarce, which presented some wider challenges to TCT in securing longer-term funding, but which also meant that we were regularly asked by churches and groups for advice on how best to fund their work. Wherever possible, we were able to direct them to funding opportunities and wider voluntary sector infrastructure support bodies.

In terms of specific programmes:

- **Dementia Friendly Churches:** network priorities were confirmed by an internal review as:
  - Lived experience, giving priority to the first-hand voices of people with lived experience of dementia;
  - Accessible spirituality, offering faith and spirituality accessibly to people affected by dementia; and
  - Simple structure/strategy, growing out of grass roots engagement – so in 2022 we decoupled from Alzheimer’s Society Dementia Friends and dementia-friendly communities that have been central to our development to this point, to keep our structures “light touch”, whilst continuing to work in parallel and in partnership with Alzheimer’s Society.

Our approach continues to remain relational, creating community; bite-sized accessible “nuggets”; generous, sharing our framework and material and experience openly with others, within the diocese and beyond; and sustainable, creating resources that can be shared simply and used widely.

As well as supporting the network of dementia-friendly churches across the diocese (now 108) with training, resources and a programme of network meetings, one significant development in 2022 was the launch of a dementia friendly schools network in September building on our experience with churches and other groups.

- **Enabling All:** the team partners with others in the Lichfield Diocese to raise awareness, offer resources, training and advice to church communities, Diocesan and Cathedral officers and teams, and be part of the national conversation to help identify and remove the barriers which disempower and exclude disabled people from being a valued and active part of C of E churches. As well as the ongoing local work, one significant development in 2022 was the team’s involvement in various national working groups and inter-diocesan partnerships to effect change across the whole C of E. Through involvement in the national C of E General Synod in July 2022, our coordinator has helped shape the development and implementation of several national workstreams such as mentoring and training for disabled people, and changes to planning processes for church buildings.
- **Mental Health:** our Mental Health worker developed and delivered a range of activities to raise awareness of mental health issues and of resources and approaches available to groups to improve mental health and flourishing. She has delivered training to over 200 people on mental health resilience; has led and facilitated a wide range of mental health first aid training sessions in a range of contexts; has developed video and social media resources on mental health themes; and has worked with a range of partners (including many Places of Welcome) on health and wellbeing issues. She has also worked closely with the Diocese to provide input into the training and development of clergy on topics around mental health, trauma support, and wellbeing.
- **Places of Welcome:** prior to the Covid-19 pandemic there were 136 Places of Welcome (PofW) registered in the Lichfield Diocese, the vast majority of which closed their doors towards the end of 2020 due to the social distancing restrictions. Although some did not reopen post-pandemic or have closed for other reasons, 2022 saw our local network grow to 183 PofW, including 69 new registrations. As well as new recruiting, our PofW Facilitators provided support through personal visits and regular communications providing signposting, events, training, and funding information, and also supported links to the national PofW network and resources. They have also hosted in-person networking meetings, a great opportunity for face-to-face conversations with time for feedback, reflection and group problem solving. Alongside the discussions, shared learning experiences have also been offered on topics including Dementia Awareness, Financial Wellbeing, and Health and Wellbeing to help PofW Coordinators support their local communities. In more detail this involved:
  - In 2022, hosting six training courses for PofW Coordinators with over 100 attendances on a variety of topics, including:

- Domestic Abuse Awareness
- Diabetes Awareness
- Connecting Communities with Places of Welcome,
- Employability and Coaching Information Session
- The team has worked with a wide range of partners and the local press to promote PofW, raise awareness and develop new partnerships, such as:
  - Promotion of cost of living resources and initiatives such as the Warm Welcome programme
  - The Mayor of Sandwell visited 10 PofW in 2022, with 7 more planned for 2023,
  - Morrisons who have donated hampers to PofW
  - Speakers from the Alzheimer's Society and Black Country Women's Aid, and
  - Informal drop-ins from West Midlands Fire Service and Public Health, PCSOs, community health programmes, and local domestic abuse charities.
- Evidence is also building as to the significant physical and mental health impact of loneliness. In December our Facilitators spoke about PofW on a national webinar for the Jo Cox Foundation's Campaign for Loneliness.

Throughout the year there were a number of staff changes due to the short-term contract nature of TCT's funding. The end of funding from the Near Neighbours programme meant TCT had to make the Near Neighbours Coordinator post (Shaz Akhtar) redundant at the end of May. Debbie Huxton left TCT for a regional role that built on her Modern Slavery work with TCT, and this marked the end of the Modern Slavery work funded by Lichfield Diocese Mothers Union. This year also saw the departure of Rue Green and Zoe Corney from administrative roles. TCT secured funding from Benefact Trust and NHS Charities Trust, plus ongoing funding from Eveson Trust, which allowed us to continue to develop key areas of activity for us in our Places of Welcome and Mental Health work. The Board wishes to express gratitude to our various funders.

The year saw significant changes in senior leadership – In January, Jon Miles started in post as Senior Development Worker. Chief Officer Adam Edwards left TCT at the end of March 2022 to take up a national role with Church Urban Fund. Jane Bamber was Chief Officer from July to the end of November. Jon Miles was appointed as Interim Chief Officer between March and June and then in November to March 2023.

In the final quarter of 2022, the Board commenced a review of its governance and management structures, in part as a response to a changing social and financial context, which presented challenges to the nature of our work and the funding available, and also as part of a wider ongoing discussion with the Lichfield DBF as our core partner about opportunities for closer working and collaboration. After a process of reflection and consultation with staff and key stakeholders, agreed at the end of 2022, the Board concluded in March 2023 that from the beginning of April 2023 the operational delivery of its programme would be transferred to Lichfield DBF with whom it was envisaged that TCT would be formally amalgamated at the end of 2023.



## **Trustees' responsibilities statement**

The trustees (who are also directors of Transforming Communities Together for the purposes of company law) are responsible for preparing the Trustees' Annual 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Provision of information to auditors**

Each of the persons who are members of the Board of Trustees at the time when this Trustee's Annual report is approved has confirmed that:

- so far as that member of the Board of Trustees is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that the Board of Trustees has taken all the steps that ought to have been taken as a board in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information

The Trustees declare that they have approved the trustees' report above. In preparing this report, the Trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006 .

Signed on their behalf, on ..... 2023.

Rt Revd Sarah Bullock, Chair

## Opinion

We have audited the financial statements of Transforming Communities Together for the period ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of matter – non-going concern basis of accounting

We draw attention to Note 1c on page 14 of the financial statements which discloses the premise upon which the company has prepared its financial statements on a non-going concern basis. Our opinion is not modified in respect of this matter.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 8, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the risk of improper revenue recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals
- Challenging assumptions and judgements made by management in their critical accounting estimates such as valuation of the investment properties.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our Report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lee Stokes (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

**Date:**.....

**Statement of Financial Activities**  
**(including Income and Expenditure Account)**  
**For the year ending 31 December 2022**

	<b>Note</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
<b>Income from:</b>					
Grants and Donations	2	210	78,869	79,079	180,239
Charitable activities	3	-	-	-	1,089
<b>Total income</b>		<u>210</u>	<u>78,869</u>	<u>79,079</u>	<u>181,328</u>
<b>Expenditure on:</b>					
Charitable Activities	4	<u>6,890</u>	<u>130,879</u>	<u>137,769</u>	<u>252,972</u>
<b>Total expenditure</b>		<u>6,890</u>	<u>130,879</u>	<u>137,769</u>	<u>252,972</u>
<b>Net Income/Expenditure</b>		<u>(6,680)</u>	<u>(52,010)</u>	<u>(58,690)</u>	<u>(71,644)</u>
<b>Transfer between funds</b>		<u>(33,090)</u>	<u>33,090</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<u>(39,770)</u>	<u>(18,920)</u>	<u>(58,690)</u>	<u>(71,644)</u>
Total funds brought forward		<u>65,932</u>	<u>20,219</u>	<u>86,151</u>	<u>157,795</u>
<b>Total funds carried forward</b>		<u><u>26,162</u></u>	<u><u>1,299</u></u>	<u><u>27,461</u></u>	<u><u>86,151</u></u>

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 14 to 20 form part of these financial statements.

A full comparative Statement of Financial Activities is included at note 12.

**Balance Sheet as at 31 December 2022**  
**Company number: 09010580**

		<b>Total 2022</b>	<b>Total 2021</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Current assets</b>			
Deposit and bank balances		47,196	138,074
Debtors and accrued income	5	8,178	9,755
		<u>55,374</u>	<u>147,829</u>
<b>Creditors:</b> amounts falling due within one year	6	(27,913)	(61,678)
<b>Net assets</b>		<u>27,461</u>	<u>86,151</u>
<b>Capital and reserves</b>			
Unrestricted reserves		26,162	65,932
Restricted reserves	9	1,299	20,219
		<u>27,461</u>	<u>86,151</u>

The Trustees have taken the exemption available to small companies and have not prepared a Strategic Report.

The Financial Statements were approved and authorised for issue by the board and were signed on its behalf on .....

Rt Revd Sarah Bullock, Chair

The notes on pages 14 to 20 form part of these financial statements.

## **1. Accounting Policies**

### **(a) Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Transforming Communities Together meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

### **(b) Cash flow**

The Charity has taken advantage of the exemption available to smaller charities and has not prepared a cash flow statement.

### **(c) Going concern**

In light of the decision by the Trustees in March and April 2023 all assets and liabilities of the Company will be transferred in their entirety to the Diocesan Board of Finance with effect from 31 December 2023. Transforming Communities Together will then cease to exist, and steps be taken to be removed from the register of companies.

As required by UK accounting standards, the Trustees have prepared the financial statements on the basis that the company is not a going concern. No adjustments have arisen through the adoption of the non-going concern basis of accounting.

### **(d) Fund Accounting**

Restricted funds are subject to the specific terms of any grants or donations made to Transforming Communities Together in the course of the year, declared by the donor(s) or with their authority, but still within the objects of the charity. Restricted funds may be restricted income funds, which are expendable at the discretion of the Trustees in furtherance of some particular aspect(s) of the objects of the charity. Or they may be capital funds, where the assets are required to be invested, or retained for actual use, or expended in strict concurrence with the terms of the grant/donor.

### **(e) Income**

All income is included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy and there is a probability of receipt.

### **(f) Recognition of liabilities**

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the SOFA category. Grants payable are charged in the year when the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the Trust.

Grants offered subject to such conditions, which have not been met at the year end, would be noted as a commitment, but not accrued as expenditure.

Unrestricted funds are those funds which are available for use at the discretion of the Trustees in furtherance of the objectives of the charity.

**(g) Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of resourcing ministry and mission, governance costs and associated support costs.
- Other expenditure represents those items not falling into any other heading.

**(h) Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discounts offered. Prepayments are valued at the amount repaid net of any trade discounts due.

**(i) Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**(j) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**(k) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**(l) Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 5. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The address of the registered office is given in the reference and administration details of these financial statements. The nature of the charity's operations and principal activities are detailed in the trustees' report.



<b>2. Income from Grants and Donations</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Grants</b>		
Church Urban Fund	12,171	67,035
National Lottery	-	19,958
Worcester DBF	-	10,000
Lichfield District Council	5,350	13,250
Porticus	30,000	-
Walter Stanley	-	10,000
All Churches Trust/Benefact	12,500	-
Eveson Trust	-	30,548
William Cadbury Trust	-	3,000
Other Grants	18,648	26,003
	<hr/>	<hr/>
	78,669	179,794
All income from Grants in 2022 and 2021 was restricted		
 Donations	 410	 445
	<hr/>	<hr/>
	79,079	180,239
	<hr/> <hr/>	<hr/> <hr/>
£210 of Donations were unrestricted 2022 (£245 in 2021)		
 <b>3. Income from charitable activities</b>	 <b>2022 £</b>	 <b>2021 £</b>
Other Income	-	1,089
	<hr/>	<hr/>
	-	1,089
	<hr/> <hr/>	<hr/> <hr/>
 <b>4. Expenditure on charitable activities</b>	 <b>2022 £</b>	 <b>2021 £</b>
<b>Programme costs</b>		
Advertising/promotional costs	1,880	2,879
Wages and salaries	103,509	194,527
Conference fees and expenses	1,693	3,087
Grants	40	4,360
Sundry costs	2,885	16,928
	<hr/>	<hr/>
	110,008	221,781
 <b>Support costs</b>		
Rent paid	443	7,227
Other operating costs	24,294	21,024
Governance costs	3,024	2,940
	<hr/>	<hr/>
	27,761	31,191
	<hr/>	<hr/>
	137,769	252,972
	<hr/> <hr/>	<hr/> <hr/>

<b>5. Debtors and accrued income</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Sundry debtors	7,500	6,243
Prepayments	678	3,512
Accrued income	-	-
	<u>8,178</u>	<u>9,755</u>
	<u><u>8,178</u></u>	<u><u>9,755</u></u>
<b>6. Creditors</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Amounts due falling within one year		
Sundry creditors	25,069	58,798
Accruals	2,844	2,880
	<u>27,913</u>	<u>61,678</u>
	<u><u>27,913</u></u>	<u><u>61,678</u></u>
<b>7. Net income for the year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Auditors' remuneration	3,024	2,880
	<u>3,024</u>	<u>2,880</u>
	<u><u>3,024</u></u>	<u><u>2,880</u></u>
<b>8. Employees</b>	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
The average number of persons employed by the trust during the year was:		
Management and administration	5	7
	<u>5</u>	<u>7</u>
	<u><u>5</u></u>	<u><u>7</u></u>
	<b>£</b>	<b>£</b>
Wages and salaries	95,015	175,399
Social security	6,823	13,591
Pension	1,671	5,537
	<u>103,509</u>	<u>194,527</u>
	<u><u>103,509</u></u>	<u><u>194,527</u></u>

No employee had emoluments in excess of £60,000 (2021: nil).

In 2022 there were nil trustees employed (2021: nil).

The aggregate of key management remuneration was £nil (2021: £nil).

<b>9. Reserves</b>	<b>Reserves Brought Forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Reserves Carried Forward</b>
<b>Analysis of charitable funds</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted reserves	65,932	210	(6,890)	(33,090)	26,162
<b>Restricted reserves</b>					
Transforming Communities Together	(33,745)	30,200	(40,745)	42,654	(1,636)
Near Neighbours	(6,642)	19,671	(22,467)	9,438	-
Walsall Women Together	(185)	-	(483)	668	-
Dementia Friendly Church	(1,305)	2,045	(740)	-	-
Places of Welcome	38,735	11,598	(46,235)	-	4,098
Bringing People Together	3,848	-	(1,363)	(2,485)	-
Just Finance	9,329	-	(20)	(9,309)	-
Just Finance(All Churches)	2,581	-	-	(2,581)	-
Overcoming Shocking Debt	2,478	-	-	(2,478)	-
Modern Slavery Campaign	3,080	2,854	(2,212)	(3,722)	-
Modern Slavery Partnership	(905)	-	-	905	-
Mental Health	2,950	12,500	(16,613)	-	(1,163)
	20,219	78,868	(130,878)	33,090	1,299
Total	86,151	79,078	(137,768)	-	27,461

<b>Reserves 2021 comparatives</b>	<b>Reserves Brought Forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Reserves Carried Forward</b>
<b>Analysis of charitable funds</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted reserves	61,612	10,373	(6,053)	-	65,932
<b>Restricted reserves</b>					
Transforming Communities Together	(35,580)	12,355	(53,502)	42,982	(33,745)
Near Neighbours	(3,908)	39,955	(35,939)	(6,750)	(6,642)
Walsall Women Together	871	27,080	(16,191)	(11,945)	(185)
Dementia Friendly Church	(851)	-	(454)	-	(1,305)
Places of Welcome	45,903	51,880	(52,296)	(6,750)	38,735
Bringing People Together	6,918	10,399	(10,052)	(3,417)	3,848
Just Finance	28,338	13,000	(28,009)	(4,000)	9,329
Just Finance(All Churches)	9,160	75	(4,654)	(2,000)	2,581
Overcoming Shocking Debt	16,206	-	(13,728)	-	2,478
Modern Slavery Campaign	1,129	16,211	(9,507)	(4,753)	3,080
Modern Slavery Partnership	2,996	-	(3,903)	-	(905)
Mental Health	25,000	-	(18,683)	(3,367)	2,950
	96,183	170,955	(246,920)	-	20,219
Total	157,795	181,328	(252,972)	-	86,151

The transfers represent project overhead charges towards the central administrative hub of the company.

# **10. 2022: Analysis of Net Assets between Funds**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds £</b>
Current assets	30,679	24,695	55,374
Creditors due within one Year	(4,517)	(23,396)	(27,913)
	<u>26,162</u>	<u>1,299</u>	<u>27,461</u>
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>

## ***Analysis of Net Assets between Funds*** ***2021: Comparative***

	<b><i>Unrestricted Funds £</i></b>	<b><i>Restricted Funds £</i></b>	<b><i>Total Funds £</i></b>
<i>Current assets</i>	<i>72,097</i>	<i>75,732</i>	<i>147,829</i>
<i>Creditors due within one Year</i>	<i>(6,165)</i>	<i>(55,513)</i>	<i>(61,678)</i>
	<u><i>65,932</i></u>	<u><i>20,219</i></u>	<u><i>86,151</i></u>
	<u><u><i>          </i></u></u>	<u><u><i>          </i></u></u>	<u><u><i>          </i></u></u>

# **11. Taxation**

Transforming Communities Together is established for charitable purposes and is exempt from Corporation Tax and Income Tax on interest received.

# **12. Related Parties**

Transforming Communities together has no related parties.

It has 2 members Church Urban Fund company number 02138994 and Mercian Community Trust company number 04345177 of which there are no financial transactions.

# **13. Comparative Statement of Financial Activities (year ended 31 December 2021)**

<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
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	Note	Funds £	Funds £	2021 £
<b>Income from:</b>				
Grants and Donations	2	10,370	169,869	180,239
Charitable activities	3	3	1,086	1,089
<b>Total income</b>		<u>10,373</u>	<u>170,955</u>	<u>181,328</u>
<b>Expenditure on:</b>				
Charitable Activities	4	<u>6,053</u>	<u>246,919</u>	<u>252,972</u>
<b>Total expenditure</b>		<u>6,053</u>	<u>246,919</u>	<u>252,972</u>
<b>Net Income/Expenditure</b>		<u>4,320</u>	<u>(75,964)</u>	<u>(71,644)</u>
<b>Transfer between funds</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		4,320	(75,964)	(71,644)
Total funds brought forward		<u>61,612</u>	<u>96,183</u>	<u>157,795</u>
<b>Total funds carried forward</b>		<u><u>65,932</u></u>	<u><u>20,219</u></u>	<u><u>86,151</u></u>