

THE BESOM NETWORK
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

THE BESOM NETWORK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A Hewat	
	Ms J Winks	
	Mr S Winks	
	Ms J Brand	
	Ms A Emmins	
	Mr R Habgood	(Appointed 13 March 2023)
Charity number	1192800	
Principal address	3 NEWHOUSE BUSINESS CENTRE	
	OLD CRAWLEY ROAD	
	FAYGATE	
	HORSHAM	
	WEST SUSSEX	
	UK	
	RH12 4RU	
Independent examiner	Nicholas M Baldwin BA(Econ) FCA DChA	
	Baldwin Scofield Accountancy LLP	
	3 Newhouse Business Centre	
	Old Crawley Road	
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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MAY 2023

The trustees present their annual report and financial statements for the year ended 31 May 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 constitution, the Charities Act 2011 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

The charity's objectives are the relief of those in need, by reason of age, ill health, disability, financial or other social disadvantage and the advancement of the Christian religion, in particular, but not exclusively, by facilitating, supporting, equipping and resourcing the network of Besoms, and any other charitable initiatives that further the fulfilment of the charity's objects, in the UK and overseas.

The principle reason for the creation of The Besom Network was to facilitate and continue the work originally started in 2014 by The Besom charity which supported and encouraged individual Besoms across the UK to enable Christians to be a bridge between people who wished to give and those on the margins of society who needed items to live in accommodation. In addition The Besom also carried out projects in poorer parts of the world. In 2019 the founder of The Besom decided to step down and so a new charity was needed.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

2023 has been largely spent developing a new organisational structure: reallocating responsibilities and deciding where our immediate focus should be to future proof the charity, encourage the other Besom charities, and provide effective support thereof. The vision to grow the network remains the central to the trustees. To this end a Communications Lead was recruited for 2023/24, with the objective to raise the profile of the refreshed "Vision and Mission" and spread our message more effectively to a wider audience. In keeping with our core values no grant applications or direct fundraising has taken place, we continue to pray for what is needed.

There are currently 20 Besoms in England and it is anticipated that this will grow throughout 2023 and 2024.

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Structure, governance and management

The charity is a charitable incorporated organisation (CIO).

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr A Hewat

Ms J Winks

Mr S Winks

Ms J Brand

Ms A Emmins

Mr R Habgood

(Appointed 13 March 2023)

THE BESOM NETWORK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

The trustees are all drawn from existing Besoms and have many years of experience in the running and needs of those Besoms in the UK. In January 2023 an additional trustee joined the charity with the view of taking of the Chair, which took place at the beginning of the 2023/24 period. The charity also employed a National Adviser from the 1st of June 2022 to 31st of December 2022. However, the position ended by way of mutual agreement primarily due to insufficient funds and the need to change the internal operational structure.

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.

Mr A Hewat
Trustee

27 November 2023

THE BESOM NETWORK

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE BESOM NETWORK

I report to the trustees on my examination of the financial statements of The Besom Network (the charity) for the year ended 31 May 2023.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of 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

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

Nicholas M Baldwin BA(Econ) FCA DChA
Baldwin Scofield Accountancy LLP

3 Newhouse Business Centre
Old Crawley Road
Horsham
West Sussex
RH12 4RU

Dated: 27 November 2023

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STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MAY 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from:			
Donations and legacies	3	29,816	52,977
Charitable activities	4	31,426	57,035
Net expenditure and movement in funds		(1,610)	(4,058)
Reconciliation of funds:			
Fund balances at 1 June 2022		(4,058)	-
Fund balances at 31 May 2023		<u>(5,668)</u>	<u>(4,058)</u>

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

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BALANCE SHEET

AS AT 31 MAY 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Cash at bank and in hand		3,232		529	
Creditors: amounts falling due within one year	10	<u>900</u>		<u>4,587</u>	
Net current assets/(liabilities)			2,332		(4,058)
Creditors: amounts falling due after more than one year	11		<u>(8,000)</u>		<u>-</u>
Net liabilities			<u>(5,668)</u>		<u>(4,058)</u>
The funds of the charity					
Unrestricted funds			<u>(5,668)</u>		<u>(4,058)</u>
			<u>(5,668)</u>		<u>(4,058)</u>

The financial statements were approved by the trustees on 27 November 2023

Mr A Hewat
Trustee

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

1 Accounting policies

Charity information

The Besom Network is a charitable incorporated organisation (CIO) registered and regulated by the Charity Commission in England and Wales.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, 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 have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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 or grantors 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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.

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

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 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.

Basic financial assets

Basic financial assets, which include debtors 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 creditors 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 creditors 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 creditors 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.

1.7 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.

1.8 Retirement benefits

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 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.

3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	26,579	52,977
Gift aid income	3,237	-
	<u>29,816</u>	<u>52,977</u>

4 Expenditure on charitable activities

	2023 £	2022 £
Direct costs		
Staff costs	27,847	47,274
Travel & other associated expenses	579	236
Motor expenses	654	1,494
Phone & Broadband	161	284
Office, IT & consumables	147	425
Web, hosting & Domains	720	247
Training & Conferences	-	154
BST / Trustee retreat meetings	-	428
Payroll, Accounting & Reg. Office	91	387
Sundry expenses	292	4
Professional fees	35	-
	<u>30,526</u>	<u>50,933</u>
Share of support and governance costs (see note 5)		
Governance	900	6,102
	<u>31,426</u>	<u>57,035</u>
Analysis by fund		
Unrestricted funds	<u>31,426</u>	<u>57,035</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

5 Support costs

	Support costs £	Governance costs £	2023 £	2022 £
Audit fees	-	900	900	1,080
Legal and professional	-	-	-	5,022
	<u>-</u>	<u>900</u>	<u>900</u>	<u>6,102</u>
	<u>-</u>	<u>900</u>	<u>900</u>	<u>6,102</u>
Analysed between				
Charitable activities	-	900	900	6,102
	<u>-</u>	<u>900</u>	<u>900</u>	<u>6,102</u>

THE BESOM NETWORK

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

6 Trustees

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

7 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	1	1
	<u>1</u>	<u>1</u>
Employment costs	2023	2022
	£	£
Wages and salaries	26,775	45,897
Other pension costs	1,072	1,377
	<u>27,847</u>	<u>47,274</u>
	<u>27,847</u>	<u>47,274</u>

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

8 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

9 Loans and overdrafts

	2023 £	2022 £
Other loans	8,000	-
	<u>8,000</u>	<u>-</u>
Payable after one year	8,000	-
	<u>8,000</u>	<u>-</u>

The long term loans are agreed as per the signed conditions and terms regarding loans document held by The Besom Network.

The long term loans are both repayable on demand and interest free as per the signed agreements.

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

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	-	615
Other creditors	-	2,789
Accruals and deferred income	900	1,183
	<u>900</u>	<u>4,587</u>

11 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Other loans	9	<u>8,000</u>	<u>-</u>

12 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 June 2022 £	Incoming resources £	Resources expended £	At 31 May 2023 £
General funds	<u>(4,058)</u>	<u>29,816</u>	<u>(31,426)</u>	<u>(5,668)</u>
Previous year:	At 1 June 2021 £	Incoming resources £	Resources expended £	At 31 May 2022 £
General funds	<u>-</u>	<u>52,977</u>	<u>(57,035)</u>	<u>(4,058)</u>

13 Related party transactions

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