

Company no. 04862177
Charity no. 1100518

Transform Drug Policy Foundation
Report and Unaudited Financial
Statements
31 March 2020

Transform Drug Policy Foundation

Reference and administrative details

For the year ended 31 March 2020

Company number 04862177

Charity number 1100518

Registered office and operational address 9-10 King Street
Bristol
BS1 4EQ

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Jane Hickman	Chair
Howard Jacobs	
Rowan Miller	(appointed 11 February 2020)
Yewande Okuleye	(appointed 11 February 2020)
Hannah Slater	(appointed 11 February 2020)
Victoria Unwin	(appointed 5 August 2019)
Rosalind Kennedy	(resigned 11 February 2020)
Claire Wilcox	(resigned 31 December 2019)

Chief executive officer James Nicholls

Independent examiners Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Transform Drug Policy Foundation

Report of the trustees

For the year ended 31 March 2020

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2015).

Structure, governance and management

Governing document

Transform Drugs Policy Foundation is a charitable company limited by guarantee (company number 04862177) and registered as a charity (charity number 1100518). The company was established under a Memorandum of Association and is governed by its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1. Its registered office is 9-10 King Street, Bristol, BS1 4EQ.

Risk management and assessment

The trustees are aware of their responsibilities to conduct a thorough risk assessment of the charity's activities.

Currently risks are identified and controlled through a process of management overview of financial, managerial and strategic issues, coupled with frequent staff discussion and maintained in a risk register.

Appointment of trustees

The trustees who are directors for the purpose of company law and trustees for the purpose of charity law, who served for the year and up to the date of this report are set out on page 1. New trustees are appointed upon the recommendation of existing trustees and may involve external recruitment efforts using pro bono professional advice.

Organisational structure

Day to day responsibility for the provision of services rests with the chief executive officer James Nicholls.

Objectives and activities for the public benefit

The trustees have had regard to the guidance issued by the Charity Commission on public benefit.

The charity's activities during the year were the advancement of the education of the public and organisations in drug policy by research and dissemination of information, with a view to increasing the effectiveness of such policy and to preserve and safeguard the interests of the public. All our work is driven by the need to improve policy so that it better protects people according to reputable evidence.

Achievements and performance

Transform has gone from strength to strength this year. Interest in and support for Transform's work grew noticeably, with more governments considering fundamental reform to parts of their drug law and policy. Cannabis law reform has been receiving widespread attention from policy makers and demonstrates how effective it is to redirect precious resources from punishment to health treatment and education. We were pleased to advise the Luxembourg government on the reform of their cannabis law. Transform has convened many events through the year for experts to exchange ideas, policy makers to develop new initiatives at local level and for individuals to learn more about our mission.

Transform Drug Policy Foundation

Report of the trustees

For the year ended 31 March 2020

Aid from our funders has continued to grow, with vital grants from Esmée Fairbairn, the Tudor Trust and the John Ellerman Foundation as well as increased funds from the Linnet Trust, to name but a few. We also enjoy backing from a host of small and medium individual donors.

This support allowed us to create two new research posts this year, establishing a stronger regional network for collaboration at local government level as well as producing substantial new reports on the impacts on drug law reform both in the UK and internationally. We also welcomed additional expertise to our board with new trustees Dr Yewande Okuleye, Rowan Miller, Victoria Unwin and Hannah Slater.

The year ended with the Covid lockdown bringing renewed focus from Transform on drug users in the prison system who with other non-violent offenders should be considered for early release. The virus obviously curtailed our calendar of live events including lectures, conferences, exhibitions and speakers and saw our staff move swiftly to extend our existing digital communication platforms and envision a rapid transfer of all our outreach work to digital media. It has accelerated the rate at which economic and social policy are likely to change and added relevance to Transform's mission to increase the effectiveness of drug policy. Our strategy through this time will remain under constant review.

Our Anyone's Child campaign continues to grow in size and influence. We now have 30 families bringing their unique lived experiences to the campaign for better drug policy. Anyone's Child led a successful lobby of Parliament in June and have plans in place for an even larger event this year. They continue to hold regional events which attract large numbers of participants, and Anyone's Child families are regularly the subject of national media features.

The endorsement and encouragement of Transform's work from families involved in the Anyone's Child campaign, all of whom have experienced at first hand the tragic consequences of punitive drug policy, remains both a key driver and a pillar of support for what we do.

Financial review

During the prior financial year we successfully increased our income and while this was received and recognised in the 2018/19 accounts, a significant proportion of this income was budgeted for use in 2019/20 – either because it arrived late in the 2018/19 financial year or because it was part of a multi-year grant which was fully recognised on receipt in 2018/19. Therefore, while income received during the year is down on 2018/19, we believe we have been successful in maintaining our funding base.

We have invested in a small expansion to our team this year while also keeping a focus on financial stability in the long-term. This has significantly increased our output and capacity to manage public events. We remain financially secure in the short term, but a number of our larger grants come to an end towards the end of the year ahead, and we will be focusing on seeking out both continuing support and new sources of investment going forward. While current funders have been very loyal and supportive under COVID-19, we are aware that future funding priorities may shift and that we have a responsibility to ensure donors continue to recognise the critical importance of drug policy reform in creating a better society.

Results

The results are shown in the statement of financial activities on page 7.

Transform Drug Policy Foundation

Report of the trustees

For the year ended 31 March 2020

Volunteers

During the year volunteers donated their services to the charity. The trustees estimate that these services in kind had a value of the order of £13,120.

Funders

Funds are received via grant-making trusts and from donations made by a wide range of individuals in the form of monthly direct debits, one-off payments, gifts in kind and larger donations made annually or several times a year. Donations are also collected at special events.

Reserves policy

The trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. It has established a policy whereby a designated fund should be established to meet: the working capital requirements of the charity for a period of 3 months in case future grants are not forthcoming; statutory payments liabilities for all staff; other liabilities. An amount of £132,000 has been maintained from unrestricted funds for this purpose, held in cash at the bank. Full details are set out in our Reserves and Investment Policy.

Plans for future periods

This year, we implemented a new two-year strategy. This sets out our core principles, theory of change and strategic focus for the years ahead. In the light of Covid, this will be kept under constant review. The pandemic has implications for how we deliver a number of our activities; however, it does not change the underlying goals we seek to achieve or our view on the best strategic means to achieve those outcomes. We are confident that our strategic approach will remain robust in the face of medium-term challenges.

Trustees and directors

The trustees and directors who held office at the end of the financial year and approved this report were:

Ms Jane Hickman (Chair)
Mr Howard Jacobs
Ms Rowan Miller
Dr Yewande Okuleye
Ms Hannah Slater
Ms Victoria Unwin

Statement of responsibilities of the trustees

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with 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).

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 income and expenditure of the charity for that period. In preparing those financial statements the trustees are required to:

Transform Drug Policy Foundation

Report of the trustees

For the year ended 31 March 2020

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that to the best of their knowledge there is no information relevant to the examination of which the independent examiners are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant examination information and that this information has been communicated to the independent examiners.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Independent examiners

Godfrey Wilson Limited were re-appointed as independent examiners to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 10 August 2020 and signed on their behalf by


Jane Hickman - Chair

Independent examiner's report

To the trustees of

Transform Drug Policy Foundation

I report to the trustees on my examination of the accounts of Transform Drug Policy Foundation (the charitable company) for the year ended 31 March 2020, which are set out on pages 7 to 22.

Responsibilities and basis of report

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

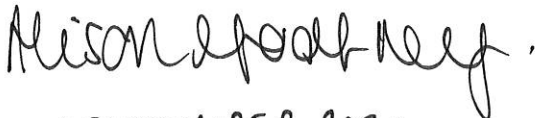
Independent examiner's statement

Since the charitable company'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 Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no material 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 charitable company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts 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 accounts 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 accounts to be reached.



Date: 1 SEPTEMBER 2020

Alison Godfrey FCA

Member of the ICAEW

For and on behalf of:

Godfrey Wilson Limited

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Transform Drug Policy Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2020

				2020	2019
	Note	Restricted £	Unrestricted £	Total £	Total £
Income from:					
Donations	3	113,549	195,617	309,166	557,429
Charitable activities	4	1,176	5,640	6,816	8,365
Other trading activities	5	-	2,518	2,518	-
Investments		-	718	718	628
Total income		<u>114,725</u>	<u>204,493</u>	<u>319,218</u>	<u>566,422</u>
Expenditure on:					
Raising funds		-	8,516	8,516	12,086
Charitable activities		<u>116,992</u>	<u>273,245</u>	<u>390,237</u>	<u>328,018</u>
Total expenditure	6	<u>116,992</u>	<u>281,761</u>	<u>398,753</u>	<u>340,104</u>
Net income / (expenditure)		(2,267)	(77,268)	(79,535)	226,318
Transfers between funds		-	-	-	-
Net movement in funds	7	(2,267)	(77,268)	(79,535)	226,318
Reconciliation of funds:					
Total funds brought forward		<u>102,579</u>	<u>342,155</u>	<u>444,734</u>	<u>218,416</u>
Total funds carried forward		<u><u>100,312</u></u>	<u><u>264,887</u></u>	<u><u>365,199</u></u>	<u><u>444,734</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 13 to the accounts.

Transform Drug Policy Foundation

Balance sheet

As at 31 March 2020

	Note	£	2020 £	2019 £
Current assets				
Debtors	10	6,544		7,010
Cash at bank and in hand		<u>370,762</u>		<u>450,935</u>
			377,306	457,945
Liabilities				
Creditors: amounts falling due within 1 year	11		<u>(12,107)</u>	<u>(13,211)</u>
Net current assets			<u>365,199</u>	<u>444,734</u>
Net assets	12		<u>365,199</u>	<u>444,734</u>
Funds	13			
Restricted funds			100,312	102,579
Unrestricted funds				
Designated funds			209,355	296,436
General funds			<u>55,532</u>	<u>45,719</u>
Total charity funds			<u>365,199</u>	<u>444,734</u>

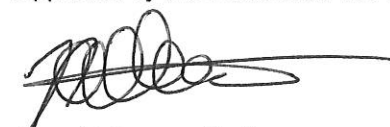
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the Company keeps proper accounting records which comply with section 386 of the Act; and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

Approved by the trustees on 10 August 2020 and signed on their behalf by



Jane Hickman - Chair

Transform Drug Policy Foundation

Statement of cash flows

For the year ended 31 March 2020

	2020	2019
	£	£
Cash used in operating activities:		
Net movement in funds	(79,535)	226,318
<i>Adjustments for:</i>		
Interest from investments	(718)	(628)
(Increase) / decrease in debtors	466	(2,687)
Increase / (decrease) in creditors	(1,104)	(10,271)
Net cash provided by operating activities	<u>(80,891)</u>	<u>212,732</u>
Cash flows from investing activities:		
Interest from investments	<u>718</u>	<u>628</u>
Net cash provided by investing activities	<u>718</u>	<u>628</u>
Increase in cash and cash equivalents in the year	(80,173)	213,360
Cash and cash equivalents at the beginning of the year	<u>450,935</u>	<u>237,575</u>
Cash and cash equivalents at the end of the year	<u><u>370,762</u></u>	<u><u>450,935</u></u>

Transform Drug Policy Foundation

Notes to the financial statements

For the year ended 31 March 2020

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Transform Drug Policy Foundation 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 note.

b) Going concern basis of accounting

The COVID-19 pandemic is likely to have a profound impact on the global economy, and may in turn affect the charity. The trustees have considered the impact of this issue on the charity's current and future financial position. The charity holds unrestricted, general reserves of £55,532, designated reserves that can be drawn down if necessary of £209,355, and a cash balance of £370,762. The trustees consider that the charity has sufficient unrestricted reserves and cash flow to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved. For this reason, the accounts have been prepared on the going concern basis.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

Transform Drug Policy Foundation

Notes to the financial statements

For the year ended 31 March 2020

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

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.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support and governance costs

Support and governance costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs have been allocated in full to expenditure on charitable activities which is deemed to be reflective of the activities of the charity in this period.

i) Debtors

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

j) Cash at bank and in hand

Cash at bank and cash 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.

k) Creditors

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.

l) Financial instruments

The charitable company 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 with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

m) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

n) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

Transform Drug Policy Foundation

Notes to the financial statements

For the year ended 31 March 2020

o) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements during the year.

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2019 Total £
Income from:			
Donations and legacies	183,957	373,472	557,429
Charitable activities	217	8,148	8,365
Investments	-	628	628
Total income	184,174	382,248	566,422
Expenditure on:			
Raising funds	-	12,086	12,086
Charitable activities	154,760	173,258	328,018
Total expenditure	154,760	185,344	340,104
Net income / (expenditure)	29,414	196,904	226,318
Transfers between funds	-	-	-
Net movement in funds	29,414	196,904	226,318

Transform Drug Policy Foundation

Notes to the financial statements

For the year ended 31 March 2020

3. Income from donations

	Restricted £	Unrestricted £	2020 Total £
Grants			
CAF America	-	25,119	25,119
Esmee Fairbairn Foundation	-	50,000	50,000
Glass House Trust	-	15,000	15,000
John Ellerman Foundation	40,000	-	40,000
Linnet Trust	-	25,000	25,000
MUCD	12,464	-	12,464
Nisbet Trust	-	5,000	5,000
Tudor Trust	54,000	-	54,000
Donations			
Bilton Charitable Foundation	-	10,000	10,000
Henry Hoare Charity	-	10,000	10,000
Howard Jacobs	-	25,000	25,000
Other donations	<u>7,085</u>	<u>55,617</u>	<u>62,702</u>
Total from donations	<u>113,549</u>	<u>195,617</u>	<u>309,166</u>

Transform Drug Policy Foundation

Notes to the financial statements

For the year ended 31 March 2020

3. Income from donations (continued)

Prior period comparative:

	Restricted £	Unrestricted £	2019 Total £
Grants			
Esmee Fairbairn Foundation	50,000	-	50,000
Glass House Trust	-	15,000	15,000
John Ellerman Foundation	40,000	-	40,000
Linnet Trust	-	15,000	15,000
MUCD	16,154	-	16,154
Network for Social Change	-	20,000	20,000
Nisbet Trust	-	5,000	5,000
Open Society Foundation	-	171,533	171,533
Tudor Trust	48,000	-	48,000
Vanguard Charitable Trust	-	21,933	21,933
Internships	1,800	-	1,800
Donations			
Bilton Charitable Foundation	-	10,000	10,000
Crowdfunding	14,239	-	14,239
Henry Hoare Charity	-	30,000	30,000
Howard Jacobs	-	20,000	20,000
Kenneth Aylmer	-	10,000	10,000
Other donations	13,764	30,006	43,770
Gifts in kind *	-	25,000	25,000
Total from donations	183,957	373,472	557,429

* Gifts in kind comprise pro-bono support from David Woolway Associates towards a rebranding exercise.

Transform Drug Policy Foundation

Notes to the financial statements

For the year ended 31 March 2020

4. Income from charitable activities

	Restricted £	Unrestricted £	2020 Total £
Consultancy	949	4,871	5,820
Events income	153	20	173
Sales of merchandise	74	749	823
Total income from charitable activities	1,176	5,640	6,816

Prior period comparative:

	Restricted £	Unrestricted £	2019 Total £
Consultancy	187	7,378	7,565
Sales of merchandise	30	750	780
Other income	-	20	20
Total income from charitable activities	217	8,148	8,365

5. Income from other trading activities

	Restricted £	Unrestricted £	2020 Total £	2019 Total £
Room hire income	-	2,518	2,518	-

Transform Drug Policy Foundation

Notes to the financial statements

For the year ended 31 March 2020

6. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2020 Total £
Staff costs (note 8)	8,434	275,079	12,310	295,823
Training and recruitment	-	1,850	2,924	4,774
Postage and stationery	-	100	1,711	1,811
Printing and design	-	352	396	748
Subscriptions, licences and charges	-	1,168	2,757	3,925
Travel and subsistence	-	13,191	-	13,191
Event costs	-	16,978	13,756	30,734
Equipment and software	-	144	6,251	6,395
Legal and professional	-	2,820	8,328	11,148
Office costs	-	367	4,753	5,120
Rent, rates and utilities	-	-	20,135	20,135
Advertising	-	-	-	-
Insurance	-	-	1,840	1,840
Accountancy	-	-	1,596	1,596
Costs of merchandise	-	184	350	534
Volunteer expenses	-	160	554	714
Bank charges	82	3	180	265
Sub-total	8,516	312,396	77,841	398,753
Allocation of support and governance costs	-	77,841	(77,841)	-
Total expenditure	8,516	390,237	-	398,753

Total governance costs were £1,596.

Transform Drug Policy Foundation

Notes to the financial statements

For the year ended 31 March 2020

6. Total expenditure (continued) Prior period comparative	Raising funds £	Charitable activities £	Support and governance costs £	2019 Total £
Staff costs (note 8)	12,000	214,158	11,903	238,061
Training and recruitment	-	339	377	716
Postage and stationery	-	107	1,909	2,016
Printing and design	-	1,444	-	1,444
Subscriptions, licences and charges	-	-	3,189	3,189
Travel and subsistence	-	17,748	270	18,018
Event costs	-	10,557	-	10,557
Equipment and software	-	25	403	428
Legal and professional	-	-	27,880	27,880
Office costs	-	1,531	6,826	8,357
Rent, rates and utilities	-	-	14,594	14,594
Advertising	-	7,847	-	7,847
Insurance	-	158	1,464	1,622
Accountancy	-	-	1,560	1,560
Costs of merchandise	-	1,698	-	1,698
Volunteer expenses	-	644	-	644
Bank charges	86	6	381	473
Bad debt	-	-	1,000	1,000
Sub-total	12,086	256,262	71,756	340,104
Allocation of support and governance costs	-	71,756	(71,756)	-
Total expenditure	12,086	328,018	-	340,104

Total governance costs were £1,560

Transform Drug Policy Foundation

Notes to the financial statements

For the year ended 31 March 2020

7. Net movement in funds

This is stated after charging:

	2020 £	2019 £
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	244	Nil
Independent examiner's remuneration:		
▪ Independent examination (including VAT)	<u>1,596</u>	<u>1,560</u>

Two trustees were reimbursed for travel expenses and trustee meeting expenses (2019: Nil).

8. Staff costs and numbers

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	263,332	210,352
Social security costs	20,357	16,415
Pension costs	<u>12,134</u>	<u>11,294</u>
	<u>295,823</u>	<u>238,061</u>

No employee earned more than £60,000 during the year.

The key management personnel of the charitable company comprise the Trustees and the Chief Executive Officer. The total employee benefits of the key management personnel were £64,631 (2019: £42,424).

Salaries and wages includes a payment of £20,000 made to a member of staff, comprising a statutory redundancy payment and a modest ex gratia payment in acknowledgement of his contribution as founder of Transform and over 20 years service to the charity.

	2020 No.	2019 No.
Average head count	<u>9.00</u>	<u>8.00</u>

9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Transform Drug Policy Foundation

Notes to the financial statements

For the year ended 31 March 2020

10. Debtors

	2020	2019
	£	£
Trade debtors	-	180
Prepayments	4,660	4,360
Other debtors	1,884	2,470
	<u>6,544</u>	<u>7,010</u>

11. Creditors : amounts due within 1 year

	2020	2019
	£	£
Trade creditors	89	2,657
Accruals	11,671	9,854
Pension creditor	347	700
	<u>12,107</u>	<u>13,211</u>

12. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Current assets	100,312	209,355	67,639	377,306
Current liabilities	<u>-</u>	<u>-</u>	<u>(12,107)</u>	<u>(12,107)</u>
Net assets at 31 March 2020	<u>100,312</u>	<u>209,355</u>	<u>55,532</u>	<u>365,199</u>

Prior year comparative

	Restricted funds £	Designated funds £	General funds £	Total funds £
Current assets	102,579	296,436	58,930	457,945
Current liabilities	<u>-</u>	<u>-</u>	<u>(13,211)</u>	<u>(13,211)</u>
Net assets at 31 March 2019	<u>102,579</u>	<u>296,436</u>	<u>45,719</u>	<u>444,734</u>

Transform Drug Policy Foundation

Notes to the financial statements

For the year ended 31 March 2020

13. Movements in funds

	At 1 April 2019 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2020 £
Restricted funds					
Esmee Fairbairn Foundation	12,500	-	(12,500)	-	-
Latin America	7,404	12,463	(9,892)	-	9,975
Anyone's Child	71,168	101,362	(82,193)	-	90,337
Internship	-	900	(900)	-	-
Stimulant book	11,507	-	(11,507)	-	-
Total restricted funds	102,579	114,725	(116,992)	-	100,312
Unrestricted funds					
<i>Designated funds:</i>					
OSF	121,503	-	(85,767)	-	35,736
Network for Social Change	20,000	-	(20,000)	-	-
Vanguard Charitable Trust	21,933	-	(21,933)	-	-
Esmee Fairbairn Foundation	-	50,000	(37,500)	-	12,500
CAF America	-	25,119	-	-	25,119
Reserves fund	131,000	-	-	1,000	132,000
Dilapidations fund	2,000	-	-	2,000	4,000
<i>Total designated funds</i>	<i>296,436</i>	<i>75,119</i>	<i>(165,200)</i>	<i>3,000</i>	<i>209,355</i>
General funds	45,719	129,374	(116,561)	(3,000)	55,532
Total unrestricted funds	342,155	204,493	(281,761)	-	264,887
Total funds	444,734	319,218	(398,753)	-	365,199

Purposes of restricted funds

Esmee Fairbairn Foundation	The Esmee Fairbairn Foundation grant provides core funding for the charity's work in improving UK drug policy and providing a voice for families.
Latin America	Money received from Mexico Unido Contra la Delincuencia for Transform's activities in Latin America.
Anyone's Child	The Anyone's Child project, funded by the Tudor Trust and the John Ellerman Foundation, aims to enable families impacted by current drug policy to speak out.
Internship	The internship fund represents funding from the University of Bristol for the wages of a student intern.
Stimulant book	The Stimulant Book fund represents income from an appeal specifically for donations towards the production of this book.

Transform Drug Policy Foundation

Notes to the financial statements

For the year ended 31 March 2020

13. Movements in funds (continued)

Purposes of designated funds

Open Society Foundation

The Open Society Foundation grant was received to fund charitable operations from 1 September 2018 to 31 August 2020. The trustees have budgeted for expenditure of this grant on a systematic basis by August 2020, with plans to expend the remaining £35,736 by August 2020.

Network for Social Change and Vanguard Charitable Trust

These funds represent grants received towards the end of March 2019 which were requested to fund activities that did not commence until after 1 April 2019.

Esmee Fairbairn Foundation

The Esmee Fairbairn Foundation grant funds the charity's core work in the UK, i.e. education, research and advocacy.

CAF America

This fund represent a grant received towards the end of March 2020 which was requested to fund activities that did not commence until after 1 April 2020.

Reserves fund

The Reserves fund exists to protect the charity against any sudden unexpected drop in funding. It is calculated to cover three months' running costs, plus the potential cost of staff redundancies and other contractual liabilities in the event of the charity being wound up.

Dilapidations fund

The Dilapidations Fund exists to cover future costs of repairs and redecoration of the charity's offices.

Transform Drug Policy Foundation

Notes to the financial statements

For the year ended 31 March 2020

13. Movements in funds (continued)

Prior year comparative

	At 1 April 2018 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2019 £
Restricted funds					
Esmee Fairbairn Foundation	12,500	50,000	(50,000)	-	12,500
Latin America	125	16,154	(8,875)	-	7,404
Anyone's Child	60,000	101,981	(90,813)	-	71,168
Internship	540	1,800	(2,340)	-	-
Stimulant book	-	14,239	(2,732)	-	11,507
Total restricted funds	73,165	184,174	(154,760)	-	102,579
Unrestricted funds					
<i>Designated funds:</i>					
OSF	-	171,533	(50,030)	-	121,503
Network for Social Change	-	20,000	-	-	20,000
Vanguard Charitable Trust	-	21,933	-	-	21,933
Reserves fund	131,000	-	-	-	131,000
Dilapidations fund	-	-	-	2,000	2,000
<i>Total designated funds</i>	131,000	213,466	(50,030)	2,000	296,436
General funds	14,251	168,782	(135,314)	(2,000)	45,719
Total unrestricted funds	145,251	382,248	(185,344)	-	342,155
Total funds	218,416	566,422	(340,104)	-	444,734

14. Related party transactions

There were no related party transactions during the year.