

TOWER HAMLETS FRIENDS AND NEIGHBOURS
(a company limited by guarantee)

Company Number: 04657449
Registered Charity number 1099403



**TOWER HAMLETS FRIENDS AND
NEIGHBOURS**

A Charitable Company Limited by Guarantee.

Annual Report
Year ended 31 March 2024

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024

Trustees:

Anne Worlledge (Chair)
Carl Steventon (Deputy Chair)
Stephen Robarts (Treasurer)
Pam Kaur Gibbons (Resigned from 19 September 2024)
Jennifer Skeels
Louise Theophile
Nicolle Deniz (Resigned from 6 June 2024)
Jaber Khan
Nancy Easton (Resigned from 19 September 2024)
Christopher Bingham (Resigned April 2023)

Registered and principal office

St Margaret's House, 21 Old Ford Road, London E2 9PL
Telephone 0203 007 9120 Email admin@thfn.org.uk Website www.thfn.org.uk

Staff

Chief Executive :	Rita Chadha (from October 2023)
Chief Executive and Company Secretary:	Rajesh Kalhan (to October 2023)
Client Services Administrator	Clara Djondo
Befriending Advocates:	Rose Curran (resigned from July 2024), Shirajul Islam, Breenda Lawrence, Shaleha Begum, Nina Mcloone (from December 2024)

Bankers

HSBC Bank plc

Independent Examiner

Gavin Purvis (FCCA), Purvis Stevens LLP, Chartered Certified Accountants, Hayles Bridge Offices, 228 Mulgrave Road, Cheam, Surrey SM2 6JT

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DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

Report from the Chair

In our Annual Report for the year to 31 March 2023 I reported that securing sustainable funding in that year had been very difficult and challenging but that we had started this new financial year to 31 March 2024 with sufficient reserves and secured funding for the year. I am very pleased to report that the cost cutting measures we put in place and earnest fundraising have enabled us to continue to provide the same level of service to our clients and community in this year and we remain hopeful for the year to 31 March 2025 and the following year.

Without a doubt, funding for small charities such as THFN remains challenging, but we feel confident that we are in a strong position to demonstrate the value and quality of the service we provide to our unique client group, and to the community in Tower Hamlets.

We were able to support 214 clients in the year to 31 March 2024 (240 in 2023). As a snapshot of the service provided, our staff and volunteers had 2,015 face-to-face meetings with clients and 2,617 telephone meetings. All of this has only been possible due to the dedication of our staff and volunteers.

Within the service we provide to the whole community we are fortunate in being able to provide dedicated support to the ethnic population in Tower Hamlets through a service to support older Bangladeshi residents, and we will be introducing a similar service in January 2025 for the older Somali community.

Thankfully we were able to recruit an interim CEO, Rita Chadha, in September 2023. Rita has been the cornerstone in guiding the charity in the period to date, in terms of funding and in carrying out a modernisation and transformation agenda, including improved client allocation and more focussed data collection. More recently she has worked with the trustee board to review the impact the service has for our clients. The review has confirmed that the service we provide continues to be needed, and that demand will grow as the population in Tower Hamlets ages (the population of those over 55 is expected to grow by 44% by 2031). In this coming year we will also focus on creating group support through activities and outings and will continue to monitor the needs of the population in Tower Hamlets and how best we can meet those needs.

In July 2024 Rose Curran stepped down after almost 37 years with the charity (she joined us in November 1987). Rose has been a vital part of the staff team and will be greatly missed by everyone at THFN and by her clients. We recruited a new team member, Nina McLoone who started with us in December 2024.

As always, on behalf of the trustees I thank all of our staff and volunteers- they are the heart and soul of THFN.

Please follow us on social media or through our website (thfn.org.uk) and watch our progress, and if you would like to receive a regular newsletter, please contact Rita Chadha on rita@thfn.org.uk.

ANNE WORLLEDGE

Anne Worlledge – Chair of Trustees

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DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The trustees present the annual report together with the financial statements for the year ending 31 March 2024. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) 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 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies (Strategic Report and Director's Report Regulations 2013) is not required.

Annual Impact Report

Transforming Lives, Building Communities

Tower Hamlets Friends and Neighbours (THFN) stands at the forefront of combating social isolation and enhancing quality of life for those over 55 in Tower Hamlets. As a dynamic voluntary organisation, we leverage innovative approaches and bespoke care to create meaningful connections and deliver vital support services.

Through our integrated support network, we break down barriers to independence, champion mental wellbeing, and foster lasting social connections. Our evidence-based approach combines traditional befriending services with modern advocacy and support systems, ensuring every client receives bespoke support that adapts to their evolving needs.

Our Mission

Tower Hamlets Friends and Neighbours is dedicated to empowering older adults to live vibrant, connected lives in our community. Through innovative and bespoke support systems, we create pathways to independence and wellbeing for isolated and vulnerable individuals. Our mission is delivered through three key pillars:

1. Building Meaningful Connections

We create transformative social connections that combat isolation and nurture lasting relationships. Through our extensive network of trained volunteers and professional staff, we ensure no older member of our community faces life's challenges alone.

2. Empowering Independent Living

Our comprehensive support framework enables older people to maintain their autonomy and dignity. We combine emotional support with practical assistance, helping navigate healthcare systems, access vital services, and manage daily challenges with confidence.

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3. Fostering Active Engagement

We curate dynamic, inclusive activities that stimulate both mind and body. Our innovative social activities create opportunities for personal growth, cultural expression, and community participation, ensuring every older person can contribute to and benefit from an active community life.

Voluntary Organisation Supporting Older People in 2023-2024

The voluntary sector's role in supporting older people has never been more critical. By 2042, the number of people aged 65+ in the UK is projected to increase by 43% to 17.4 million (Office for National Statistics, 2024). In Tower Hamlets alone, the population aged 65 and over is expected to grow by 44% by 2031 (Tower Hamlets Joint Strategic Needs Assessment, 2023).

The Post-Pandemic Aftermath

While COVID-19 restrictions lifted, their impact lingered heavily. Age UK reported that 1.2 million older people in England are chronically lonely (Age UK, 2023), while 27% of people aged 60+ say they speak to family, friends, or neighbours less than once a week (Campaign to End Loneliness, 2023). Our local data reflects this crisis, with 95.2% of THFN clients experiencing depression.

Resource Squeeze

Voluntary organisations faced unprecedented pressures:

- 83% of charities reported increased operating costs due to inflation (NCVO, 2023)
- 55% of UK charities dipped into their reserves to survive (Charity Commission, 2023)
- 47% of small charities reported serious concerns about their long-term survival (Small Charities Coalition, 2023)

In Tower Hamlets, where 39% of older people live in income-deprived households (London Poverty Profile, 2023), the demand for services continues to rise while resources diminish.

Complex Care Needs

The profile of older people needing support became increasingly complex:

- One in five people aged 75+ live with two or more chronic conditions (NHS Digital, 2023)
- Dementia cases are projected to rise by 75% in Tower Hamlets by 2030 (Tower Hamlets Health and Wellbeing Strategy, 2023)
- 42% of people aged 75+ in London have a mobility impairment (GLA, 2023)

System Navigation Challenges

The fragmentation of services has created significant barriers:

- 78% of older people report difficulty navigating health and social care systems (Age UK, 2023)
- 2.2 million older people in the UK have unmet care needs (The Kings Fund, 2023)

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- 45% of over-65s in Tower Hamlets live alone (Tower Hamlets Council Demographics, 2023)

Social Care Crisis Impact

The crisis in social care has reached critical levels:

- 506,000 people are waiting for adult social care assessments nationally (ADASS, 2023)
- £3.5 billion funding gap identified in adult social care (Local Government Association, 2023)
- 165,000 vacant posts in adult social care across England (Skills for Care, 2023)

Demographic Shifts

The changing demographic landscape presents new challenges:

- By 2025, more than 25% of Tower Hamlets' older population will be from ethnic minority backgrounds (GLA Demographic Projections, 2023)
- 47% of over-75s in the UK are digitally excluded (Lloyds Bank Digital Index, 2023)
- 3.8 million older people in the UK live alone (Office for National Statistics, 2023)

Workforce Pressures

The voluntary sector workforce faces significant challenges:

- 77% of UK charities report difficulties in volunteer recruitment (NCVO Civil Society Almanac, 2023)
- 68% of voluntary organizations report increased training needs due to complex cases (Charity Skills Report, 2023)
- Volunteer numbers in London declined by 25% post-pandemic (London Plus, 2023)
- In 2023 we restructured the organisation to meet our financial circumstances, sadly we lost our full-time Chief Executive Rajesh Khalan, Rita Chadha joined us in September 2023 to steer the organisation through a modernisation and transformation agenda.
- In 2023 we also registered to become a London Living Wage Employer

Financial Sustainability

Organisations face mounting financial pressures:

- 40% of charities reported a deteriorating financial position (Pro Bono Economics, 2023)
- Small charities saw a 20% decrease in unrestricted funding (Small Charities Data Hub, 2023)
- 82% of voluntary organizations report increased costs due to inflation (NCVO, 2024)

The Future Landscape

The sector faces growing demands:

- The number of people aged 85+ in the UK is set to double by 2043 (ONS, 2023)
- 75% of older people in Tower Hamlets will need some form of care support by 2030 (Tower Hamlets Adult Social Care Strategy, 2023)

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- Demand for voluntary sector services is projected to increase by 50% by 2025 (Civil Society Futures, 2023)

The challenges faced by voluntary organisations supporting older people in 2023-2024 reflect broader societal issues in aging and social care. With 1 in 5 people in the UK projected to be over 65

by 2030 (ONS, 2023), the role of voluntary organisations becomes increasingly crucial in supporting our aging population.

The Challenge We Address

Loneliness and social isolation present significant health risks in Tower Hamlets, where:

- A higher proportion of older people live alone compared to the national average
- An estimated 16% of older residents experience chronic loneliness
- Social isolation impacts are comparable to smoking and exceed obesity's health effects
- The borough faces unique challenges with higher rates of poverty and diverse ethnic populations

Our Impact in Numbers 2023-2024

Client Demographics

- Total clients supported: 214
- New referrals: 90
- Average client age: 79 years
- Gender distribution: 60% female, 40% male
- Oldest client: 100 years

Health and Wellbeing Support

Our clients face complex health challenges:

- Depression: 139 clients (95.2%)
- Multiple chronic conditions: 100 clients (68.5%)
- Diagnosed dementia: 36 clients (24.7%)
- Additional memory issues/undiagnosed dementia: 19 clients
- Mobility issues: 45% of clients
- Housebound status: Over 70% of clients

Service Delivery

We provided comprehensive support through:

- 2,617 phone calls
- 2,015 face-to-face visits/assessments

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- 1,804 wellbeing activities
- 1,276 reminiscence sessions
- 224 advocacy support incidents
- 138 escort services
- 117 food/prescription deliveries

Cultural Competency

We serve a diverse community:

- White UK: 106 clients (49.5%)
- Asian Bangladeshi: 48 clients (23%)
- Black African: 24 clients (11.2%)
- White European: 16 clients (7.5%)
- Other ethnicities: 18 clients (8.4%)

Living Situations

- Living alone: 110 clients (51.4%)
- Living with family/partner: 86 clients (40.2%)
- In sheltered accommodation: 18 clients (8.4%)

Service Integration and Referral Pathways

Our strong partnerships are reflected in our referral sources:

1. Adult Social Services: 96 referrals (44.9%)
2. Hospitals & Memory Clinic: 50 referrals (23.4%)
3. Community health teams: 34 referrals (15.9%)
4. Healthcare providers (GPs/Social Prescribers): 17 referrals (7.9%)
5. Specialist organisations and self-referrals: 17 referrals (7.9%)

Volunteer Impact

Our service in 2023-24 was supported by 27 dedicated volunteers:

- 12 active volunteers
- 15 inactive volunteers
- 9 volunteers left during the period
- 8 were on temporary leave (4 due to bereavement, 4 on sick/maternity leave)

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Key Achievements

1. **Comprehensive Support:** Delivered over 6,400 client interactions through calls, visits, and activities
2. **Mental Health Focus:** Supported 139 clients with depression, providing crucial emotional support
3. **Dementia Care:** Supported 36 diagnosed dementia clients, with additional support for those with memory issues
4. **Social Integration:** Facilitated 427 group activities and outings

Looking Forward

Responding to Community Needs, Delivering Sustainable Impact

Drawing on almost 80 years of community service and robust data from supporting 214 vulnerable older adults in 2023-24, THFN has identified key strategic priorities to enhance our service delivery and community impact.

Priority Areas for Investment

Innovation in Service Delivery

- Developing scalable support models beyond traditional befriending
- Implementing evidence-based digital inclusion initiatives using AI
- Creating sustainable group support programmes to maximise impact
- Measuring outcomes through enhanced monitoring systems

Professional Development & Expertise

Strengthening staff expertise in:

- Formalise an approach to including more lived experience in the governance and management of the organisation, including becoming an Age Friendly Employer
- Dementia and age-related conditions
- Complex welfare benefits navigation
- Housing rights advocacy
- Health and social care legislation
- Mental health support
- Supporting family reconnection through ethical guidance and advocacy, particularly in cases of estranged relationships and complex family dynamics

Cultural Competency & Inclusion

- Expanding culturally adapted support services, especially for older men and members of the Somali community
- Developing targeted outreach to underserved communities
- Creating inclusive programming for diverse elder populations

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- Building partnerships with cultural community organisations

Mental Health & Dementia Support

- Enhancing early intervention capabilities
- Strengthening partnerships with memory services
- Developing innovative cognitive support programmes
- Supporting families through diagnostic pathways

Volunteer Excellence Programme

- Recruiting more volunteers
- Implementing a new comprehensive volunteer training
- Developing specialist roles for skilled volunteers, including opportunities for micro volunteering
- Creating sustainable volunteer retention strategies
- Building volunteer leadership capacity

Systems Change & Advocacy

- Creating and Age Friendly Tower Hamlets
- Challenging age-based discrimination in public services
- Advocating for improved service accessibility
- Contributing to policy development
- Building strategic partnerships for systemic change

Impact Measurement

Reviewing and enhancing our monitoring framework so we can track

- Client wellbeing improvements using the Rockwood Frailty and Warwick and Edinburgh Scales in particular.
- Service accessibility metrics
- Volunteer engagement and retention
- System navigation successes
- Cultural competency outcomes
- Obtain the Befriending Network Kitemark Award
- Achieve Trusted Charity accreditation

Through strategic investment in these priority areas, THFN will strengthen its position as a leading provider of support services for older people, delivering measurable impact and sustainable community change.

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DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

Financial Review

The fundraising environment remained challenging in the year to 31 March 2024 as a number of multi-year grants that rolled off in the previous financial year were difficult to replace and reserves were used to cover the funding shortfall.

Our income for the year was £159,923, compared to £128,238 in the previous year and our costs were below the previous year, £189,154 for the year to 31 March 2024 and £207,308 for the previous year. This resulted in a deficit for the year of £29,231 and a reduction in our reserves to £72,971 from £102,202. We closed the year with a bank balance of £81,731 (£161,351 in 2023) and no deferred funding, although we've since been awarded several one-off and multi-year grants that have bolstered our financial position in the near term.

The impact of the economic challenges that the organisation faced in the years ended 31 March 2023 and 2024 have stabilised following the measures that were taken to reduce costs, but risks remain.

The trustees stuck to its decision to maintain the level of service to our clients, especially those who are vulnerable and isolated, whilst concentrating on approaching as many organisations as possible for renewed funding.

We have not replaced the vacant post of Operations Manager and have kept the CEO post to 3 days per week following the appointment of our interim CEO. We cannot thank our staff enough for the commitment they have given to us during this difficult time.

We have recently secured renewed funding of £27,000 per annum for 3 years from Mercers alongside several one-off grants including £39,400 from Islamic Relief. As a result, we've almost met our funding target for the year ended 31 March 2025 and are making progress in the following year. However, due to the lack of multi-year grants, our funding position in the medium term remains a challenge.

Reserves Policy

The Board of Trustees has examined the organisation's requirements for reserves in the light of the main risks to the organisation. Alongside the funding issues identified above, it has borne in mind the support needs of our client group who are particularly vulnerable, and the time needed to find and arrange alternative ways to address these needs in the event of the cessation of activities. It has therefore established a policy whereby unrestricted funds, not committed or invested in tangible fixed assets, held by the charity should be six months of expenditure. This also acknowledges the financial risks and contractual obligations associated with the employment of staff and contractual requirements relating to premises. The policy is reviewed annually.

At 31 March 2024 the charity had reserves of £72,971, and the budget for the year to 31 March 2025 was £156,000, therefore representing a marginal shortfall to our reserves target.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the trustees continue to adopt the going concern basis in preparing the financial statements.

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Structure, governance and management

Governing Document

The organisation is a charitable company limited by guarantee and is also a registered charity. The company was established by a Memorandum of Association which established the objects and powers of the charitable company 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.

Recruitment and Appointment of Board of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as the Board of Trustees. At each Annual General Meeting one third of the members of the Board of Trustees both elected and co-opted shall retire but all are eligible for re-election. Those longest in office since co-option or election shall retire first. In the case of an equal period of service in default of agreement those to be retired shall be selected by lot. At an Annual General Meeting the Board of Trustees may elect two of its members as Chair and as Treasurer, each to serve for an initial period of three years. At the Annual General Meeting marking the end of his/her first three years in office the Chair and/or the Treasurer shall retire from office, but each is eligible for re-election for a further three- year period. A Chair or Treasurer shall normally retire from office after a six- year period in office.

The Board of Trustees seeks to ensure that the charity's client group and the ethnic diversity of Tower Hamlets are appropriately reflected on the Board. It also tries to ensure a good mix of skills from the business, social and health care and voluntary sectors. The Board regularly carries out a skills audit and has an ongoing policy of identifying suitable potential Board members who can be approached to offer themselves for election to the Board as and when required. During the year to 31 March 2024, three of our trustees stood down and no new trustees have been appointed.

New trustees receive a trustee handbook and would normally attend an induction day which includes visiting clients with a Befriender as well as meetings with the Chair and Chief Executive.

Organisational Structure

The organisation has a Board of Trustees of not less than five and not more than twelve persons (currently 6), elected by the members of the Company at the Annual General Meeting, and not more than three additional co-opted members. The Company Secretary, who is also the Chief Executive of the organisation, attends Board meetings but has no voting rights. The Board of Trustees has overall responsibility for the strategic direction, policy and human and financial resources of the organisation. It meets at least four times a year. Day to day operational management of the organisation is delegated by the Board of Trustees to the Chief Executive, who is responsible for ensuring that the organisation delivers the services specified through its team of staff.

Risk Management

The Board of Trustees has reviewed the major risks to which the organisation is exposed and developed a risk matrix which is reviewed regularly at Board meeting. Internal and external risks have been identified and action taken to mitigate these to best ensure that the charity is able to carry out its purposes as securely and efficiently as possible. All procedures are reviewed on an ongoing basis to safeguard the charity's assets, to ensure the health and safety of staff, volunteers, clients and visitors in the offices and in clients' homes, and in relation to data protection and confidentiality.

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Fundraising policy

We have not made any appeals or solicited funding from the general public in the year. We do not use any professional fund-raisers to carry out any activities on our behalf. Through our website we have an ongoing request for funds, and have provided a link via Local Giving, for individuals to support us but funds from this source are very limited. We are aware of the Fundraising Regulator's Code of Fundraising Practice and will not put undue pressure or unreasonably intrude on anyone to make a gift. Any appeals we make in the future for donors will be developed with respect to our current and potential donors as well as for the people we are here to support. We have not received any fundraising complaints from our donors.

Public Benefit

The trustees have given due consideration to the Charity Commission's published guidance on the Public Benefit requirements under the Charities Act 2011.

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DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also directors of Tower Hamlets Friends and Neighbours for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the board of trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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 that disclose with reasonable accuracy at any time the financial position of the charity and to enable it to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Trustees of Tower Hamlets Friends and Neighbours and signed on its behalf by:

ANNE WORLLEDGE

CARL STEVENTON

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Anne Worlledge

Carl Steventon

(Director and Trustee)

(Director and Trustee)

20 December 2024

20 December 2024

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report on the accounts of the company for the year ended 31 March 2024, which are set out on pages 17 to 25.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

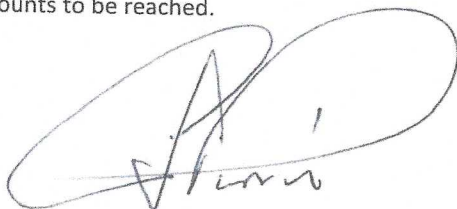
In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Gavin Purvis (FCCA), Chartered Certified Accountant

20 December 2024

Purvis Stevens LLP, Hayles Bridge Offices, 228 Mulgrave Road, Cheam, Surrey SM2 6JT

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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
		£	£	£	£
Income:					
Donations	2	6,375	122,691	129,066	77,740
Income from charitable activities	3	-	29,167	29,167	50,000
Investment income	4	1,690	-	1,690	498
Total income		<u>8,065</u>	<u>151,858</u>	<u>159,923</u>	<u>128,238</u>
Expenditure:					
Costs of raising funds	5	2,762	18,443	21,206	34,524
Expenditure on charitable activities:					
Befriending services	5	34,534	133,415	167,948	172,784
Total expenditure		<u>37,296</u>	<u>151,858</u>	<u>189,154</u>	<u>207,308</u>
Net income(Expenditure) and net movement in funds for the year.	14/15	(29,231)	-	(29,231)	(79,070)
Reconciliation of funds					
Total funds brought forward		102,202	-	102,202	181,272
Total funds carried forward		<u>72,971</u>	<u>-</u>	<u>72,971</u>	<u>102,202</u>

Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.3

Continuing Operations

None of the company's activities were acquired or discontinued during the above two financial periods.

The notes on pages 19-25 form part of these financial statements.

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BALANCE SHEET AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed Assets			
Tangible fixed assets	10	-	-
Total Fixed Assets		-	-
Current assets			
Debtors	11	-	1,216
Cash at bank and in hand	12	81,731	161,351
Total current assets		81,731	162,567
Liabilities			
Creditors due within one year	13	(8,760)	(60,365)
Net current assets		72,971	102,202
Total assets, less current liabilities		72,971	102,202
Net assets		72,971	102,202
The funds of the charity			
Unrestricted income funds	14	72,971	102,202
Restricted income funds	15	-	-
Total funds		72,971	102,202

The notes on pages 19-25 form part of these financial statements.

For the year ending 31 March 2024 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- *the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,*
- *the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts,*
- *these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.*

Approved by the Directors on 20 December 2024

ANNE WORLLEDGE

CARL STEVENTON

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Anne Worlledge - Director and Trustee

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Carl Steventon – Director and Trustee

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting policies

The principal accounting policies adopted are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

a. Basis of accounting

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with Accounting and Reporting by Charities Statement of Recommended Practice and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Companies Act 2006.

Tower Hamlets Friends and Neighbours meets the definition of a public benefit entity under FRS 102. Assets and liabilities are recognised at historical cost, or transaction value, unless otherwise stated in the relevant accounting policy notes.

b. Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subject to the restriction on their expenditure imposed by the donor or through the terms of an appeal.

c. Income

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

d. Donated services and facilities

Donated services and facilities are included at the value to the charity when the charity has control over the item, any conditions associated with the donated item have been met, the economic benefit to the charity is probable and the economic benefit can be reliably measured. On receipt, donated professional services and 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 the services or facilities in the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

In accordance with the Charities SORP FRS 102, the general volunteer time provided by volunteers has not been recognised and refer to the trustees' annual report for more information about their contribution.

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e. Interest receivable

Investment income is included when receivable and the amount can be reliably measured by the charity; this is normally upon notification by the bank.

f. 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:

- Costs of raising funds comprise those costs incurred in seeking voluntary income, including staff time.
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Other expenditure represents those items not falling into any other heading.

All expenditure is inclusive of irrecoverable VAT.

g. Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; while others are apportioned on an appropriate basis e.g. estimated staff time or usage as set out in Note 5.

h. Tangible Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at the rate calculated to write off the cost of each asset over its useful economic life. The fixed assets are mainly computer equipment, and these assets are depreciated over three years on a straight-line basis. Equipment, including computers and software, costing less than £500 per individual item are not capitalised and are charged to expenditure in the year of purchase.

No assets were held by THFN as a custodian.

i. Debtors

Debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

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 a transfer of funds to a third party and the amount due can be measured or estimated reliably.

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.

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2 Donations and legacies

All of the charity's voluntary income was received in the form of grants and donations. While the charity receives a small portion of this income in the form of unsolicited donations, it generates much the greater part by application to charitable trusts and statutory bodies.

3 Income from charitable activities

The charity was in receipt of income from certain performance related grants ancillary to the delivery of its charitable activities. Income from charitable activities comprises a grant from the London Borough of Tower Hamlets (2024: £39,584; 2023: £50,000).

4 Investment income

	Unrestricted	Restricted	2024	2023
	£	£	£	£
Income from investments	-	-	-	-
Bank interest	1,691	-	1,691	498
	<u>1,691</u>	<u>-</u>	<u>1,691</u>	<u>498</u>

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5 Total resources expended:

	Befriending Services			
	Unrestricted	Restricted	2024	2023
	£	£	£	£
<i>Cost of raising funds</i>				
Staff costs	1,262	18,443	19,706	25,184
Sundry costs	1,500	-	1,500	654
	2,762	18,443	21,206	25,838
<i>Cost of charitable activities</i>				
Staff costs	7,578	110,732	118,310	123,811
Transport and travel	1,483	-	1,483	1,695
Outings with clients	2,285	-	2,285	4,609
Telephone	3,152	-	3,152	3,404
Postage and stationery	602	-	602	543
Recruitment costs	-	-	-	658
Marketing	-	-	-	-
Training	-	-	-	680
<i>Support costs allocated to charitable activities</i>				
<i>General support:</i>				
Staff costs	1,552	22,682	24,235	26,443
Premises	9,823	-	9,823	10,362
Insurance	707	-	707	639
Sundry expenses	218	-	218	604
Computer support	3,360	-	3,360	3,963
IT and systems upgrade	-	-	-	-
Payroll costs	2,100	-	2,100	2,049
<i>Governance cost:</i>				
Independent examiners fee	1,500	-	1,500	1,500
Other governance costs	174	-	174	511
	34,534	133,415	167,948	181,471
Total expenditure	37,296	151,858	189,154	207,308

6 Net income for the year

	2024	2023
	£	£
This is stated after charging:		
Independent Examiner's fee	1,500	1,500

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7 Analysis of staff costs, trustee remuneration and cost of key personnel

	2024	2023
	£	£
Salaries and wages	121,508	126,842
National Insurance contributions	33,214	37,487
Pension costs	7,529	11,108
	<u>162,251</u>	<u>175,437</u>

No employee received employee benefits (excluding employer pension contributions) of more than £60,000 (2023: one employee received more than £60,000).

The trustees were not paid, or received, any benefits from employment with the charity or reimbursed for expenses during the year (2023: nil).

The employee benefits of the key management personnel of the charity were £65,685 (2023: £88,110).

The average number employees (and full-time equivalent), analysed by function was:

	2024		2023	
	Average	Full time Equivalent	Average	Full time Equivalent
Management	1	1	1.5	1
Service delivery	3.9	3.9	5	3.7

8 Taxation

As a charity, Tower Hamlets Friends and Neighbours is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charge has arisen within the charity.

9 Related party transactions

Tower Hamlets Friends and Neighbours rents its office premises from St. Margaret's House- a charity which provides office accommodation to local community organisations and charities. Anthony Hardie (a trustee of THFN) is a Director and Chief Executive of St Margaret's House. Our accommodation payments for the year to 31 March 2024 were £9,823 (2023: £10,362).

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10 Tangible fixed assets

	2024	2023
	£	£
Fixtures and office equipment		
Cost at 1 April 2023	925	925
Additions	-	-
Cost at 31 March 2024	<u>925</u>	<u>925</u>
 Depreciation		
As at 1 April 2023	925	925
Charge for the year	-	-
As at 31 March 2024	<u>925</u>	<u>925</u>
 Net book value:		
At 31 March 2023		Nil
At 31 March 2024	<u>Nil</u>	

11 Debtors

	2024	2023
	£	£
Other debtors	-	-
Prepayments	-	1,216
	<u>-</u>	<u>1,216</u>

12 Cash and cash equivalents

	2024	2023
	£	£
Cash in hand	81,731	161,351
	<u>81,731</u>	<u>161,351</u>

13 Creditors: amounts falling due within one year

	2024	2023
	£	£
Deferred income	-	47,824
Taxation and social security costs	1,639	3,331
Holiday pay	3,800	6,594
Accruals	3,321	2,615
	<u>8,760</u>	<u>60,365</u>

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Deferred income represents grants attributable to the following accounting period.

	2024	2023
	£	£
Balance at 1 April	47,824	7,500
Amount released to income	(47,824)	(7,500)
Amount deferred in the year	0	47,824
Balance at 31 March	<u>(0)</u>	<u>47,824</u>

14 Movement in unrestricted funds

	General Fund	
	2024	2023
	£	£
Balance at 1 April 2023	102,202	181,272
Incoming resources	8,065	8,758
Resources expended	(37,296)	(87,828)
Funds at 31 March 2024	<u>72,971</u>	<u>102,202</u>

15 Movement in restricted income

Movement in Restricted Income	1 April 2023	Income	Expended	Transfer to Unrestricted	31 March 2024
	£	£	£	£	£
Garfield Weston Foundation	-	15,000	(15,000)	-	-
Clarion	5,000	5,000	(10,000)	-	-
City Bridge Trust	2,360	39,450	(41,810)	-	(0)
City Bridge Trust (one-off)	3,814	-	(3,814)	-	-
LBTH	-	29,167	(29,167)	-	-
Charles Hayward	4,000	-	(4,000)	-	-
Charles S French	5,000	-	(5,000)	-	-
Drapers	10,000	-	(10,000)	-	-
Robert McAlpin	10,000	-	(10,000)	-	-
Coopers Charity	750	-	(750)	-	-
Wakefield and FT	3,000	5,000	(8,000)	-	-
WG Edwards	1400	-	(1,400)	-	-
Anne Rylands	2500	-	(2,500)	-	-
LBTH Mayors Award	0	10,417	(10,417)	-	-
	<u>47,824</u>	<u>104,034</u>	<u>(151,858)</u>	<u>-</u>	<u>(0)</u>

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Funders and supporters

The Trustees and the staff of Tower Hamlets Friends and Neighbours would like to thank all of those charitable foundations and organisations, and people, who make our work possible. Without your support, we would not be able to do the work that we do, to support the elderly and vulnerable residents of Tower Hamlets.

Thank you also to our excellent staff, volunteers and community partners - all working with skill, dedication and passion to improve people's lives - and to our partners in health, social care, and commissioners in our local authority.

Finally, our biggest thank you is to our clients, the reason THFN exists, and who make our jobs fulfilling.

Thank you.

City Bridge Trust
London Borough of Tower Hamlets
Drapers Charitable Fund
The Robert McAlpine Foundation
Garfield Weston Foundation
Clarion Housing
Charles Hayward Foundation
Charles S French Charitable Trust
Worshipful Company of Coopers
Wakefield and Tetley Trust
WG Edwards Charitable Foundation
Anne Rylands Fund/ Sir Jules Thorne Trust