

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 for the
15 month period ended 30 June 2025**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS
TRUSTEES AND ADVISERS FOR THE 15 MONTH PERIOD ENDED 30 June 2025**

Trustees:

Anne Worlledge (Chair)
Carl Steventon
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)

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 and Company Secretary:	Rita Chadha
Client Services Administrator	Clara Djondo
Befriending Advocates:	Shirajul Islam, Brenda Lawrence, Shaleha Begum, Nina McLoone (to January 2026), Rose Curran (retired July 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 30 June 2025

Report from the Chair

I am pleased to report that we are in the process of converting from a charitable company limited by guarantee to a Charitable Incorporated Organisation (CIO). This is an important and positive step for THFN: a CIO structure will reduce the personal liability of our trustees, simplify our governance, and better reflect the kind of community-rooted organisation we are. In order to complete the conversion and close the company properly, we needed to align our financial year with the new structure. We therefore extended our reporting period by three months, and these accounts cover the 15-month period from 1 April 2024 to 30 June 2025. Readers should bear this extended period in mind when comparing figures with our previous annual accounts, which covered a standard 12-month year to 31 March 2024.

The financial results for the 15 months to 30 June 2025 highlights the challenges we have faced in securing funding, and in particular multi-year funding. Our CEO has chased every opportunity and was able to secure £189,606 of funding for the period. Despite this, with total costs of £210,475 we saw a reduction in our reserves of £20,888.

We are not alone in facing difficulties in securing funding. Many large charities, alongside most small charities, have openly reported the challenges. We believe that the service we provide to the older community in Tower Hamlets, and to our unique client group, is first class and remain hopeful that the service will continue in the foreseeable future. We thank the funders who supported us through the 15 months to 30 June 2025.

Over the 15 months to 30 June 2025, THFN received 97 new referrals and supported 271 older people across Tower Hamlets — people who are isolated, housebound, navigating complex health conditions, and too often invisible to the systems that are supposed to support them. Tower Hamlets ranks first out of 326 local authority areas in England for predicted loneliness among those aged 65 and over. That is not an abstract statistic: it is the daily reality of the people who come to us for a befriending visit, a phone call, or someone to help them navigate a benefits system they find bewildering. Every single contact our staff and volunteers made during this period mattered.

Recognising the current and likely future needs in Tower Hamlets, we set out our key strategic priorities for the coming years (see pages 11-12). We recognise the challenges but are confident that with the support of our funders and partners, and the continued dedication of our staff and volunteers we can meet those challenges.

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

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 – Chair of Trustees

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**DIRECTORS' AND TRUSTEES' REPORT FOR THE 15 MONTH PERIOD ENDED
30 June 2025**

The trustees present the annual report together with the financial statements for the 15 month period ended 30 June 2025. 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 2024–2025

Transforming Lives, Building Communities

Tower Hamlets Friends and Neighbours 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.

Our Mission

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.

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

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 and manage daily challenges with confidence.

3. Fostering Active Engagement

We curate dynamic, inclusive activities that stimulate both mind and body, creating opportunities for personal growth, cultural expression, and community participation so every older person can contribute to active community life.

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member of our community
faces life's challenges alone.

Voluntary Organisation Supporting Older People in 2024-2025

Loneliness, as the research makes clear, is not a lifestyle inconvenience — it is a health crisis. It raises blood pressure, accelerates cognitive decline, and is strongly associated with depression. An estimated 3,800 older people in Tower Hamlets are effectively housebound, and 56% of older residents report feeling isolated.

£3.75

returned for every £1
invested

The Investment Case for Befriending

Every pound invested in befriending services saves £3.75 in health costs. Loneliness is not a lifestyle inconvenience — it is a health crisis. It raises blood pressure, accelerates cognitive decline, and is strongly associated with depression.

3,800

Older people
effectively
housebound in Tower
Hamlets

56%

Older residents report
feeling isolated

£3.5M

Annual cost of
loneliness to the
borough's NHS

40%

Increase in GP visits
caused by social
isolation

"A 28% reduction in GP appointments has been found among people receiving befriending-linked social prescriptions — the case for befriending as a preventative health intervention has never been better evidenced."

— NHS England Evaluation

The National Volunteering Picture

The national picture on volunteering remains challenging. Volunteer numbers in London declined by 25% following the pandemic (London Plus, 2023), and 77% of charities across the UK report ongoing difficulties recruiting volunteers (NCVO Civil Society Almanac, 2023). The organisations that do attract and retain volunteers — particularly for demanding befriending work with people who have complex needs — do so because they invest properly in volunteer support, training, and recognition.

This is something THFN takes seriously. Our befrienders are not simply visiting: they are trained advocates who provide medication reminders, encouragement for gentle exercise, help navigating welfare systems, and — most critically — a consistent human presence in the lives of people who might otherwise have none. In 2024-25 we secured funding for a dedicated Volunteer Development Coordinator to strengthen this capacity further, and we are working on a new CRM system to better capture and understand the impact that our service makes for older people in the borough.

Befriending and Social Prescribing: a Changing Landscape

In 2024, Befriending Networks — the national membership body for befriending services — published its first five-year strategic plan since before the pandemic. It acknowledged frankly that the sector faces a significant digital infrastructure challenge: that the tools for training, impact measurement, and volunteer matching exist, but that many organisations remain priced out or under-skilled, while the communities they serve face deep digital inequalities.

Befriending is also increasingly embedded within NHS social prescribing frameworks. NHS England's evaluation found a 28% reduction in GP appointments among people receiving befriending-linked social prescriptions. ONS projections (2025) suggest that by 2034, 1.2 million people aged 65 and over in England will regularly experience loneliness — a figure with profound implications for both health spending and quality of life.

The Economic Pressures Facing Older People

The most significant national policy development during this reporting period was the Government's decision, announced in July 2024, to means-test the Winter Fuel Payment. From winter 2024/25, the payment was restricted to those receiving Pension Credit or certain other means-tested benefits, removing it from around 10.8 million pensioners. The Government has since reversed course, announcing that from winter 2025/26 the payment will be restored universally, with higher earners repaying it through the tax system. But the hardship fell squarely within the period covered by this annual report.

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Winter Fuel Payment Crisis — Direct Impact on THFN Clients

Our monitoring data for 2024/25 specifically records the winter fuel payment crisis as driving an increase in requests for advocacy support, with clients and their families seeking help understanding entitlements and navigating a system many found bewildering. It is a direct illustration of how national policy decisions land on the front line of a local befriending service.

10.8M

Pensioners who lost the payment

2.5M

Older people in poverty who lost support

9.1M

People aged 66+ cold at home by Jan 2025

78%

Disabled pensioners in poverty affected

The London Poverty Profile (Trust for London, 2024–25) confirms the structural disadvantage facing older people in Tower Hamlets. Tower Hamlets is the most income-deprived of all London boroughs: the average neighbourhood is 2.03 times more income-deprived than the London average, and 2.67 times more deprived than England as a whole. For a borough with Tower Hamlets' demographic profile — a large and growing Bangladeshi elderly population, over 61% of older residents living alone, and 44% lacking digital access — these intersecting pressures are not background context. They are the daily reality of the people THFN exists to serve.

Challenges Facing the Sector in 2024–2025



Resource Squeeze

- 80% of charities reported increased operating costs due to inflation and employer NI rises
- 55% of charities expected staff redundancies in response to NI and Living Wage increases
- 73% of small charities operating without a primary income source
- Small organisations receive just 4% of total government funding to the sector



Complex Care Needs

- 1 in 5 people aged 75+ live with two or more chronic conditions
- Dementia cases projected to rise by 75% in Tower Hamlets by 2030
- 42% of people aged 75+ in London have a mobility impairment
- More than three quarters of older people report difficulty navigating fragmented systems



Social Care Crisis

- 418,029 people waiting for assessment or care as of March 2024
- £1.8 billion funding gap projected for 2025–26 alone
- 131,000 vacant posts in adult social care across England daily
- 2.5 million older people in the UK have unmet care needs

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Workforce Pressures

77% of UK charities continue to report difficulties in volunteer recruitment, with befriending and complex-needs services disproportionately affected. Formal volunteering in England remains below pre-pandemic levels — 14.2 million people formally volunteering in 2021–22 compared to 20 million in 2019–20, with recovery uneven across London's most deprived boroughs. In 2023 THFN restructured the organisation to meet its financial circumstances and registered to become a London Living Wage Employer.

Our Impact in Numbers 2024–2025

271

Total clients supported

97

New referrals received

79

Average client age (years)

88.9%

Clients with a long-term health condition

GENDER DISTRIBUTION

Female 56% : Male 44%

56%

44%

CULTURAL DIVERSITY

White UK

37%

Asian Bangladeshi

17%

Black (all groups)

12%

White European

7.5%

Other ethnicities

8%

The Challenge We Address

Loneliness and social isolation present significant health risks in Tower Hamlets. A higher proportion of older people live alone compared to the national average; an estimated 16% of older residents experience chronic loneliness; and 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.

2.03×

More income-deprived than the London average

61%

Older residents living alone in Tower Hamlets

44%

Older residents lacking digital access

38%

Poverty rate for Black & minority ethnic pensioners

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The Future Landscape

The trajectory is clear — and it points sharply upward. The demands on organisations like THFN will only grow: over-85s are the fastest growing age group in the UK, expected to reach 3.2 million by 2041 — double the current figure. Tower Hamlets' own older population is projected to grow by 44% by 2028. By 2030, 1.2 million people aged 65 and over in England will regularly experience loneliness — a figure with profound consequences for health spending and quality of life.

3.2M

Over-85s in the UK by
2041 — double today's
figure (ONS)

44%

Growth in Tower
Hamlets' older
population by 2028

1.2M

People 65+ regularly
lonely in England by
2030 (ONS)

~80

Years of community
service THFN is
approaching

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Looking Forward: Strategic Priorities for Investment

Drawing on almost 80 years of community service and robust data from supporting 271 vulnerable older adults in 2024–25, THFN has identified key strategic priorities to enhance our service delivery and community impact.

Innovation in Service Delivery

- Scaling beyond one-to-one befriending to telephone, online & home-from-hospital models
- Piloting ethical AI companion tools for 20 clients in 2025–26
- Active THFN presence in all 20 Tower Hamlets wards by March 2026
- Moving from counting outputs to measuring real wellbeing outcomes

Cultural Competency & Inclusion

- Expanding culturally adapted befriending for older men and Somali community
- Targeted outreach using trusted community relationships and multilingual capacity
- Formal partnerships with cultural community organisations
- Language-matched befriending and heritage-rooted activities

Mental Health & Dementia Support

- Strengthening capacity for early identification of cognitive decline
- Deepening partnerships with memory services and dementia cafés
- Equipping befrienders with specialist cognitive stimulation skills
- Expanding support for families and carers navigating diagnosis

Volunteer Excellence Programme

- Goal to double volunteer numbers by 2028
- Comprehensive new training in welfare navigation, dementia & safeguarding
- Creating specialist and micro-volunteering roles for flexible commitment
- Building a culture of recognition, peer support & development

Systems Change & Advocacy

- Building an Age Friendly Tower Hamlets — a borough where ageing means visibility
- Challenging age-based discrimination in housing, health and social care
- Improving accessibility for digitally excluded & physically housebound residents
- Contributing to local and national loneliness policy development

Impact Measurement

- Tracking wellbeing using the Rockwood Clinical Frailty Scale and WEMWBS
- Monitoring service accessibility and cultural competency outcomes
- Pursuing Befriending Network Kitemark Award
- Pursuing Trusted Charity accreditation through NCVO

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Nearly 80 Years of Service. More Essential Than Ever.

The coming three years represent the most ambitious phase in THFN's nearly 80-year history. We approach them clear-eyed about the challenges — funding pressures, rising demand, workforce complexity — and with justified confidence in our capacity to meet them. Through sustained investment in these priority areas, THFN will deepen its impact, extend its reach, and secure its position as Tower Hamlets' essential, irreplaceable partner in the fight against loneliness and isolation.

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DIRECTORS' AND TRUSTEES' REPORT FOR THE 15 MONTH PERIOD ENDED
30 June 2025

Financial Review

The fundraising environment remained challenging in the 15month period to 30 June 2025. Our income for the period was £189,606, compared to £159,923 in the previous financial year. Our cost saving measures continued, resulting in costs for the 15month period at £210,475 being proportionately lower than those for the previous financial year at £189,154. We incurred significant costs in the period to June 2025 due to the need to replace and upgrade our client data recording system

The deficit for the period to June 2025 was £20,868, and a reduction in our reserves from £72,971 to £52,103.

We closed the year with a bank balance of £59,971 and income owing to us of £12,210. (£81,731 cash at bank at 31 March 2024) and had deferred restricted income to support us in the new financial year of £13,827 (nil: 31 March 2024).

Looking ahead, we have made encouraging early progress in 2026-27. We have secured a significant co-funded partnership with the Mercers Company to develop our "Connected Lives" integrated health and wellbeing programme, targeting housebound older people with the most complex needs. We have also secured funding for a Volunteer Development Coordinator and are developing new income streams through individual giving and community fundraising as set out in our Business Plan 2025-2028. The fundraising environment remains difficult, but our track record, our community relationships, and the strength of our impact evidence give us grounds for cautious optimism.

The trustees are pleased to report that the organisation has been able 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 cannot thank our staff and volunteers enough for the commitment they have given to us during this difficult time.

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 recognises 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 reviews the reserves policy quarterly having regard to the financial risks and contractual obligations associated with the employment of staff and any other contractual requirements.

At 30 June 2025 the charity had reserves of £52,103. The budgeted costs for the year to 30 June 2026 are estimated at £168,000, therefore representing a shortfall to our reserves target of six months of expenditure.

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.

The trustees have made an application to the Charity Commission for the conversion of the company to a Charitable Incorporated Organisation (CIO).

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 period to 30 June 2025, 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 meetings. Internal and external

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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.

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.

Safeguarding

The trustees take their safeguarding responsibilities seriously. THFN works with vulnerable older adults, many of whom have complex health needs and limited social support networks, and we recognise that robust safeguarding practice is fundamental to the trust our clients, their families, and our partners place in us.

During the 15-month period covered by this report, two safeguarding concerns were raised relating to beneficiaries. Both were assessed as Level 1 concerns and were handled in accordance with our safeguarding policy and the Tower Hamlets Safeguarding Adults Board procedures. In each case the appropriate referrals and follow-up actions were taken, and the matters were resolved satisfactorily.

In addition, one serious incident not relating to a beneficiary occurred during the period and was reported to the Charity Commission in accordance with our legal obligations under the Charities Act 2011. The trustees managed this matter in line with regulatory requirements. We are satisfied that the appropriate steps were taken and that the incident did not affect the safety or welfare of any of the people we support.

All staff and volunteers undertake safeguarding training as part of their induction, and this is refreshed regularly. Our Designated Safeguarding Lead ensures that our policies and procedures remain current and aligned with the Tower Hamlets Safeguarding Adults Board framework.

Our safeguarding policy was reviewed in March 2026 and updated to reflect changes to the Tower Hamlets Safeguarding Adults Board framework and current best practice guidance. The review confirmed that our procedures remain fit for purpose and proportionate to the risks inherent in our work with vulnerable older adults.

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DIRECTORS' AND TRUSTEES' REPORT FOR THE 15 MONTH PERIOD ENDED
30 June 2025

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

(Director and Trustee)

25 March 2026

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report on the accounts of the company for the 15-month period ended on 30 June 2025, which are set out on pages 18 to 26.

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

26 March 2026.

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

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STATEMENT OF FINANCIAL ACTIVITIES

FOR THE 15 MONTH PERIOD ENDED 30 June 2025

	Note	Unrestricted Funds	Restricted Funds	Total 2025	Total 2024
		£	£	£	£
Income:					
Donations	2	5,617	151,000	156,617	129,066
Income from charitable activities	3	-	31,250	31,250	29,167
Investment income	4	1,740	-	1,740	1,690
Total income		<u>7,356</u>	<u>182,250</u>	<u>189,606</u>	<u>159,923</u>
Expenditure:					
Costs of raising funds	5	270	11,111	11,381	21,206
Expenditure on charitable activities:					
Befriending services	5	27,955	171,139	199,094	167,948
Total expenditure		<u>28,225</u>	<u>182,250</u>	<u>210,475</u>	<u>189,154</u>
Net income(Expenditure) and net movement in funds for the year.	14/15	(20,868)	(0)	(20,868)	(29,231)
Reconciliation of funds					
Total funds brought forward		72,971	-	72,971	102,202
Total funds carried forward		<u>52,103</u>	<u>(0)</u>	<u>52,102</u>	<u>72,971</u>

Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

Continuing Operations

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

The notes on pages 20-26 form part of these financial statements.

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BALANCE SHEET AS AT 30 June 2025

		30 June 2025 £	31 March 2024 £
	Note		
Fixed Assets			
Tangible fixed assets	10	-	-
Total Fixed Assets		-	-
Current assets			
Debtors	11	12,210	-
Cash at bank and in hand	12	59,971	81,731
Total current assets		72,181	81,731
Liabilities			
Creditors due within one year	13	(20,079)	(8,760)
Net current assets		52,102	72,971
Total assets, less current liabilities		52,102	72,971
Net assets		52,102	72,971

The notes on pages 20-26 form part of these financial statements.

For the 15 month period ending 30 June 2025 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 25 March 2026

Anne Worlledge - Director and Trustee

TOWER HAMLETS FRIENDS AND NEIGHBOURS
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NOTES TO THE ACCOUNTS

FOR THE 15 MONTH PERIOD ENDED 30 June 2025

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 (2025: £31,250; 2024: £29,167).

4 Investment income

	Unrestricted	Restricted	June 2025	March 2024
	£	£	£	£
Income from investments	-	-	-	-
Bank interest	1,740	-	1,740	1,690
	<u>1,740</u>	<u>-</u>	<u>1,740</u>	<u>1,691</u>

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5 Total resources expended:

	Befriending Services				Basis of allocation
	Unrestricted	Restricted	June	March	
	£	£	2025	2024	
			£	£	
<i>Cost of raising funds</i>					
Staff costs	-	11,111	11,111	19,706	Time
Sundry costs	270	-	270	1,500	Direct
	270	11,111	11,381	21,206	
<i>Cost of charitable activities</i>					
Staff costs	-	130,210	130,210	118,310	Time
Transport and travel	263	1,377	1,640	1,483	Direct
Outings with clients	47	5,000	5,047	2,285	Direct
Telephone	2,286	-	2,286	3,152	Direct
Postage and stationery	275	-	275	602	Direct
Recruitment costs	858	-	858	-	Direct
Marketing	-	-	-	-	Direct
Training	-	-	-	-	Direct
<i>Support costs allocated to charitable activities</i>					
<i>General support:</i>					
Staff costs	-	24,552	24,552	24,235	Time
Premises	804	10,000	10,804	9,823	Direct
Insurance	1,532	-	1,532	707	Direct
Sundry expenses	1,609	-	1,609	218	Direct
Computer support	16,139	-	16,139	3,360	Direct
IT and systems upgrade	-	-	-	-	Direct
Payroll costs	2,642	-	2,642	2,100	Direct
<i>Governance cost:</i>					
Independent examiners fee	1,500	-	1,500	1,500	Direct
Other governance costs	-	-	-	174	
	27,955	171,139	199,094	167,948	
Total expenditure	28,225	182,250	210,475	189,154	

6 Net income for the year

	June	March
	2025	2024
	£	£
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

	June 2025	March 2024
	£	£
Salaries and wages	134,179	121,508
National Insurance contributions	26,927	33,214
Pension costs	4,768	7,529
	<u>165,873</u>	<u>162,251</u>

No employee received employee benefits of more than £60,000 (2024: nil).

The trustees were not paid, or received, any benefits from employment with the charity or reimbursed for expenses during the year (2024: nil).

The employee benefits of the key management personnel of the charity were £35,589. (2024: £65,685).

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

	June 2025		March 2024	
	Average	Full time Equivalent	Average	Full time Equivalent
Management	1	0.6	1	1
Service delivery	5	3.8	5	3.9

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

There were no related party transactions during the year (2024: nil).

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10 Tangible fixed assets

	30 June 2025 £	31 March 2024 £
Fixtures and office equipment		
Cost at 1 April 2024	925	925
Additions	-	-
Cost at 30 June 2025	<u>925</u>	<u>925</u>
 Depreciation		
As at 1 April 2024	925	925
Charge for the year	-	-
As at 30 June 2025	<u>925</u>	<u>925</u>
 Net book value:		
At 31 March 2024		<u>Nil</u>
At 30 June 2025	<u>Nil</u>	

11 Debtors

	June 2025 £	March 2024 £
Accrued income	12,210	-
Prepayments	-	-
	<u>12,210</u>	<u>-</u>

12 Cash and cash equivalents

	June 2025 £	March 2024 £
Cash in hand	59,971	81,731
	<u>59,971</u>	<u>81,731</u>

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13 Creditors: amounts falling due within one year

	June 2025 £	March 2024 £
Deferred income	13,827	-
Taxation and social security costs	1,894	1,639
Holiday pay	2,859	3,800
Accruals	1,500	3,321
	<u>20,079</u>	<u>8,760</u>

Deferred income represents grants attributable to the following accounting period.

	June 2025 £	March 2024 £
Balance at 1 April	(0)	47,824
Amount released to income	0	(47,824)
Amount deferred in the year	<u>(13,827)</u>	<u>0</u>
Balance at 30 June 2025 / 31 March 2024	<u>(13,827)</u>	<u>(0)</u>

14 Movement in unrestricted funds

	General Fund	
	2025 £	2024 £
Balance at 1 April	72,971	102,202
Incoming resources	7,356	8,065
Resources expended	<u>(28,225)</u>	<u>(37,296)</u>
Funds at 30 June 2025 / 31 March 2024	<u>52,102</u>	<u>72,971</u>

15 Movement in restricted income

Movement in Restricted Income	1 April 2024 £	Income £	Expended £	Transfer to Unrestricted £	30 June 2025 £
Garfield Weston Foundation	-	15,000	(15,000)	-	-
City Bridge Foundation	-	49,400	(49,400)	-	-
LB of Tower Hamlets	-	31,250	(31,250)	-	-
The Postcode Lottery	-	25,000	(25,000)	-	-
Gill Hickinson Trust	-	2,500	(2,500)	-	-
Mercers	-	29,250	(29,250)	-	-
Awards for All	-	20,000	(20,000)	-	-
Islamic Relief	-	23,677	(9,850)	-	13,827
	<u>-</u>	<u>196,077</u>	<u>(182,250)</u>	<u>-</u>	<u>13,827</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.

Garfield Weston
Foundation

City Bridge Foundation

London Borough of
Tower Hamlets

People's Postcode
Lottery

Gill Hickinson Trust

Mercers' Company

National Lottery Awards
for All

Islamic Relief