

ANNUAL REPORT



2023



Contents

	Pages
Reference and Administrative Details	1
Trustees Report	2-13
Independent Auditors Report	14 - 16
Statement of Financial Activities	17
Balance Sheet	18
Statement of Cashflows	19
Notes to the financial statements	20 - 29

Reference and Administrative Details

Charity Name: St. Margaret's House

Charity Number: 1148831

Company Number: 07645599

Registered Office/operational address: 21 Old Ford Road, London, E2 9PL

Contact Email: info@stmargarethouse.org.uk

Telephone: 02089802092

Website: www.stmargarethouse.org.uk

Board of Trustees

Eugene Lowrie	Chair - Appointed 17 November 2022
Fr Alan Green	Chair - Resigned 17 November 2022
Mana Mahil	Treasurer
Barbara Perrott	Hon.Sec. to 17 November 2022
Annie Maddock	Hon.Sec. from 17 November 2022
Rev Brian Charles Ralph	
Shamimara Choudhury	
Tracy Karkut-Law	
Sapna Ajwani	
Lara El Gibaly	Appointed 21 July 2023
Raluca-Simina Neagu	Appointed 21 July 2023

Company Secretary & Chief Executive

Anthony Hardie

Principal Bankers

HSBC, 465 Bethnal Green Road, London E2 9QW

Solicitors

Anthony Collins Solicitors LLP, 34 Edmund Street B3 2ES

Auditors

Azets Audit Services, 2nd floor, Regis House, 45 King William Street, London, EC4R 9AN

TRUSTEES REPORT 2023

(including Directors' Report)

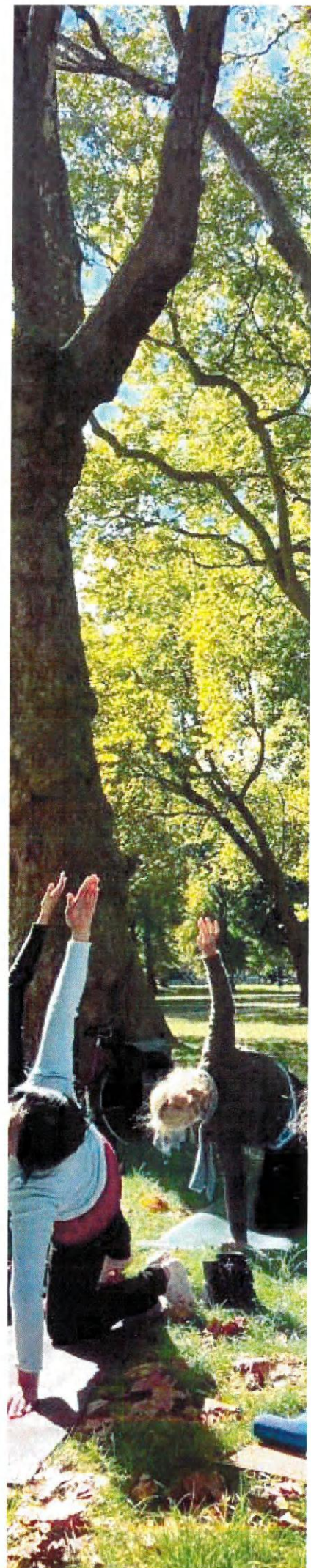
The trustees (who are also the Directors of the Company for the purposes of company law) present their report and the financial statements for the year ended 31st March 2023 which have been prepared in accordance with the Charities Act 2011 and Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice (FRS 102), current legislation and the articles and memorandum of association. The trustees have taken advantage of the simplified disclosures available to smaller companies through Part 15 of the Companies Act 2006, including exemption from preparing a Strategic Report.

St. Margaret's House is an Arts & Wellbeing Community Hub, founded in 1889 to support local people in Bethnal Green, creating healthier and happier communities.

Our mission is to promote positive social change by creating opportunities for people to come together and play a more active part in their local area. Our projects anchor us in the community, providing spaces for residents to eat, shop, learn, create, and enjoy a diverse cultural program.

Aims

- To actively reach out to the borough of Tower Hamlets and beyond, reflect our area's diversity and serve our community to improve its health and wellbeing.
- To fill St. Margaret's House's spaces with tenants, artists, practitioners who share our goals on using creativity to improve wellbeing.
- Provide ambitious, high-quality arts and wellbeing programmes and projects that offer skills, confidence and new experiences to our community.
- Ensure our groups and tenants are collaborating and meeting with each other. We want to increase friendships and opportunities to bring different ethnicities, ages, genders, faith groups and sexual orientations together.
- Improve access to arts and wellbeing opportunities for our community.
- To grow and develop the entrepreneurial spirit of adventure and creativity built by St. Margaret's House and the organisations, groups and people who work and practice in our spaces.



Structure, Governance and Management

Governing Document

The organisation is a company limited by guarantee and a registered charity. Its constitution is logged with the Charity Commission. The charitable company is governed by its Memorandum and Articles of Association.

Objectives

The Objects of the Charity are the provision of a centre or centres conducted according to Christian principles for the advancement of the Christian religion, for the advancement of education, the relief of need, hardship or distress and other charitable purposes for the general benefit of the inhabitants of the neighbourhood of the Borough of Tower Hamlets and for those purposes (and without prejudice to the generality of the foregoing) the Charity may provide residential accommodation for any person sharing in that work, all such persons constituting the Residents of the House.

The organisation also aims to remain a well-administered, cost-effective and sustainable organisation; to demonstrate to all service users and staff an ethos of friendliness, inclusion and integrity; to be recognised externally as skilled, focused and accountable; and to work co-operatively and/or in partnership with others.

The trustees have paid due regard to the Charity Commission guidance on public benefit and to the provision of the Equality Act 2010 in deciding what activities the charity should undertake.

Organisational Structure

The St Margaret's House Council of Management has overall responsibility for the strategic direction, policy and human and financial resources of the organisation. Day to day operational management of the organisation is delegated by the Council to the CEO, Tony Hardie, who is responsible for ensuring that the organisation delivers the services specified through its team of staff.

Recruitment and Appointment of Trustees

The charity trustees are not more than fifteen members of the House elected at the Annual General Meeting of the House. The trustees form the Council of Management ("The Council"). The Council may co-opt persons to serve on the Council providing always that the number of co-opted members shall not exceed one third of the total elected membership of the Council. At every Annual General Meeting one third of those elected by the Annual General Meeting shall retire from office.

The Council seeks to ensure a good mix of skills from the business, social and voluntary sectors and has an ongoing policy of identifying suitable potential members.

Trustee Induction and Training

St Margaret's House has a password protected Trustees Webpage that includes all important working documents and a Trustees Induction Programme that covers all aspects of responsibilities, policy and procedures.

Related Parties

All user-groups based at St Margaret's House sign a licence agreement stipulating that they will act as affiliated societies of the House and endeavour to further its charitable aims.

- ACTION RECONCILIATION SERVICE FOR PEACE (ARSP)
- AFASIC
- BANGLADESHI PARENTS & CARERS ASSOCIATION (BPCA)
- BODYWISE
- CONSORTIUM FOR STREET CHILDREN
- CHRIST MERCY GOSPEL CHURCH
- CITY & EAST LONDON BEREAVEMENT SERVICE
- EAST LONDON CARES
- FEVERED SLEEP THEATRE
- GRAND UNION ORCHESTRA
- COMMUNITY PSYCHOTHERAPY NETWORK
- FRESHWATER THEATRE COMPANY
- GLOBE COMMUNITY PROJECT
- INDEPENDENT WORKERS UNION GB (IWBG)
- NMC RECORDINGS
- POORS LAND CHARITY
- QUEEN ADELAIDES CHARITY
- QUAKER SOCIAL ACTION
- ROMA SOCIETY
- SECOND UNIVERSITY HOUSE TRUST
- SOLACE WOMENS AID SPEAK
- TOWER HAMLETS FRIENDS & NEIGHBOURS (THFN)
- TOWER HAMLETS OLD PEOPLES WELFARE TRUST
- TOWER HAMLETS WHEELERS
- UNIVERSITY OF THE THIRD AGE (U3A)
- WISH WOMENS MENTAL HEALTH CHARITY

Risk Management

The Board of Trustees has reviewed the major risks to which the organisation is exposed, and a further review is being undertaken in 2024. Procedures are in place or being established as appropriate to mitigate identified risks. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and services.

Procedures are in place and under review to ensure the health and safety of staff, volunteers, clients and visitors in the offices and in relation to data protection and confidentiality.

Fundraising Regulations Statement

St. Margaret's House had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

No donations are sought from the public. We do not use third parties to assist with fundraising and the charity received no complaints in the year regarding its fundraising practices.

Achievements and Performance

Our Community Projects are thriving. Our award-winning vegan café (the first in Bethnal Green) has a dedicated staff who produce affordable vegan dishes, locally-ground coffees, vegan sweet treats, and healthy juices. The Head Chef updates the menu every season ensuring the menu is fresh and exciting.

The Gallery Café is a welcoming space which includes a performance area and garden which hosts music, comedy and a monthly open mic night. Artwork produced by local artists provides a monthly exhibition and vibrant atmosphere. The Café enjoys providing and creating vegan events and highlights in the year include our Veganary event which takes place every January, where we provide a quality vegan tasting menu alongside entertainment.



Ayoka is our charity shop built on acts of kindness, run by volunteers who are part of the family of St. Margaret's House and who we are always looking at new ways to support.

We are able to reuse or recycle more than 90% of donated clothing, over 100 % of the donated books, CDs, DVDs and 50% shoes and bags. We receive 12 bags of donations per week- 624 bags a year, ranging from large bin bags to small carrier bags to large boxes and suitcases. Very few of these donations were wasted with only 5% going to landfill. Donations are also shared amongst St. Margaret's Houses community projects, including The Create Place, as well homeless groups. Examples of this are sharing donated fabrics to groups including Fast fashion, Crafting is Connecting and the Sewing group. A local teacher based at St Johns School collects children's books from us for the less fortunate children in our community. We also worked with a men's homeless group based at St John's Church Bethnal Green providing their users with toiletries such as shower gel, combs, and toothpaste.

Ayoka prides itself on supporting volunteers with building skills in confidence and support many volunteers back on to the pathway of employment or further training.



Arts and Wellbeing

The year SMH became an Arts Council England (ACE) National Portfolio Organisation (NPO). The National Portfolio is a group of nearly a thousand arts and cultural organisations that get regular funding from ACE, which invests public money for creativity and culture in England.

SMH focuses on collaboration. We celebrate cross art culture delivered in non-traditional spaces, this year with 41+ artists, 23+ local community arts groups and audiences of over 3000 people. We've 25 arts and wellbeing tenants based in our hub - some have local focus (Bangladeshi Parents & Carers Association and Grand Union Orchestra), some serve locally and nationally (Fevered Sleep and Freshwater Theatre). We support the ecology of arts sector by providing our tenants some of London's lowest rents and partnership including project collaboration, local connections, space and funding opportunities.

We're a place-based charity focused on improving access to quality culture across our communities and partnerships seam through our programme to deliver this.

We've innovated an arts hub, embedded wellbeing in our practice & improved intersectional access to communities.

We've worked with Actors for Human Rights, Three Acres & A Cow reaching audiences of 250 in issue-based performance on land rights, migration, LGBTQ+ rights and racism.

Monthly Open Mic nights have provided 350 community members opportunities to showcase their music, poetry & comedy. Our Gallery Café has hosted international artists e.g. Balkan Music Quintet, Tatcho Drum & Queer Folk duo Lunatraktors. We collaborated with Paper Smokers on Miles Apart Together facilitating performances in 2 local care homes & East London Cares.

Our Associate Artists, Bric-à-Brac Theatre, are a female-led organisation, to whom we have provided rehearsal space, set-storage facilities and, opportunities to perform in 2 local community centres.

Our visual arts programme evidences trusted relationships with 23 local groups, sharing space & practise with our Artist in Residence programme. We provide 4 Artist in Residence placements per year & have collaborated with IMT Gallery & This is Live Art.

In The Create Place, our designated community arts and crafts studio, volunteer & community groups lead craft, art and painting workshops. Crafting is Connecting & Woodwork For Wellbeing provide free access to often isolated residents to 'become their own artist'.



Ghyama Arts: funded by City Bridge Trust working with Spare Tyre, Chocolate Films and National Centre for Circus Arts artists to deliver a yearlong round programme for disabled adults from the Bangladeshi Communities in Tower Hamlets and Newham. We've reached 30 disabled families empowering them to create their own work guided by high quality artists including a movement workshop with Akram Kahn. A hybrid circus performance was showcased by Tower Hamlets Clinical Commissioners to UK peers as an example of best practise.

Hilarity Academy: funded by Children In Need providing weekly free workshops & performance opportunities for 30 young people aged 6-18 from local estates who cannot afford arts activities.

2022 saw us showcase Mark Lockyer's 'Living With The Lights On, Dickens Theatre's A Christmas Carol, Ice & fire's We Like to Move, Move It, offering low cost high quality experiences in a non-traditional setting.

We have a hire agreement for a Tower Hamlet's Council space The Tramshed community hub on the Globe Estate close to SMH. This functions as a fully accessible arts & wellbeing centre with a community led committee. It'll increase access for communities with physical disabilities, families from low social economic backgrounds & fulfil our ACE LETS CREATE ambitions to build our Creative Health Zone model.

We're on an exciting journey of partnership between high quality artists & culture organisations alongside the health & wellbeing sector. We've the ambition to create a new place-based model of delivery through the development of Creative Health Zones.

This has been a transformational year at St. Margaret's House.

Financial Review

St Margaret's House has a variety of funding streams in 2022/2023 giving a total income of £1,036K of which £888K was raised from its own charitable activities by offering services and spaces for a range of groups across the community. In addition, St. Margaret's House has attracted £137K in grants from various funders for a variety of projects.

The net expenditure for the year was £1,005K generating an operational profit of £31K before adjustments for losses on investments (£21K) resulting in a net surplus of £10K for 22/23.

We wish to express our gratitude to our volunteers as well as all those who have given us their support and hope that this will continue for many years.

We continue to invest in our Arts and Wellbeing programme and have the use of the Tramshed, a community space owned by the London Borough of Tower Hamlets that enables us to widen our community based programmes.

Reserves Policy

The Balance sheet reflects our financial stability and enables us to widen our offer within the community.

The Board has examined and reviewed the organisation's requirements in line with the potential risks to the organisation.

At the 31st March 2023 the charity held total funds of £6,726K (2022: £6,716K) of which Restricted Funds were £46K (2022 £56K) and £6,680K (2022: £6,660K) in general funds.

Unrestricted Funds (General Funds) are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. It is the charity's policy to have 3 months operational expenditure as a general reserve, this being £289,704 based on the 23/24 Budget and requires a transfer of £56,959 from the Designated Building Reserve Fund £319K (2022 £378K) to the General Fund Reserve.

Designated Funds are reserves for a particular purpose with expectations that these funds are available to the general fund should the need arise.

Total Funds at 31 March 2023 (excluding fixed Assets) at the Trustees is £657,262 (£647,455 at March 2022).

Plans for Future Periods

To meet the requirements set out in as ACE NPO Investment Principals in Ambition & Quality, Environmental Responsibility, Dynamism, Inclusivity & Relevance.

To meet the requirements set-out in our ACE NPO - Activity Plan with programmes covering:

- Live Performance
- Visual Arts
- The Tramshed
- Health Tree
- Outreach
- Ghyama Arts
- Arts Festival
- Artist Support
- Newham Development

Continue to promote community projects, Ayoka, the Create Place and the Canvas.

Develop new community partnership activities.

Further develop volunteering opportunities

Further expand community cafe activities and events.

Continue to implement Eco-audit Report recommendations.

Maintain 95% + occupancy of all office and meeting room facilities.

Develop new community engagement initiatives.

Trustees' Responsibilities

The trustees (who are also directors for the purposes of company law) are required by company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity at the end of the year and the incoming and outgoing resources for the year then ended.

In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- making judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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 of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware;
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information;
- The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

This report is prepared in accordance with the provision of Part 15 of the Companies Act 2006 relating to companies subject to the small companies regime.

By order of the Board of Trustees



.....

9/10/23

Plans for Future Periods

To meet the requirements set out in as ACE NPO Investment Principals in Ambition & Quality, Environmental Responsibility, Dynamism, Inclusivity & Relevance.

To meet the requirements set-out in our ACE NPO - Activity Plan with programmes covering:

- Live Performance
- Visual Arts
- The Tramshed
- Health Tree
- Outreach
- Ghyama Arts
- Arts Festival
- Artist Support
- Newham Development

Continue to promote community projects, Ayoka, the Create Place and the Canvas.

Develop new community partnership activities.

Further develop volunteering opportunities

Further expand community cafe activities and events.

Continue to implement Eco-audit Report recommendations.

Maintain 95% + occupancy of all office and meeting room facilities.

Develop new community engagement initiatives.

Independent Auditors Report To The Members of St. Margaret's House (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;

Independent Auditors Report To The Members of St. Margaret's House (continued)

- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Use of our report

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

Azets Audit Services

J Howard FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Statutory Auditor

2nd Floor Regis House
45 King William Street
London
EC4R 9AN

Date: *16 October 2023*

Balance Sheet as at 31st March 2023

		2023 £	2022 £
	Note		
Fixed Assets			
Tangible fixed assets	9	6,068,713	6,068,533
Investments	10	491,272	456,022
		6,559,985	6,524,455
Current Assets			
Debtors	11	44,105	9,064
Cash at bank and in hand		199,570	265,533
		243,675	274,597
Creditors: amounts falling due within one year	12	(77,685)	(83,163)
Net Current Assets		165,990	191,433
Total Net Assets		6,725,975	6,715,988
Funds:			
Restricted Funds	13	46,488	56,480
Designated Funds	13	319,230	378,064
Unrestricted General Funds	13	6,360,257	6,281,444
		6,725,975	6,715,988

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The accounts were approved by the Board of Trustees on 9/10/2023 and were signed on their behalf by:



Eugene Lowrie
Chair



Ms Mana Mahil
Treasurer

The notes on pages 20 to 29 form part of these financial statements.

Company number: 7645599

**Statement of Financial Activities (including income and expenditure account)
for the year ended 31st March 2023**

	Note	Year ended 31 st March 2023			Year ended 31 st March 2022		
		Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Income from:							
Donations and legacies	2	32,882	107,094	139,976	36,214	229,005	265,219
Investment income	3	8,795	-	8,795	13,116	-	13,116
Charitable activities	4	888,057	-	888,057	745,792	-	745,792
Total income		929,734	107,094	1,036,828	795,122	229,005	1,024,127
Expenditure on:							
Charitable activities	5	879,004	120,523	999,527	762,567	219,519	982,086
Raising funds		5,884	-	5,884	-	-	-
Total expenditure		884,888	120,523	1,005,411	762,567	219,519	982,086
 Gain/(Loss) on investments	10	(21,430)	-	(21,430)	(34,939)	-	(34,939)
Net income / (expenditure)		23,416	(13,429)	9,987	(2,384)	9,486	7,102
Transfer of funds	13	(3,437)	3,437	-	(6,188)	6,188	-
Net movement in funds		19,979	(9,992)	9,987	(8,572)	15,674	7,102
 Reconciliation of funds:							
Total funds brought forward	13	6,659,508	56,480	6,715,988	6,668,080	40,806	6,708,886
Total funds carried forward	13	6,679,487	46,488	6,725,975	6,659,508	56,480	6,715,988

All of the above amounts relate to continuing activities.

All gains and losses arising are included in the Statement of Financial Activities above.

The notes on pages 20 to 29 form part of these financial statements.

Statement of Cashflows for the year ended 31st March 2023

		2023 £	2022 £
	Note		
Cash flows from operating activities			
Cash generated from operations	18	(9,276)	73,624
Net cash provided by operating activities		(9,276)	73,624
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,920)	(5,300)
Investment income received		7,771	13,116
Withdrawals from investments		438,462	-
Invested in the year		(500,000)	-
Net cash provided by investing activities		(56,687)	7,816
Change in cash and cash equivalents during the year		(65,963)	81,440
Cash and cash equivalents at the beginning of the year		265,533	184,093
Cash and cash equivalents at the end of the year		199,570	265,533
	1 April 2022	Cash Flows	31 March 2023
	£	£	£
Cash	265,533	(65,963)	199,570
Total	265,533	(65,963)	199,570

The notes on pages 20 to 29 form part of these financial statements.

Notes to the financial statements for the year ended 31st March 2023

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) including update bulletin 2, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and the Companies Act 2006.

St. Margaret's House meets the Definition of a public benefit under FRS 102.

The functional currency of these statements is sterling. Amounts are rounded to the nearest pound.

Going Concern

The trustees have assessed whether the use of the going concern basis is appropriate in preparing these financial statements and have considered possible events or conditions that may cast doubt on the ability of the charity to continue as a going concern. The trustees have made the assessment for a period of at least one year from the date of approval of the financial statements.

The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Income

All income is included in the statement of financial activities when the charity is entitled to, virtually certain to receive and the amount can be quantified with reasonable accuracy.

Grants are recognised on a receivable basis where there is reasonable expectation on entitlement.

Investment Income is included on a receivable basis.

Rents and Room Hire are on a receivable basis.

Income from trading activities are included when goods are sold.

Expenditure

Expenditure is included in the Statement of Financial Activities on an accrual basis inclusive of irrecoverable VAT.

Charitable activities include expenditure associated with the main objectives of the charity and include both direct and support costs relating to these activities.

Employee Benefits

The cost of short term employee benefits are recognised as a liability and expenses.

The cost of unused holiday entitlement is recognised in the period in which the employees services are received.

Pensions

Pension costs charged to the Statement of Financial Activities (SOFA) represent the contribution payable by the charity during the year; the charity has a stakeholder scheme.

The charity has no liability under the scheme other than the payment of contributions.

Notes to the financial statements for the year ended 31st March 2023 (continued)

1. Accounting Policies (continued)

Taxation

The charity is a registered charity and therefore not liable for income or Corporation Tax on income derived from its charitable activities.

The Charity is registered for Corporation Tax due on activity of the Community Café.

Operating Leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

Fixed Assets

Freehold properties are stated at cost and not depreciated. The members are of the opinion that the residual value of the building is in excess of the carry value of this asset and therefore depreciation is not appropriate. Impairment reviews are carried out on an annual basis on assets whose useful economic lives are expected to exceed 50 years in accordance with Financial Reporting Standard 102.

Other Fixed assets over £1,500 are capitalised and written off in the year.

Depreciation is calculated to write off assets over their useful lives.

Other fixed assets are stated at cost less accumulated depreciation:

Fixtures & fittings - 3 years

Office Equipment - 2 years

Investments

Investments are shown at their market value. Realised and unrealised gains are shown within the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Debtors

Debtors are recognised initially at fair value. A provision for impairment of trade debtors is established where there is objective evidence that the charity will not be able to collect all amounts due. Any losses arising from impairment will be recognised in the SOFA.

Creditors

Short term creditors are measured at the transaction price and are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all its financial instruments.

Notes to the financial statements for the year ended 31st March 2023 (continued)

1. Accounting Policies (continued)

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at the amount receivable and subsequently adjusted for any impairment or other change in consideration expected to be received on settlement.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies, are initially measured at the amount payable and subsequently adjusted for any changes in consideration expected to be paid on settlement.

Funds

Restricted Funds are subject to donor imposed conditions.

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

Designated Funds are reserves for a particular purpose with expectations that these will be transferred to general reserves to match relevant expenditure in the income and expenditure account.

Estimates and Judgements

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The trustees consider that only significant judgement and estimates used relates to the valuation of the freehold property.

An independent professional valuation took place at the date of transition to FRS 102 and the deemed cost model has been adopted. The trustees consider this valuation remains appropriate based on available market data and the annual impairment review.

2. Donations and legacies

	2023	2022
	£	£
Grants - Restricted	107,094	229,005
Grants - Unrestricted	30,000	-
Donations	2,882	1,198
HMRC - Job Retention Scheme	-	35,016
	139,976	265,219

3. Investment income

	2023	2022
	£	£
Investment income	8,795	13,116
	8,795	13,116

Notes to the financial statements for the year ended 31st March 2023 (continued)

4. Income from Charitable Activities

	2023 £	2022 £
Community Café	377,119	289,465
Rents	394,379	358,833
Room Hire	49,057	12,160
Charity Shop	37,631	38,113
Arts & Wellbeing Fees	18,722	14,911
Contribution to Maintenance	-	15,681
Other Income/Recharges	11,149	16,629
	888,057	745,792

5. Analysis of Expenditure on Charitable Activities

	Community Café £	Premises Facilities £	Shop £	Arts and Wellbeing £	Barn Project £	2023 £
Direct costs	182,355	-	2,837	123,946	-	309,138
Staff related costs	219,109	60,139	33,474	162,171	-	474,893
Office costs	4,055	8,701	572	6,627	-	19,955
Support Costs:						
Staff related costs	3,604	989	550	2,666	-	7,809
Premises costs	-	129,204	5,857	22,939	-	158,000
Central services	1,546	1,546	386	4,331	-	7,809
Marketing / AR	1,099	440	220	2,637	-	4,396
Audit / Tax fees	2,582	3,228	646	6,456	-	12,912
Depreciation	973	1,767	-	-	-	2,740
Building project fees	-	-	-	-	1,875	1,875
Total Expenditure 2023	415,323	206,014	44,542	331,773	1,875	999,527

Of the total expenditure £999,527 (2022: £982,086), amounts totalling £120,523 (2022: £219,005) were attributable to restricted funds.

Comparative Information: Analysis of Expenditure on Charitable Activities

	Community Café £	Premises Facilities £	Shop £	Arts and Wellbeing £	Barn Project £	2022 £
Direct costs	135,281	-	2,248	204,901	-	342,430
Staff related costs	222,160	39,404	38,831	133,665	-	434,060
Premises costs	786	124,945	5,644	17,918	-	149,293
Support Costs:						
Staff related costs	1,842	2,103	1,486	2,509	-	7,940
Office costs	779	1,558	779	12,666	-	15,782
Central services	1,921	2,187	384	4,257	-	8,749
Marketing / AR	916	733	366	1,649	-	3,664
Audit / Tax fees	4,789	4,839	939	5,737	-	16,303
Depreciation	112	1,969	55	545	-	2,681
Building project fees	-	-	-	-	1,184	1,184
Total Expenditure 2022	368,586	177,736	50,927	384,282	1,184	982,086

Notes to the financial statements for the year ended 31st March 2023 (continued)

6. Net income / (expenditure) for the year

Is stated after charging:	2023	2022
	£	£
Depreciation	2,740	8,550
Cost of stock	182,355	135,281
<i>Auditors remuneration:</i>		
Audit Fees - current year	11,500	12,782
Audit Fees - prior year under / (over) accrual	-	756
Non Audit Services - current year	750	2,765

7. Staff Costs

	2023	2022
	£	£
Wages and Salaries	432,159	401,746
Social Security Costs	34,164	28,718
Pension Costs	11,146	8,550
Other Staff Costs	5,233	2,986
	482,702	442,000

Staff costs above have been allocated to charitable expenditure as shown below:

	2023	2022
	£	£
Charitable activities	474,893	434,060
Support costs	7,7809	7,940

Staff Numbers	2023	2022
Average number of employees	20	19

No employee earned in excess of £60,000 in the year.

The key management personnel comprise the trustees, chief executive officer, deputy chief executive officer and certain department managers.

Total remuneration paid to key management personnel during the year was £196,139 (2022: £138,720), including pension contributions of £4,375 (2022: £2,883).

No trustee received payment for professional or other services supplied to the charity (2022: None). Trustees are not remunerated but are reimbursed for travel and subsistence expenses incurred through attendance of meetings. Reimbursement of travel expenses to trustees in 2023 was £x (2022: £Nil).

8. Taxation

The charitable company has a liability to corporation tax on its charitable trading activities.

The tax charge can be analysed as follows:

	2023	2022
	£	£
Current Taxation	-	-
Adjustments in respect of prior year	-	-
Deferred taxation	-	-

Notes to the financial statements for the year ended 31st March 2023 (continued)

9. Tangible Fixed Assets

	Freehold Land & Buildings £	Equipment £	Fixtures & Fittings £	Total £
Cost				
As at 1 April 2022	6,065,000	14,054	11,888	6,090,942
Additions	-	-	2,920	2,920
As at 31 March 2023	6,065,000	14,054	14,808	6,093,862
Depreciation				
As at 1 April 2022	-	14,054	8,355	22,409
Depreciation charge	-	-	2,740	2,740
As at 31 March 2023	-	14,054	11,095	25,149
Net Book Value				
As at 31 March 2023	6,065,000	-	3,713	6,068,713
As at 31 March 2022	6,065,000	-	914	6,065,914

A professional valuation of the freehold land and buildings, prepared by Farebrother Chartered Surveyors was obtained as at 1 April 2014 valuing the property portfolio at a value in use of £6,065,000 which was considered to be the deemed cost upon adoption of FRS 102 accounting framework for periods commencing on 1 April 2016.

In the opinion of the Trustees the market value at 31st March 2023 is not materially different and there has been no evidence of any impairment.

10. Investments

	2023 £	2022 £
Market value of investments at 1 April 2022	456,022	490,961
Acquisitions at cost	530,642	-
Disposals at market value	(485,772)	-
Change in market value in the year	(21,430)	(34,939)
Market value of investments at 31 March 2023	479,462	456,022
Cash held by investment managers for re-investment	11,810	-
Balance at 31 March 2023	491,272	456,022
Historical Cost	500,000	550,000
Investments comprise the following:		
Equities (Listed)	479,462	-
Fixed interest fund	-	456,022

11. Debtors

	2023 £	2022 £
Trade debtors	1,790	3,224
Other debtors/prepayments	42,315	5,840
	44,105	9,064

Notes to the financial statements for the year ended 31st March 2023 (continued)

12. Creditors : amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,270	3,153
Other creditors	6,084	7,978
Taxation / social security costs	25,604	8,357
Accruals	44,727	63,675
	77,685	83,163

13. Reconciliation and analysis of movement on funds for the year

	Balance at 1 st April 2022 £	Income £	Expenditure £	Gains / (losses) £	Transfer s £	Balance at 31 st March 2023 £
Unrestricted Funds	6,281,444	929,734	(883,011)	(21,430)	53,522	6,360,259
Designated Funds	378,064	-	(1,875)	-	(56,959)	319,230
Restricted Funds	56,480	107,094	(120,523)	-	3,437	46,488
Total Funds	6,715,988	1,036,828	(1,005,411)	(21,430)	-	6,725,975

Restricted Funds

BBC Children in Need	3,502	250	(5,711)	-	1,959	-
City Bridge Trust	7,603	37,664	(38,031)	-	-	7,236
Sports Council (Return to Play)	9,980	-	(9,980)	-	-	-
GLA Culture Team (Research)	2,520	-	(3,467)	-	947	-
Lottery (Place Like Home)	3,574	-	(4,085)	-	511	-
Heritage (Mendoza)	29,301	-	(29,301)	-	-	-
Climate Coalition	-	3,094	(3,114)	-	20	-
Post Code Society Trust	-	9,810	(8,222)	-	-	1,588
Social Prescribing	-	9,760	(5,747)	-	-	4,013
Sport England (Make Time)	-	7,300	(3,500)	-	-	3,800
Creative Futures	-	15,000	-	-	-	15,000
London Marathon	-	20,000	(5,149)	-	-	14,851
Clarion (Warm Spaces)	-	4,216	(4,216)	-	-	-
Total Restricted Funds	56,480	107,094	(120,523)	-	3,437	46,488

Unrestricted funds include £21,430 relating to unrealised (losses) on investments (2022: £34,939).

Designated Funds

The designated fund relates to the Building Fund for the primary purpose of raising capital funding for a new Arts & Wellbeing Centre estimate at around £2m. Planning Permission for the project has been granted but the project is on hold.

Notes to the financial statements for the year ended 31st March 2023 (continued)

13. Reconciliation and analysis of movement on funds for the year (continued)

Restricted Funds

BBC Children in Need - funded a series of Comedy Workshops for young people; this project ended in the year.

City Bridge Trust Fund - funding provided in support of Ghyama Arts, Disability Arts project providing weekly theatre, film and circus sessions leading to public celebrations.

Sports England (Return to Play) - Funding provided to support 'Return to Play' programme which involved weekly keep fit sessions in community settings across Tower Hamlets and is now completed.

GLA Culture Team (Research) - funding provided for Creative Health Zone research project looking at potential of Creative Health Zones leading to a report working with BOP Consulting. Project is now completed.

Lottery (Place Like Home) - Funding provided for the renovation of Community Space.

Heritage (Mendoza) - Mendoza Main funding. Heritage project working in the local community to celebrate boxer Mendoza through research, talks, theatre performance and film. Project is now completed.

Climate Coalition - Funding provided for the events of the Great Green Week.

Post Code Society Trust - Funding provided for the exploration of the outdoors.

Social Prescribing - Funding provided for a Men's social prescribing research project.

Sport England (Make Time) - Exercise programme for Bangladeshi groups in Tower Hamlets.

Creative Futures - Funding for 16-18 year olds on placement with St Margarets House.

London Marathon - Funding for circus skills and engaging inactive Londoners.

Clarion - Funding for warm spaces.

Notes to the financial statements for the year ended 31st March 2023 (continued)

13. Reconciliation and analysis of movement on funds for the year (continued)

Comparative information: Analysis of movement in funds for the year ended 31 March 2022

	Balance at 1 st April 2021 £	Income £	Expenditure £	Gains / (losses) £	Transfers £	Balance at 31 st March 2022 £
Unrestricted Funds	6,288,832	795,122	(761,383)	(34,939)	(6,188)	6,281,444
Designated Funds	379,248	-	(1,184)	-	-	378,064
Restricted Funds	40,806	229,005	(219,519)	-	6,188	56,480
Total Funds	6,708,886	1,024,127	(982,086)	(34,939)	-	6,715,988

Restricted Funds

BBC Children in Need	3,435	8,830	(8,763)	-	-	3,502
Heritage	10,480	22,535	(33,015)	-	-	-
City Bridge Trust	9,090	34,870	(36,357)	-	-	7,603
Post Code Lottery	7,737	-	(7,737)	-	-	-
Arts Council (Health Tree)	-	47,343	(47,343)	-	-	-
Arts Council (Culture Recovery)	-	30,535	(33,804)	-	3,269	-
Arts Council (The Borrowers)	-	14,187	(14,187)	-	-	-
Foyle Foundation	8,564	-	(8,564)	-	-	-
Sports Council (Return to Play)	-	9,980	-	-	-	9,980
GLA Culture Team (Research)	-	27,420	(24,900)	-	-	2,520
Lottery (Place Like Home)	-	4,004	(430)	-	-	3,574
Hertitage (Mendoca)	-	29,301	-	-	-	29,301
Individual Donor (Anon)	1,500	-	(4,419)	-	2,919	-
Total Restricted Funds	40,806	229,005	(219,519)	-	6,188	56,480

Heritage Fund - in relation to LGBTQ. Project called Molly's Masquerade. LBGTQ Project investigating the heritage of Molly Houses through regular research, workshops, walks, theatre, craft and dance leading to public sharing of heritage learnt. Project ended July 2021.

Arts Council (Health Tree) Fund - Funding provided in support of Well Being Arts Project. Project offered weekly activities in everything from Woodwork, acupuncture, walks, theatre, movement and linked it with social prescribing. Also created a network linking arts and health. Project ended March 2022.

Arts Council (Culture Recovery) Fund - Covid Support for Arts & Wellbeing. Supported St Margaret's House through recovery of Covid contributing to staff costs, training, communications planning and digital expertise. Project ended in December 2021.

Arts Council (The Borrowers Fund) - Funding provided in support of outreach workshops. Two month project working with Tower Hamlets Carers and two artists on research and development. Digital outcomes in music produced.

Foyle Foundation Fund - Funding provided for access and signage. Signage project adding improved facilities to St Margarets House. Projected ended in November 2021.

Notes to the financial statements for the year ended 31st March 2023 (continued)

14. Analysis of total net assets between funds

	Unrestricted funds	Restricted funds	Total Funds at 31 March 2023
	£	£	£
Fixed Assets	6,559,985	-	6,559,985
Current Assets	197,187	46,488	243,675
Current Liabilities	(77,685)	-	(77,685)
	6,679,487	46,488	6,725,975

	Unrestricted funds	Restricted funds	Total Funds at 31 March 2022
	£	£	£
Fixed Assets	6,524,555	-	6,524,555
Current Assets	218,117	56,480	274,597
Current Liabilities	(83,163)	-	(83,163)
	6,659,508	56,480	6,715,988

15. Related party transactions

The chief executive occupies one of the charity's properties., 19 Old Ford Road, in the capacity of caretaker and pays rent of £3,051 per annum (2022: £2,151).

The following trustees also represent charities that hold a licence agreement with St Margarets House:

Shamimara Choudry - Bengali Parents & Carers Association - £47,048 (2022: £45,900).

All rents are charged at an arm's length basis and there are no amounts due at the year end.

During the year the Charity received a grant of £30,000 (2022: £Nil) from Poors Land Charity, an affiliated society, of £30,000. At the year end, £30,000 was still outstanding and included within debtors.

16. Company Limited by guarantee

The company is limited by guarantee and does not have a share capital. In the event of the company being wound up the maximum amount which each member is liable to contribute is £1. At 31 March 2023 there were 10 members.

17. Operating Leases

	2023	2022
	£	£
Office Equipment		
Less than 1 year	12,686	7,624
Within 1-5 years	1,249	10,001
	13,935	17,625

18. Cash used in operating activities

	2023	2022
	£	£
Net movement in funds	9,987	7,102
Add back depreciation	2,740	2,681
Add back revaluation loss	21,430	34,939
Add Investment manager fees included within investments	5,879	-
Less Interest received	(8,795)	(13,116)
(Increase) / Decrease in debtors	(35,041)	16,942
(Decrease) / Increase in creditors	(5,476)	25,075
	(9,276)	73,624

