

Charity registration number 1198573

**HARMONY HOUSE DAGENHAM CIO**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**



# HARMONY HOUSE DAGENHAM CIO

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Sister N Emperor	(Appointed 11 April 2022)
	Hannah Kearns	(Appointed 11 April 2022)
	Sister Eileen McLoughlin	(Appointed 11 April 2022)
	Sister Lorna Walsh	(Appointed 11 April 2022)
	Sister Margaret Patricia Gallagher	(Appointed 11 April 2022)
	Sister Siobhan O'Keeffe	(Appointed 11 April 2022)
<b>Charity number</b>	1198573	
<b>Company number</b>	CE029176	
<b>Registered office</b>	Baden Powell Close Dagenham Essex RM9 6XN	
<b>Auditor</b>	KLSA LLP Kalamu House 11 Coldbath Square London EC1R 5HL	
<b>Bankers</b>	National Westminster Bank Plc Parklands De Havilland Way Horwich BL6 4YU	
<b>Solicitors</b>	Pathecary Witham Weld 70 St George's Square London SW1V 3RD	

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# **HARMONY HOUSE DAGENHAM CIO**

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# HARMONY HOUSE DAGENHAM CIO

## TRUSTEES REPORT

### FOR THE YEAR ENDED 31 MARCH 2023

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The Trustees present their annual report and financial statements for the year ended 31 March 2023.

Harmony House Dagenham is a charitable organisation managed by its trustees, who at present are the Sisters of the Sacred Hearts of Jesus and Mary. Harmony House Dagenham converted from a CIC (Company Registration No. 6565448) registered at Companies House from 15 April 2008 to a CIO (Registered Charity No. 1198573). Harmony House Dagenham registered with the Charity Commission on 11 April 2022 as per the Charity's trust deed.

We offer an Early years provision, services for older people and a variety of community programmes. We offer space and accommodation at Harmony House to other community ventures.

During this year we had to meet the challenge of the after effects of the pandemic, the cost-of-living crisis and the ongoing challenges to the recruitment and retention of nursery practitioners.

We have however successfully delivered our Early Years' service and managed a large programme of support for the older people in Barking and Dagenham. During this financial year we became a part of the Barking and Dagenham collective, partnering with five other voluntary organisations as Locality Leads to deliver the Cost-of-living crisis programme on behalf of the London Borough of Barking and Dagenham.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

#### **Objectives and activities**

##### *Public benefit*

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

The Charity's objectives are as follows;

- To promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society.
- To develop the capacity and skills of the members of the socially and economically disadvantaged community of the London borough of Barking and Dagenham in such a way that they are better able to identify and help meet their needs and to participate more fully in society.
- To advance education of children primarily under statutory school age through early years provision and after school clubs
- Such other charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the charity trustees may from time to time determine.

#### **Principal Aims and Activities**

Harmony House was established in 1993 in response to the needs of the recently arrived refugees in Barking and Dagenham. As the numbers and needs of refugees have diminished, Harmony House has channeled its resources to meet other priority needs of the community.

# **HARMONY HOUSE DAGENHAM CIO**

## **TRUSTEES REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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#### **Activities**

The activities are as follows;

#### **Early Year settings**

Harmony House Dagenham CIO manages 3 nurseries, which is the core services that financially supports our other objectives of being a charity. The last trading year has been a difficult one with respect to recruitment and retention of nursery practitioners. We have attended job fairs run by the local borough and the job centre and have been able to recruit 4 members of staff.

#### **Dagenham**

Our childhood centre at Dagenham provides high quality childcare at one of the most affordable rates in the borough. We aim to keep our fees as low as possible to support local families. The setting had its last Ofsted inspection in October 2018 and received a GOOD rating.

We had to re-register this nursery with Ofsted as we had changed status from being a Community Interest Company to a Charitable Incorporated Organisation on 11 April 2022. The occupancy rates have remained low after the pandemic in all the settings: although they are slowly improving. The increase in the cost of living may have affected the uptake although it has been very difficult to gauge the reasons behind the low occupancy rates.

As of 31 March 2023, there were 83 children on roll. (2022 :86). Throughout the year we provided places to 46 children through the Government's 2-year funding scheme. A further 74 children aged 3 years and over, access funding with 33 of them qualifying for 30 hours of free education. In September 2022, 28 children went up to school. At Christmas time the nursery children took part in a Nativity Play and Carol Concert. They played their part alongside other members of the Harmony House community: taking leading parts in the Nativity Play and even solo singing parts.

#### **Hornchurch**

This is the second Harmony House nursery opened in January 2013. The building is next to the St Mary's R.C. Primary school in Hornchurch, with whom we have built a good relationship. The setting has a capacity for 44 children at any one time. The setting had its last Ofsted inspection in March 2018 and received a GOOD rating.

We had to re-register this nursery with Ofsted as we had changed status from being a Community Interest Company to a Charitable Incorporated Organisation on 11 April 2022.

As of 31 March 2023, there were 55 children on roll. (2022:44). Throughout the year we provided places to 12 children through the Government's 2 - year funding scheme. A further 41 children aged 3 years and over, access funding with 22 of them qualifying for 30 hours of free education. In September 2022, 12 children went up to school.

The staff at Hornchurch perform a graduation ceremony on a Saturday for the children who go to school. This enables the parents to attend the ceremony and be a part of the celebration.

#### **Castle Green**

Harmony House has managed Castle Green, on behalf of the local authority since 2015. The contract initially for 6 years was extended in February 2020 for a further 5 years. Castle Green is a nursery offering full day care for 50 weeks a year.

As with our existing Dagenham nursery, Castle Green is registered for 79 children making these nurseries the two largest in Barking and Dagenham.

As of 31 March 2023, there were 105 children on roll. (2022 :108). Throughout the year we provided places to 69 children through the Government's 2-year funding scheme. A further 114 children aged 3 years and over, access funding with 51 of them qualifying for 30 hours of free education. In September 2022, 38 children went up to school.

# **HARMONY HOUSE DAGENHAM CIO**

## **TRUSTEES REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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#### **In-Service Training**

Each nursery had 2 in-service training days this year.

#### **Silvernet,**

A programme offering support to older people, was launched in August 2016. It was initially funded through a £300,000, three-year, Big Lottery grant. Since May 2020 a smaller service has been delivered, supported by a grant from the Mercer's Company. The grant was for £84,000 over two years which ended May 2022.

A further 2-year extension to the project was approved by the funders ending May 2024. The service consists of six get-together groups, events days, outings, and a computer club for elders.

We also deliver the Job2do programme as part of Silvernet. Through this service we offer gardening, housework, decorating and small DIY jobs to older people in their homes.

We had 6 social groups being supported with a total of 78 members attending these groups. The social groups have helped many of our socially isolated service users under our Companions project. The last year has been challenging due to the higher cost of living. Warm spaces that we offer at our social gathering venues have been helpful for the service users during the winter months.

We organised 4 events in the period from April 2022 to March 2023. These were the St. Patrick's Day, St Georges day, Halloween, and Christmas. An average of 65 older people attended each of these events.

Through our Job2do team we were able to continue with our housework, gardening, and DIY services. In total we completed 610 jobs in total from April 2022 to March 2023. This service has been a lifeline to many of our vulnerable beneficiaries. Through this service we were able to identify 18 service users who needed additional support and were referred on to various services in the borough.

#### **Companions Service funded by City Bridge Trust**

The companions Service, funded for 5 years by the City Bridge Trust, began in January 2020. The aim of the service is to contact elders who are extremely isolated and have difficulty, for whatever reason, in leaving their homes. Three members of staff have been employed for 12 hours a week each

They have a case load of 15 service users each. Each service user gets a home visit every other week with telephone calls in between. The goal is to get as many service users as possible out of their homes; ideally to join community activity or even for a short walk to the local shops or park and take them out of Social isolation. The service is now well established and receives many referrals from the local health and social work teams. The team has been able to organise social gatherings where 6 to 8 clients can meet with staff. This has had the beneficial result of several clients striking up friendships and supporting each other with telephone calls.

We secured some additional funding from the Local Authority for 6 months due to the increased number of referrals for this service. This allowed our three paid Companions to work an extra 13 hours a week for 6 months. The extra working hours extra visits and which helped the clients integrate into the community faster. Over the period from April 2022 to March 2023 we have worked with 48 services users and were successful in integrating 21 clients back into the community.

In July 2022 we took 25 people to a theatre show. This sparkling, foot-tapping, feel-good show evoked the wonderful mix of entertainment that accompanied the optimistic youth of the post-war generation and was packed with nearly fifty singalong hits which the participants enjoyed. Overall last year has been very productive and we intend to carry on providing that service this.

# **HARMONY HOUSE DAGENHAM CIO**

## **TRUSTEES REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **N.H.S Leaflet Storage and Distribution Project**

During the year we have continued to deliver the NHS Storage and Distribution from Harmony House. This service has been very busy with several campaigns undertaken by the N.H.S after the pandemic. Harmony House has been commissioned to deliver this project until the end of March 2024.

The Handyperson Service is delivered through Harmony House on behalf of the London Borough of Barking and Dagenham and the local N.H.S. The service is designed to provide practical support to residents who are at risk of slipping or tripping in their own homes. The service is free at the point of delivery to customers. This has been a well-used service with the referrals coming from social workers, N.H.S staff and integrated teams in addition to directly from customer themselves.

This service is seen as a part of a prevention strategy on the part of the Local Authority and the local N.H.S: preventing residents from emergency admission to hospital needing residential care. In addition, the service is used to prepare customers' homes so that they can return to them safely and quickly after a stay in the hospital or residential care. The service completes small household DIY jobs that will help to prevent slips and trips for vulnerable adults. For example, we secure loose flooring surfaces, ensure lightbulbs are changed and repair and install banister rails on stairways. Last year alone we have installed 440 grab rails in bathrooms and by doorways to help Older People move more securely around their homes.

### **Cost of Living Project – Locality Lead**

Harmony House is a Locality Lead in the Cost-of-Living Crisis Project commissioned by the London borough of Barking and Dagenham and the N.H.S.

Each Community Locality Lead acts as a focal point for their area, to discover what support is available and prototype solutions with local people, offer a triage service to discover how, where and who people turn to for help, linking people up to support as appropriate to help people manage wellbeing issues related to welfare, debt, housing, employment, and social isolation, as well as health conditions.

The project was awarded to Harmony House from the October 2022 and scheduled to end on the 31st of January 2024. During this period, we will be part of the project for planning the continuation of a co-designed, coordinated, and visible cross sector response to the ongoing challenges caused by the cost-of-living crisis and upcoming challenges from winter pressures.

We will be working with the Local Authority, N.H.S and other locality lead partners to achieve:

- A longer-term locality-based solution that focuses on people's strengths, helps people out of crisis and builds greater resilience across the community.
- A strengthened Locality Leads model – aligned with 3 localities and ensure the model is fit for purpose with networked civil society, connected to each other and residents at the heart.

### **Volunteers and staff**

The volunteers and staff are involved in general management and core activities of the Charity:

- Help the socially and economically disadvantaged residents of Barking and Dagenham to develop the capacity and skills .
- Help in older people's service called "Silvernet" which includes Get Together groups, a Job2Do service, a Silver Surfer Computer club and Harmony House Companions service.
- Help in running 3 full time childcare nurseries catering to children aged 3 months to 4 years.
- Visit elderly isolated people in their own homes and try integrating them with other social groups in the community.
- The companions assist service users by accompanying them to GP appointments, café visits, shopping visits etc. to build their confidence to go out and make friends

The Board of Governors would like to acknowledge the tremendous efforts of the volunteers, staff and the many supporters of the Charity for their kind and generous donations as well as their continued support in helping the Charity to achieve its objectives.

# HARMONY HOUSE DAGENHAM CIO

## TRUSTEES REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### Achievements and performance

##### *Significant activities and achievements against objectives*

At 31 March 2023, there were 243 pupils registered at the school; the total number registered from April 2023 is expected to rise. The child care fee income was £788,699 for the YE 31 March 2023 (2022: £718,253).

The most recent standard inspection by Ofsted in 2023 rated all the nurseries as Good.

Income from other charitable activities comprised of government grants at £829,871 (2022: £948,537), contracts and agreement grants at £126,750 (2022: £100,868), catering income at £105,053 (2022: £106,714), rental income at £118,958 (2022: £121,621), Donations at £0 (2022: £5,712) and internal projects at £4,275 (2022: £24,016)

The trustees place great importance on safety and security. Procedures and risk assessments are regularly reviewed.

#### Financial review

In 2023, the Charity's expenditure totalled to £1,952,534 (2022: £1,978,383), which includes employment costs at £1,371,306 (2022: £1,337,877), child care costs £282,634 (2022: £304,519), premises costs of £117,978 (2022: £215,342), community project costs of £149,966 (2022: £86,521) and depreciation charge at £30,650 (2022: £34,124), (Note 7). Income was more than resources expended in 2023, resulting in a surplus of £25,315 (2022: £102,727). The net assets as year ended 31 March 2023 amounted to £669,745 (2022: £644,430).

#### Going concern

During the current year, the charitable activities generated gross income of £1.97m (2022: £2.02m). The total assets less current liabilities for the year were £669k (2022: £644k).

Based on the charity's performance and the trustees confidence, the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### Reserves policy

The trustees have reviewed the charity's need for reserves in accordance with guidance from the Charity Commission. The restricted funds relate to grants received from funders with specific terms and conditions on what the funds are to be utilised for. The trustees consider that unrestricted reserves of between three and six months' expenditure will ensure that, in the event of a significant drop in funding or exceptional expenses, the charity's current activities will be able to continue while considering ways to raise additional funds.

# **HARMONY HOUSE DAGENHAM CIO**

## **TRUSTEES REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **Risk management and internal control**

#### **Risk management**

The Board of Trustees is responsible for ensuring effective risk management, and that internal controls are in place to appropriately manage the risk exposure of the Charity, in particular, the Board of Governors has considered:

- the major risks to which the Charity is exposed;
- the potential impact and probability associated with each risk;
- existing internal controls and accountability for them;
- mitigating actions needed to reduce each risk to a level that the Governors considers to be acceptable.

All significant activities undertaken are subject to risk review as part of the initial project assessment and implementation. The Board of Governors reviews the major risks that the Charity faces on a regular basis and controls are established as appropriate.

#### **Internal control**

The Trustees have overall responsibility for ensuring that the Charity has appropriate systems of internal controls across the Charity .

The key internal controls used by the Charity include:

- Formal agendas and minutes of all Board of Governors meetings
- Detailed budgetary presentation for approval by the Board of Governors
- Established organisational structure and lines of reporting
- Engagement of external professional advisors as and when necessary

Through the controls established for the running of the Charity, the Board of Governors are satisfied that the major risks identified are adequately mitigated where necessary. It is recognised that the controls established can only provide reasonable but not absolute assurance that major risks have been adequately managed.

#### **Structure, governance and management**

Harmony House Dagenham CIO (Registered Charity No. 1198573) registered with the Charity Commission on 11 April 2022 as per the Charity's trust deed. The registered address of Harmony House, Baden Powell Close, Dagenham RM9 6XN.

Prior to this Harmony House Dagenham was a CIC (Company Registration No. 6565448) registered at Companies House from 15 April 2008.

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

Sister N Emperor	(Appointed 11 April 2022)
Hannah Kearns	(Appointed 11 April 2022)
Sister Eileen McLoughlin	(Appointed 11 April 2022)
Sister Lorna Walsh	(Appointed 11 April 2022)
Sister Margaret Patricia Gallagher	(Appointed 11 April 2022)
Sister Siobhan O'Keeffe	(Appointed 11 April 2022)

#### **Recruitment, appointment and training of trustees**

When appointing new Trustees to the charity, the Board of Trustees consider the skills, knowledge and experience of the individual in making the appointment.

All Trustees have been allocated an area of responsibility which, where possible, is in accordance with their skills and experience.

The first nominated charity trustees listed above were appointed as detailed in the Harmony House Dagenham CIO constitution. None of the Trustees has any beneficial interest in the charity. If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibilities for settling its debts and liabilities.

## HARMONY HOUSE DAGENHAM CIO

### TRUSTEES REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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#### *Organisational structure*

The Trustees have delegated the day-to-day management of the charity to Ravi Pillai, Acting CEO, in the absence of Marie Kearns who is currently on long term sick leave. The Trustees and Acting CEO, take professional advice:

- legal advice regarding the leasing/licensing relating to property
- tax advice from the auditors
- day-to-day financial advice from the Finance Manager, Aleem Islan
- day-to-day HR advice from Kelly Lawlor.

#### *Other matters*

##### **Pay policy for senior staff**

The senior management team comprises of the key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day-to-day basis.

The salaries of all the members of senior staff are reviewed annually by the charity's human resources committee and increased in accordance with its pay policy.

##### **Auditor**

KLSA LLP were appointed as auditor to the charity and a resolution proposing that they be re-appointed will be put at a General Meeting.

##### **Disclosure of information to auditor**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees report was approved by the Board of Trustees.

Sister Lorna Walsh

Trustee

12<sup>th</sup> January 2024

## **HARMONY HOUSE DAGENHAM CIO**

### **STATEMENT OF TRUSTEES RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2023***

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The Trustees are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

In preparing these 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;
- make 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

# HARMONY HOUSE DAGENHAM CIO

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF HARMONY HOUSE DAGENHAM CIO

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#### Opinion

We have audited the financial statements of Harmony House Dagenham CIO (the 'Charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

## **HARMONY HOUSE DAGENHAM CIO**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE TRUSTEES OF HARMONY HOUSE DAGENHAM CIO**

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##### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees responsibilities, the Trustees 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 Charity'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 cease operations, or have no realistic alternative but to do so.

##### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

##### **Extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations**

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the sector; and
- we focused on specific laws and regulations which we considered may have a direct material effect on the operations of the charity's financial statements or the operations of the charity, including the Charities Act 2011, data protection, anti-bribery, employment laws, environmental and health and safety legislation.

# HARMONY HOUSE DAGENHAM CIO

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF HARMONY HOUSE DAGENHAM CIO

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We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- carried out a review of the incoming grants during the year ensuring transactions were at arm's length.
- investigated the rationale behind significant or unusual transactions.
- verified income to the supporting receipts and other documentation on a sample basis to confirm classification between restricted and unrestricted funds.
- read minutes of meetings of those charged with governance.
- performed year on year analytical procedures on grants.
- reviewed validity of expenditure on a sample basis and in particular reasonableness of allocation of expenditure against restricted funds.

To address the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims.

and we communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statements items.

Secondly, the Charity is subject to laws and regulations as well as grants terms and conditions where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the dismissal of teaching staff and replacement of school governors as well as termination of grants. We identified the following areas as those most likely to have such an effect: Ofsted inspections and the terms attached to the Mercer's Company, The City Bridge Trust and The National Lottery Community Fund grants. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards; for instance, any non-compliance with laws and regulations and fraud which is far removed from transactions reflected in the financial statements would diminish the likelihood of detection. Furthermore, the risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting one resulting from error.

Fraud may involve deliberate concealment by, for example, forgery or intentional omissions, misrepresentation, or through an act of collusion that would mitigate internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

# HARMONY HOUSE DAGENHAM CIO

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF HARMONY HOUSE DAGENHAM CIO

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A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with the Charity's trust deed, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" effective 2019 in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

KLSA LLP

KLSA LLP

19 January 2024

Chartered Accountants  
Statutory Auditor

Kalamu House  
11 Coldbath Square  
London  
EC1R 5HL

KLSA LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# HARMONY HOUSE DAGENHAM CIO

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<b>Income and endowments from:</b>							
Charitable activities	3	1,837,227	136,379	1,973,606	1,914,313	110,868	2,025,181
Investments	5	2,627	-	2,627	69	-	69
Other income	6	1,616	-	1,616	55,860	-	55,860
<b>Total income</b>		<b>1,841,470</b>	<b>136,379</b>	<b>1,977,849</b>	<b>1,970,242</b>	<b>110,868</b>	<b>2,081,110</b>
Charitable activities	7	1,802,568	149,966	1,952,534	1,891,862	86,521	1,978,383
<b>Net income/(expenditure) and movement in funds</b>		<b>38,902</b>	<b>(13,587)</b>	<b>25,315</b>	<b>78,380</b>	<b>24,347</b>	<b>102,727</b>
<b>Reconciliation of funds:</b>							
Fund balances at 1 April 2022		608,753	35,677	644,430	530,373	11,330	541,703
<b>Fund balances at 31 March 2023</b>		<b>647,655</b>	<b>22,090</b>	<b>669,745</b>	<b>608,753</b>	<b>35,677</b>	<b>644,430</b>

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

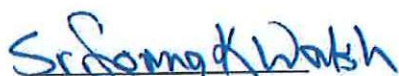
# HARMONY HOUSE DAGENHAM CIO

## BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		122,473		95,322
<b>Current assets</b>					
Debtors	12	177,800		114,408	
Cash at bank and in hand		536,728		748,966	
		714,528		863,374	
<b>Creditors: amounts falling due within one year</b>	13	167,256		314,266	
Net current assets			547,272		549,108
<b>Total assets less current liabilities</b>			669,745		644,430
<b>The funds of the Charity</b>					
Restricted income funds	14		22,090		35,677
Unrestricted funds			647,655		608,753
			669,745		644,430

The financial statements were approved by the Trustees on 12 January 2024



Sister Lorna Walsh

Trustee

# HARMONY HOUSE DAGENHAM CIO

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	19		(126,631)		180,742
Income taxes paid			(18,715)		(14,782)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(57,827)		(52,166)	
Proceeds from disposal of tangible fixed assets		598		-	
Investment income received		2,627		69	
<b>Net cash used in investing activities</b>			(54,602)		(52,097)
<b>Financing activities</b>					
Repayment of borrowings		-		(8,334)	
<b>Net cash used in financing activities</b>			-		(8,334)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(199,948)		105,529
Cash and cash equivalents at beginning of year			736,676		631,147
<b>Cash and cash equivalents at end of year</b>			536,728		736,676

# HARMONY HOUSE DAGENHAM CIO

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **1 Accounting policies**

#### **Charity information**

Harmony House Dagenham CIO is a Charitable organisation registered with the Charity commission. The registered office is Baden Powell Close, Dagenham, Essex, RM9 6XN.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the Charity's trust deed, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

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

#### **1.4 Income**

Income represents the value, net of value added tax and discounts, of the following streams:

- Grant receivable, which are recognised as income when the Charity becomes entitled to the grant.
- Contract services, including nursery fees, which are recognised as income when the service is provided.
- Room and equipment hire, including catering and conference facilities, which are recognised as income as the facilities are provided.
- Donations are recognised on receipt.

# HARMONY HOUSE DAGENHAM CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

School fees and other charges are credited to the statement of financial activities on an accruals basis.

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

Rental income represents amounts receivable from rent charged to various tenants for rooms at Dagenham for specified periods during the week and sometimes over the weekend.

#### Deferred income

School fees and registration fees is billed in advance of the oncoming school term and are recognised in the accounting period to which they relate.

#### 1.5 Expenditure

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

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

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% straightline method
Fixtures and fittings	25% straightline method
Motor vehicles	40% reducing balance method

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 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.

# HARMONY HOUSE DAGENHAM CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# HARMONY HOUSE DAGENHAM CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 2 Critical accounting estimates and judgements

(Continued)

#### Critical judgements

##### Provision for dilapidations

Management has recognised provisions for dilapidations and major repairs in its financial statements which requires management to make judgements. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

##### Useful lives of improvement in property and plant and machinery

Management reviews the useful lives and residual lives of the items of Improvement in property and plant and machinery on a regular basis.

##### Impairment of receivables

Management reviews their portfolio of receivables on a regular basis. In determining whether receivables are impaired and provision for bad debts is recognised, management makes judgements as to whether there is any evidence indicating that there is a measurable decrease in the estimated future cash flows expected.

### 3 Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<b>Childcare fees</b>						
Childcare fees	788,699	-	788,699	718,253	-	718,253
<b>Grant &amp; Government fees</b>						
Grants & Government fees	820,242	9,629	829,871	938,537	10,000	948,537
<b>Contracts, agreements &amp; other grants</b>						
Contracts, agreements & other grants	-	126,750	126,750	-	100,868	100,868
<b>Catering income</b>						
Catering income	105,053	-	105,053	106,174	-	106,174
<b>Rental income</b>						
Rental income	118,958	-	118,958	121,621	-	121,621
<b>Donations</b>						
Donations	-	-	-	5,712	-	5,712
<b>Internal projects</b>						
Internal project	4,275	-	4,275	24,016	-	24,016
	<u>1,837,227</u>	<u>136,379</u>	<u>1,973,606</u>	<u>1,914,313</u>	<u>110,868</u>	<u>2,025,181</u>

# HARMONY HOUSE DAGENHAM CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 4 Restricted income

Restricted income of £136,379 (2022: £110,868) relates to grants received from funders with specific terms and conditions on what the funds are to be utilised for.

### 5 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	2,627	69

### 6 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Net gain on disposal of tangible fixed assets	572	-
Miscellaneous income	1,044	22,676
Coronavirus job retention scheme grant	-	33,184
	1,044	55,860

### 7 Expenditure on charitable activities

	Nursery costs 2023 £	Depreciation 2023 £	Total 2023 £	Nursery costs 2022 £	Depreciation 2022 £	Total 2022 £
<b>Direct costs</b>						
Staff costs	1,371,306	-	1,371,306	1,337,877	-	1,337,877
Depreciation and impairment	-	30,650	30,650	-	34,124	34,124
Child care costs	282,634	-	282,634	304,519	-	304,519
Premises costs	117,978	-	117,978	215,342	-	215,342
Community project costs	149,966	-	149,966	86,521	-	86,521
	1,921,884	30,650	1,952,534	1,944,259	34,124	1,978,383
<b>Analysis by fund</b>						
Unrestricted funds	1,771,918	30,650	1,802,568	1,857,738	34,124	1,891,862
Restricted funds	149,966	-	149,966	86,521	-	86,521
	1,921,884	30,650	1,952,534	1,944,259	34,124	1,978,383

## HARMONY HOUSE DAGENHAM CIO

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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#### 8 Trustees

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

#### 9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	70	85

	2023 £	2022 £
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Wages and salaries	1,371,306	1,337,877
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There were no employees whose annual remuneration was more than £60,000.

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	58,632	56,311

#### 10 Taxation

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

# HARMONY HOUSE DAGENHAM CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 11 Tangible fixed assets

	Leasehold improvements	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2022	324,115	116,608	11,867	452,590
Additions	37,082	20,745	-	57,827
Disposals	-	-	(7,700)	(7,700)
At 31 March 2023	361,197	137,353	4,167	502,717
<b>Depreciation and impairment</b>				
At 1 April 2022	241,118	104,949	11,201	357,268
Depreciation charged in the year	21,472	8,922	256	30,650
Eliminated in respect of disposals	-	-	(7,674)	(7,674)
At 31 March 2023	262,590	113,871	3,783	380,244
<b>Carrying amount</b>				
At 31 March 2023	98,607	23,482	384	122,473
At 31 March 2022	82,997	11,659	666	95,322

### 12 Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	72,084	34,048
Other debtors	105,716	80,360
	177,800	114,408

### 13 Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank overdrafts	-	12,290
Corporation tax payable	-	18,715
Other taxation and social security	-	374
Trade creditors	59,688	49,901
Other creditors	107,568	232,986
	167,256	314,266

# HARMONY HOUSE DAGENHAM CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 14 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
	35,677	136,379	(149,966)	22,090
Previous year:	At 1 April 2021 £	Incoming resources £	Resources expended £	At 31 March 2022 £
	11,330	110,868	(86,521)	35,677

### 15 Unrestricted funds

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

	At 1 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
General funds	608,753	1,841,470	(1,802,568)	647,655
Previous year:	At 1 April 2021 £	Incoming resources £	Resources expended £	At 31 March 2022 £
General funds	530,373	1,970,242	(1,891,862)	608,753

### 16 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 March 2023 are represented by:			
Tangible assets	122,473	-	122,473
Current assets/(liabilities)	525,182	22,090	547,272
	647,655	22,090	669,745

# HARMONY HOUSE DAGENHAM CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 16 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<b>Fund balances at 31 March 2022 are represented by:</b>			
Tangible assets	95,322	-	95,322
Current assets/(liabilities)	513,431	35,677	549,108
	<u>608,753</u>	<u>35,677</u>	<u>644,430</u>

### 17 Operating lease commitments

#### Lessee

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	102,000	62,820
Between two and five years	363,000	264,000
In over five years	301,167	367,167
	<u>766,167</u>	<u>693,987</u>

### 18 Related party transactions

During the year, there were the following transactions with The Sacred Hearts Sisters 1983 Charitable Fund whose Trustees are the trustees of the charity:

- Included within administration expenses is an amount of £10,000 (2022: £31,340) relating to rent paid.
- Provision of guarantee in respect of a premises lease. Maximum amount of contingent liability under the guarantee at the year end amounted to £0 (2022: £33,750).

## HARMONY HOUSE DAGENHAM CIO

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19	Cash generated from operations	2023 £	2022 £
	Surplus for the year	25,315	102,727
	Adjustments for:		
	Taxation charged		18,715
	Investment income recognised in statement of financial activities	(2,627)	(69)
	Gain on disposal of tangible fixed assets	(572)	-
	Depreciation and impairment of tangible fixed assets	30,650	34,124
	Movements in working capital:		
	(Increase) in debtors	(63,392)	(22,657)
	(Decrease)/increase in creditors	(116,005)	47,902
	<b>Cash (absorbed by)/generated from operations</b>	<b>(126,631)</b>	<b>180,742</b>
20	<b>Ultimate controlling party</b>		

The charity was controlled throughout the year by the Sisters of the Sacred Hearts of Jesus and Mary by virtue of the fact that the members of the Congregation and/or the Superior General appoint the trustees, who are also the members of the charity.