

Charity Registration No. 285707

Company Registration No. 01653722 (England and Wales)

**TOWER HAMLETS COMMUNITY CHURCH**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

# TOWER HAMLETS COMMUNITY CHURCH

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Members Of Council</b>	Naomi Davidge John Day Simon Kempson
<b>Secretary</b>	John Day
<b>Charity number</b>	285707
<b>Company number</b>	01653722
<b>Principal address</b>	Lansbury Lodge 117 Ricardo Street London E14 6EQ
<b>Registered office</b>	Lansbury Lodge 117 Ricardo Street London E14 6EQ
<b>Independent examiner</b>	Richard F Hopper Chinthurst 30 St Stephens Hill Launceston Cornwall PL15 8HN

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# TOWER HAMLETS COMMUNITY CHURCH

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# **TOWER HAMLETS COMMUNITY CHURCH**

## **COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT)**

### ***FOR THE YEAR ENDED 30 SEPTEMBER 2020***

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The members of council present their report and financial statements for the year ended 30 September 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Companies Act 2006 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**

The charity's objects are the proclamation and furtherance of the Christian faith, the relief of poverty, distress and sickness, and the advancement of education. The policies adopted in furtherance of these objects are the running of a church and related youth activities and there has been no change in these during the year.

The members of council have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### **Achievements and performance**

Details of the charity's achievements during the year are set out in a separate report of the trustees.

#### **Financial review**

The charity's income and expenditure for the year and financial position at the end of the year are summarised in the attached accounts. The members of Council consider the financial position to be satisfactory.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The members of council considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The members of council have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

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

The charity is a company limited by guarantee.

The members of council, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Naomi Davidge

John Day

Simon Kempson

None of the members of council has any beneficial interest in the company. All of the members of council are members of the company and guarantee to contribute £1 in the event of a winding up.

The charity is run by the Council which meets several times each year. The charity employs full-time and part-time pastoral and support staff who deal with most of the day-to-day religious and administrative matters.

The charity acts as sole trustee of The Compass Point Trust, a charity which provides financial support for Christian church workers.

The council members' report was approved by the Board of Members Of Council.

# **TOWER HAMLETS COMMUNITY CHURCH**

## **COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** ***FOR THE YEAR ENDED 30 SEPTEMBER 2020***

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.....  
**John Day**  
Director  
Dated: .....

# TOWER HAMLETS COMMUNITY CHURCH

## INDEPENDENT EXAMINER'S REPORT

### TO THE MEMBERS OF COUNCIL OF TOWER HAMLETS COMMUNITY CHURCH

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I report to the members of council on my examination of the financial statements of Tower Hamlets Community Church (the charity) for the year ended 30 September 2020.

#### **Responsibilities and basis of report**

As the members of council of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

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

#### **Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Richard F Hopper

Chartered Accountant  
Chinthurst  
30 St Stephens Hill  
Launceston  
Cornwall  
PL15 8HN

Dated: .....

# TOWER HAMLETS COMMUNITY CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
<b><u>Income from:</u></b>							
Donations and legacies	3	154,018	70,574	224,592	177,899	7,327	185,226
Charitable activities	4	408	-	408	8,783	-	8,783
Investments	5	4,217	-	4,217	6,761	-	6,761
<b>Total income</b>		<b>158,643</b>	<b>70,574</b>	<b>229,217</b>	<b>193,443</b>	<b>7,327</b>	<b>200,770</b>
<b><u>Expenditure on:</u></b>							
Charitable activities	6	139,797	16,199	155,996	169,661	6,857	176,518
<b>Net income for the year/ Net movement in funds</b>		<b>18,846</b>	<b>54,375</b>	<b>73,221</b>	<b>23,782</b>	<b>470</b>	<b>24,252</b>
Fund balances at 1 October 2019		149,016	4,298	153,314	122,696	3,828	126,524
<b>Fund balances at 30 September 2020</b>		<b>167,862</b>	<b>58,673</b>	<b>226,535</b>	<b>149,016</b>	<b>4,298</b>	<b>153,314</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# TOWER HAMLETS COMMUNITY CHURCH

## BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	11		9,198		4,284
<b>Current assets</b>					
Debtors	12	14,991		10,165	
Cash at bank and in hand		210,088		152,277	
		<u>225,079</u>		<u>162,442</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(7,742)</u>		<u>(13,412)</u>	
Net current assets			217,337		149,030
<b>Total assets less current liabilities</b>			<u>226,535</u>		<u>153,314</u>
<b>Income funds</b>					
Restricted funds	14		58,673		4,298
<u>Unrestricted funds</u>					
Designated funds	15	67,996		61,099	
General unrestricted funds		<u>99,866</u>		<u>87,917</u>	
			167,862		149,016
			<u>226,535</u>		<u>153,314</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Members Of Council on .....

.....  
John Day  
Trustee

.....  
Simon Kempson  
Trustee

Company Registration No. 01653722



# TOWER HAMLETS COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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### **1 Accounting policies**

#### **Charity information**

Tower Hamlets Community Church is a private company limited by guarantee incorporated in England and Wales. The registered office is Lansbury Lodge, 117 Ricardo Street, London, E14 6EQ.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's constitution, the Companies Act 2006 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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the members of council have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the members of council 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 members of council in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors 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.

#### **1.4 Incoming resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

#### **1.5 Resources expended**

Expenditure is charged in the accounts at the time when a liability to make payment is incurred.

# TOWER HAMLETS COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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### **1 Accounting policies**

**(Continued)**

#### **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:

Land and buildings	
Fixtures, fittings & equipment	20% p.a. on cost
Computers	25% p.a. on cost

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 net income/(expenditure) for the year.

#### **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.

#### **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.

# TOWER HAMLETS COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 1 Accounting policies

(Continued)

#### **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 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the members of council 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.

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	154,018	70,574	224,592	177,899	7,327	185,226

# TOWER HAMLETS COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 4 Charitable activities

	Youth activities 2020 £	Holidays and events 2020 £	Total 2020 £	Total 2019 £
Sales within charitable activities	408	-	408	8,783

### 5 Investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Rental income	3,879	6,348
Interest receivable	338	413
	<u>4,217</u>	<u>6,761</u>

# TOWER HAMLETS COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 6 Charitable activities

	Church activities  2020 £	Support of other christian work 2020 £	Total 2020 £	Total 2019 £
Staff costs	83,553	-	83,553	70,592
Other direct charitable costs	9,146	6,695	15,841	26,897
	<u>92,699</u>	<u>6,695</u>	<u>99,394</u>	<u>97,489</u>
Grant funding of activities (see note 7)	6,245	20,685	26,930	25,564
Share of support costs (see note 8)	27,811	348	28,159	51,952
Share of governance costs (see note 8)	1,513	-	1,513	1,513
	<u>128,268</u>	<u>27,728</u>	<u>155,996</u>	<u>176,518</u>
<b>Analysis by fund</b>				
Unrestricted funds	127,959	11,838	139,797	169,661
Restricted funds	309	15,890	16,199	6,857
	<u>128,268</u>	<u>27,728</u>	<u>155,996</u>	<u>176,518</u>
<b>For the year ended 30 September 2019</b>				
Unrestricted funds	152,851	16,810		169,661
Restricted funds	4,019	2,838		6,857
	<u>156,870</u>	<u>19,648</u>		<u>176,518</u>

### 7 Grants payable

	Church activities  2020 £	Support of other christian work 2020 £	Total 2019 £
Grants to institutions: Other	5,400	17,135	18,958
Grants to individuals	845	3,550	6,606
	<u>6,245</u>	<u>20,685</u>	<u>25,564</u>

# TOWER HAMLETS COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 8 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Staff costs	8,820	-	8,820	9,518	-	9,518
Depreciation	1,889	-	1,889	1,994	-	1,994
Premises costs	13,981	-	13,981	36,079	-	36,079
Administrative expenses	3,469	-	3,469	4,361	-	4,361
Accountancy	-	1,500	1,500	-	1,500	1,500
Other governance costs	-	13	13	-	13	13
	<u>28,159</u>	<u>1,513</u>	<u>29,672</u>	<u>51,952</u>	<u>1,513</u>	<u>53,465</u>
Analysed between						
Charitable activities	<u>28,159</u>	<u>1,513</u>	<u>29,672</u>	<u>51,952</u>	<u>1,513</u>	<u>53,465</u>

Governance costs includes payments to the independent examiner of £1,500 (2019- £1,500) for independent examination and accountancy fees.

### 9 Members Of Council

None of the members of council (or any persons connected with them) received any remuneration during the year, but two of them were reimbursed a total of £462 expenses (2019- one was reimbursed £524).

### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Ministry	4	3
Administration	1	1
	<u>5</u>	<u>4</u>

#### Employment costs

	2020 £	2019 £
Wages and salaries	82,721	72,089
Social security costs	2,915	2,697
Other pension costs	6,737	5,324
	<u>92,373</u>	<u>80,110</u>

There were no employees whose annual remuneration was £60,000 or more.

# TOWER HAMLETS COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 11 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Computers	Total
	£	£	£	£
<b>Cost</b>				
At 1 October 2019	-	9,973	1,682	11,655
Additions	6,123	680	-	6,803
	<u>6,123</u>	<u>10,653</u>	<u>1,682</u>	<u>18,458</u>
At 30 September 2020	6,123	10,653	1,682	18,458
	<u>6,123</u>	<u>10,653</u>	<u>1,682</u>	<u>18,458</u>
<b>Depreciation and impairment</b>				
At 1 October 2019	-	6,505	866	7,371
Depreciation charged in the year	-	1,516	373	1,889
	<u>-</u>	<u>8,021</u>	<u>1,239</u>	<u>9,260</u>
At 30 September 2020	-	8,021	1,239	9,260
	<u>-</u>	<u>8,021</u>	<u>1,239</u>	<u>9,260</u>
<b>Carrying amount</b>				
At 30 September 2020	6,123	2,632	443	9,198
	<u>6,123</u>	<u>2,632</u>	<u>443</u>	<u>9,198</u>
At 30 September 2019	-	3,468	816	4,284
	<u>-</u>	<u>3,468</u>	<u>816</u>	<u>4,284</u>

### 12 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Other debtors	14,069	8,882
Prepayments and accrued income	922	1,283
	<u>14,991</u>	<u>10,165</u>
	<u>14,991</u>	<u>10,165</u>

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

	2020 £	2019 £
Other creditors	2,361	8,794
Accruals and deferred income	5,381	4,618
	<u>7,742</u>	<u>13,412</u>
	<u>7,742</u>	<u>13,412</u>

# TOWER HAMLETS COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

#### 14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 October 2018	Incoming resources	Resources expended	Balance at 1 October 2019	Incoming resources	Resources expended	Balance at 30 September 2020
	£	£	£	£	£	£	£
Support of activities abroad	2,938	7,327	(6,121)	4,144	15,383	(16,199)	3,328
Night Shelter support	890	-	(736)	154	-	-	154
Building fund	-	-	-	-	55,191	-	55,191
	<u>3,828</u>	<u>7,327</u>	<u>(6,857)</u>	<u>4,298</u>	<u>70,574</u>	<u>(16,199)</u>	<u>58,673</u>

#### 15 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 October 2018	Newly designated	Utilised	Balance at 1 October 2019	Newly designated	Utilised	Balance at 30 September 2020
	£	£	£	£	£	£	£
For future repairs to property	61,223	9,600	(17,288)	53,535	9,600	-	63,135
For support of ministry activities	3,128	20,400	(15,964)	7,564	20,400	(23,103)	4,861
	<u>64,351</u>	<u>30,000</u>	<u>(33,252)</u>	<u>61,099</u>	<u>30,000</u>	<u>(23,103)</u>	<u>67,996</u>



# TOWER HAMLETS COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 16 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 30 September 2020 are represented by:						
Tangible assets	3,075	6,123	9,198	4,284	-	4,284
Current assets/ (liabilities)	164,786	52,551	217,337	144,732	4,298	149,030
	<u>167,861</u>	<u>58,674</u>	<u>226,535</u>	<u>149,016</u>	<u>4,298</u>	<u>153,314</u>

### 17 Related party transactions

#### Transactions with related parties

The charity is the sole trustee of Compass Point Trust (charity no. 284953). During the year Tower Hamlets Community Church paid £973 expenses on behalf of Compass Point Trust. At the end of the year the Trust owed the Church £1,410.