

Charity registration number 285707

Company registration number 01653722 (England and Wales)

TOWER HAMLETS COMMUNITY CHURCH
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

TOWER HAMLETS COMMUNITY CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Members Of Council	Naomi Davidge John Day Simon Kempson
Secretary	John Day
Charity number	285707
Company number	01653722
Principal address	Lansbury Lodge 117 Ricardo Street London E14 6EQ
Registered office	Lansbury Lodge 117 Ricardo Street London E14 6EQ
Independent examiner	Richard F Hopper 4 Rhodfa Clawdd Offa Denbigh Denbighshire LL16 4RJ

TOWER HAMLETS COMMUNITY CHURCH

CONTENTS

	Page
Council Members' report	1 - 2
Independent examiner's report	3
Statement of financial activities	4
Balance sheet	5
Notes to the financial statements	6 - 15

TOWER HAMLETS COMMUNITY CHURCH

COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2022

The members of council present their annual report and financial statements for the year ended 30 September 2022.

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 consider 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.

TOWER HAMLETS COMMUNITY CHURCH

COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 30 SEPTEMBER 2022*

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

.....

John Day

Director

Date:

TOWER HAMLETS COMMUNITY CHURCH

INDEPENDENT EXAMINER'S REPORT

TO THE MEMBERS OF COUNCIL OF TOWER HAMLETS COMMUNITY CHURCH

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 2022.

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

4 Rhodfa Clawdd Offa
Denbigh
Denbighshire
LL16 4RJ

Dated:

TOWER HAMLETS COMMUNITY CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
<u>Income from:</u>							
Donations and legacies	3	189,911	4,662	194,573	175,551	9,601	185,152
Charitable activities	4	5,070	-	5,070	-	-	-
Investments	5	18,980	-	18,980	13,223	-	13,223
Total income		<u>213,961</u>	<u>4,662</u>	<u>218,623</u>	<u>188,774</u>	<u>9,601</u>	<u>198,375</u>
<u>Expenditure on:</u>							
Charitable activities	6	<u>191,147</u>	<u>4,662</u>	<u>195,809</u>	<u>168,042</u>	<u>10,570</u>	<u>178,612</u>
Net income for the year/ Net movement in funds		22,814	-	22,814	20,732	(969)	19,763
Fund balances at 1 October 2021		<u>188,594</u>	<u>57,705</u>	<u>246,299</u>	<u>167,862</u>	<u>58,674</u>	<u>226,536</u>
Fund balances at 30 September 2022		<u><u>211,408</u></u>	<u><u>57,705</u></u>	<u><u>269,113</u></u>	<u><u>188,594</u></u>	<u><u>57,705</u></u>	<u><u>246,299</u></u>

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12		10,085		10,502
Current assets					
Debtors	13	8,224		7,079	
Cash at bank and in hand		258,096		241,391	
		<u>266,320</u>		<u>248,470</u>	
Creditors: amounts falling due within one year	14	<u>(7,292)</u>		<u>(12,673)</u>	
Net current assets			259,028		235,797
Total assets less current liabilities			<u>269,113</u>		<u>246,299</u>
Income funds					
Restricted funds	15		57,705		57,705
<u>Unrestricted funds</u>					
Designated funds	16	89,855		79,929	
General unrestricted funds		<u>121,553</u>		<u>108,665</u>	
			211,408		188,594
			<u>269,113</u>		<u>246,299</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 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 number 01653722

TOWER HAMLETS COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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 2022

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 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.

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 2022

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.

TOWER HAMLETS COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	189,911	4,662	194,573	174,816	9,601	184,417
Grant income	-	-	-	735	-	735
	<u>189,911</u>	<u>4,662</u>	<u>194,573</u>	<u>175,551</u>	<u>9,601</u>	<u>185,152</u>

TOWER HAMLETS COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

4 Charitable activities

	Youth activities 2022 £	2021 £
Sales within charitable activities	5,070	-

5 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Rental income	18,876	13,203
Interest receivable	104	20
	<u>18,980</u>	<u>13,223</u>

TOWER HAMLETS COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

6 Charitable activities

	Church activities	Support of other christian work	Total 2022	Total 2021
	2022	2022		
	£	£	£	£
Staff costs	108,987	-	108,987	104,639
Other direct charitable costs	23,319	-	23,319	10,283
	<u>132,306</u>	<u>-</u>	<u>132,306</u>	<u>114,922</u>
Grant funding of activities (see note 7)	5,909	17,746	23,655	27,050
Share of support costs (see note 8)	37,899	266	38,165	35,127
Share of governance costs (see note 8)	1,683	-	1,683	1,513
	<u>177,797</u>	<u>18,012</u>	<u>195,809</u>	<u>178,612</u>
Analysis by fund				
Unrestricted funds	177,797	13,350	191,147	168,042
Restricted funds	-	4,662	4,662	10,570
	<u>177,797</u>	<u>18,012</u>	<u>195,809</u>	<u>178,612</u>
For the year ended 30 September 2021				
Unrestricted funds	156,604	11,438		168,042
Restricted funds	1,340	9,230		10,570
	<u>157,944</u>	<u>20,668</u>		<u>178,612</u>

7 Grants payable

	Church activities	Support of other christian work	Total 2021
	2022	2022	
	£	£	£
Grants to institutions:			
Other	5,400	14,282	20,836
Grants to individuals	509	3,464	6,214
	<u>5,909</u>	<u>17,746</u>	<u>27,050</u>

TOWER HAMLETS COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

8 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Staff costs	12,404	-	12,404	11,718	-	11,718
Depreciation	2,009	-	2,009	2,498	-	2,498
Premises costs	19,319	-	19,319	15,209	-	15,209
Administrative expenses	4,433	-	4,433	5,702	-	5,702
Accountancy	-	1,670	1,670	-	1,500	1,500
Other governance costs	-	13	13	-	13	13
	<u>38,165</u>	<u>1,683</u>	<u>39,848</u>	<u>35,127</u>	<u>1,513</u>	<u>36,640</u>
Analysed between Charitable activities	<u>38,165</u>	<u>1,683</u>	<u>39,848</u>	<u>35,127</u>	<u>1,513</u>	<u>36,640</u>

Governance costs includes payments to the independent examiner of £1,670 (2021- £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 one of them was reimbursed a total of £79 expenses (2021- one was reimbursed £90).

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Ministry	4	4
Administration	1	1
	<u>5</u>	<u>5</u>

Employment costs

	2022 £	2021 £
Wages and salaries	106,041	103,310
Social security costs	5,250	3,579
Other pension costs	10,100	9,468
	<u>121,391</u>	<u>116,357</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 2022

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Computers	Total
	£	£	£	£
Cost				
At 1 October 2021	6,123	13,696	2,441	22,260
Additions	-	1,294	298	1,592
Disposals	-	(5,127)	(1,682)	(6,809)
At 30 September 2022	6,123	9,863	1,057	17,043
Depreciation and impairment				
At 1 October 2021	-	10,044	1,714	11,758
Depreciation charged in the year	-	1,588	421	2,009
Eliminated in respect of disposals	-	(5,127)	(1,682)	(6,809)
At 30 September 2022	-	6,505	453	6,958
Carrying amount				
At 30 September 2022	6,123	3,358	604	10,085
At 30 September 2021	6,123	3,652	727	10,502

13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	6,430	6,406
Prepayments and accrued income	1,794	673
	8,224	7,079

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	132	-
Other creditors	3,097	4,780
Accruals and deferred income	4,063	7,893
	7,292	12,673

TOWER HAMLETS COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

15 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 2020	Incoming resources	Resources expended	Balance at 1 October 2021	Incoming resources	Resources expended	Balance at 30 September 2022
	£	£	£	£	£	£	£
Support of activities abroad	3,329	9,230	(9,230)	3,329	4,662	(4,662)	3,329
Night Shelter support	154	-	(154)	-	-	-	-
Building fund	55,191	305	(1,120)	54,376	-	-	54,376
Other support	-	66	(66)	-	-	-	-
	<u>58,674</u>	<u>9,601</u>	<u>(10,570)</u>	<u>57,705</u>	<u>4,662</u>	<u>(4,662)</u>	<u>57,705</u>

16 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 2020	Newly designated	Utilised	Balance at 1 October 2021	Newly designated	Utilised	Balance at 30 September 2022
	£	£	£	£	£	£	£
For future repairs to property	63,135	9,600	-	72,735	9,600	(1,324)	81,011
For support of ministry activities	4,861	20,400	(18,067)	7,194	20,400	(18,750)	8,844
	<u>67,996</u>	<u>30,000</u>	<u>(18,067)</u>	<u>79,929</u>	<u>30,000</u>	<u>(20,074)</u>	<u>89,855</u>

TOWER HAMLETS COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

17 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 30 September 2022 are represented by:					
Tangible assets	3,962	6,123	10,085	4,379	10,502
Current assets/(liabilities)	207,446	51,582	259,028	184,215	235,797
	<u>211,408</u>	<u>57,705</u>	<u>269,113</u>	<u>188,594</u>	<u>246,299</u>

18 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 £1,236 expenses on behalf of Compass Point Trust. At the end of the year the Trust owed the Church £251.