

Company Registration No. 01686399 (England and Wales)

Charity Registration No. 289827

# **Tower Hamlets Community Transport**

Company Limited by Guarantee

## **Annual Report and Financial Statements**

**31 March 2021**

Accountability Europe Limited  
Omnibus Workspace  
39-41 North Road  
London N7 9DP

# **Tower Hamlets Community Transport**

Company Limited by Guarantee

## **Trustees' Annual Report (Incorporating the Directors' Report)**

**Year ended 31 March 2021**

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2021.

### **Reference and administrative details:**

<b>Registered Charity Name:</b>	Tower Hamlets Community Transport
<b>Charity Registration Number:</b>	0289827
<b>Company Registration Number:</b>	01686399
<b>Principal Office and Registered Office:</b>	25-27 Newell Street, Limehouse, London E14 7HP
<b>The Trustees/ Directors for the year:</b>	 Debbie Brady Dudley Flynn (Treasurer) Martin Young Mahmud Hasan (resigned 16th of November 2020) Raymond Gipson (resigned 22nd of September 2020) Mujibur Rahman (resigned 22nd of September 2020)

<b>Company Secretary:</b>	Simon Rouse
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<b>Accountants:</b>	Accountability Europe Limited Omnibus Workspace, 39-41 North Road, London N7 9DP
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# **Tower Hamlets Community Transport**

Company Limited by Guarantee

## **Trustees' Annual Report (Incorporating the Directors' Report)**

**Year ended 31 March 2021**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Tower Hamlets Community Transport (THCT) is a company limited by guarantee and has no share capital. Its governing instrument is its Memorandum and Articles of Association.

The management of the company is the responsibility of the Trustees

They and other members form the Management Committee, who are elected and co-opted under the terms of the Articles of Association. The member groups can include any community group operating mainly but not necessarily exclusively within Tower Hamlets.

Each member group has the right to appoint one representative to attend any general meeting and to vote on its behalf. The Management Committee are elected from the body of Group Representatives and others. They are required to complete an application form that specifies whether they are directly associated with a THCT member group and asks them to specify the skills and experience they are bringing to the committee. THCT acts as a service provider to support other Tower Hamlets charities in achieving their aims. The board is able to co-opt members when it considers this necessary.

#### **Risk Policy:**

In line with the requirements of Charity Commission guidance, an initial risk review has been carried out. The Charity is going to work on developing a more comprehensive exercise, reflecting the matters that are considered to pose the most serious potential risks. During the year the charity has continued to review Health and Safety on the site.

# **Tower Hamlets Community Transport**

Company Limited by Guarantee

## **Trustees' Annual Report (Incorporating the Directors' Report)**

**Year ended 31 March 2021**

### **Objectives and Activities:**

The principal activity of the Charity is the provision of a community transport network in the London Borough of Tower Hamlets. When planning activities for the year, the Trustees paid regards to and have considered the Charity Commission's guidance on public benefit when deciding activities.

From the provision of these transport resources THCT seeks to assist charitable and community organisations in alleviating the social deprivation that exists in the London Borough of Tower Hamlets, thereby improving the conditions for borough residents who have encountered some form of deprivation as a result of economic factors, physical or learning disability.

### **Public Benefit:**

We have referred to the guidance contained in the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and in planning our future services. In particular the staff and the board of trustees consider how our planned services will contribute further to the aims and objectives they have set.

**Tower Hamlets Community Transport**  
Company Limited by Guarantee  
**Independent Examiner's Report to the trustees of**  
**Tower Hamlets Community Transport**  
**Year ended 31 March 2021**

**Going Concern – Directors' Statement December 2021**

"The Board has examined the major strategic, business and operational risks that THCT faces and concluded that there is a significant risk of the organisation becoming insolvent in the next financial year. This will be avoided if THCT successfully negotiates a new lease on appropriate terms and subsequently completes a merger with a large charity within the Borough, where discussions are at an advanced stage. On this basis the Board resolved on 6th December 2021 that failure to complete the merger on a timely basis will result in a decision to affect a Members Voluntary Liquidation early in 2022. Therefore, these financial statements have been prepared on a breakup basis."

**Small Company Provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The trustees' annual report was approved on 6 December 2021

And signed on behalf of the board of trustees by:

Dudley Flynn:



Treasurer/ Trustee

Simon Rouse:



Company Secretary



## **Tower Hamlets Community Transport**

Company Limited by Guarantee

### **Independent Examiner's Report to the trustees of**

**Tower Hamlets Community Transport**

**Year ended 31 March 2021**

I report to the trustees on my examination of the accounts of the charitable company for the year ended 31 March 2021.

#### **RESPONSIBILITIES AND BASIS OF REPORT**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company 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 your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the 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:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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 draw attention to page 4 (Going Concern – Directors' Statement December 2021) and page 8 (Note 1 - Going Concern) of the financial statements, which describes the facts regarding the future uncertainties of the Charity's operations, and therefore the financial statements have been prepared on a break up basis.



.....  
**Aamer Shehzad FCCA FCA**

**Date: 16 December 2021**

Accountability Europe Ltd  
Omnibus Workspace  
39-41 North Road, London N7 9DP

# Tower Hamlets Community Transport

Company Limited by Guarantee

## Statement of financial activities (including income and expenditure account)

For the year ended 31 March 2021

	Note	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £
<b>Income from:</b>							
Donations and grants	3	79,806	-	79,806	141,143	-	141,143
Other trading activities	4	30,992	-	30,992	222,046	-	222,046
Investments income	5	28	-	28	145	-	145
<b>Total income</b>		<b>110,826</b>	<b>-</b>	<b>110,826</b>	<b>363,334</b>	<b>-</b>	<b>363,334</b>
<b>Expenditure on:</b>							
Charitable activities	6	287,130	-	287,130	382,690	-	382,690
<b>Total expenditure</b>		<b>287,130</b>	<b>-</b>	<b>287,130</b>	<b>382,690</b>	<b>-</b>	<b>382,690</b>
<b>Net Income/ (expenditure) for the year</b>	7	<b>(176,304)</b>	<b>-</b>	<b>(176,304)</b>	<b>(19,356)</b>	<b>-</b>	<b>(19,356)</b>
<b>Net movement in funds</b>		<b>(176,304)</b>	<b>-</b>	<b>(176,304)</b>	<b>(19,356)</b>	<b>-</b>	<b>(19,356)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		266,188	-	266,188	285,544	-	285,544
<b>Total funds carried forward</b>	12	<b>89,884</b>	<b>-</b>	<b>89,884</b>	<b>266,188</b>	<b>-</b>	<b>266,188</b>

The attached notes form part of these financial statements.

**Tower Hamlets Community Transport**  
**Company Limited by Guarantee**  
**Statement of financial position**  
**As at 31 March 2021**

Company registration no. 01686399

	Note	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets:</b>					
Tangible assets	8		-		94,236
			-		94,236
<b>Current assets:</b>					
Assets held for sale	8	50,489		-	
Stock	9	"		2,000	
Debtors	10	6,665		140,744	
Cash at bank and in hand		81,907		53,602	
Total Current Assets		139,061		196,346	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	11	(49,177)		(24,394)	
<b>Net current assets / (liabilities)</b>			89,884		171,952
<b>Total net assets / (liabilities)</b>			89,884		266,188
<b>Charity Funds</b>	12				
Restricted funds			"		-
Unrestricted funds			89,884		266,188
<b>Total funds</b>			89,884		266,188

For the year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

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

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

Approved by the trustees on 6 December 2021  
and signed on their behalf by:



Dudley Flynn  
(Treasurer)

The attached notes form part of these financial statements.



## **Tower Hamlets Community Transport**

Company Limited by Guarantee

### **Notes to the financial statements**

**For the year ended 31 March 2021**

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#### **1. Accounting policies**

##### **Statutory information**

The Charity is a private Company Limited by Guarantee, registered in England & Wales and a registered charity in England & Wales. The address of the registered office is 25-27 Newell Street, Limehouse, London, E14 7HP.

##### **Basis of preparation**

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The charity is exempted from preparing cash flow statement due to adoption of the exemption available to the charities with income less than £500,000.

##### **Public benefit entity**

The charitable company meets the definition of a public benefit entity under FRS 102.

##### **Going concern - Directors' Statement December 2021**

"The Board has examined the major strategic, business and operational risks that THCT faces and concluded that there is a significant risk of the organisation becoming insolvent in the next financial year. This will be avoided if THCT successfully negotiates a new lease on appropriate terms and subsequently completes a merger with a large charity within the Borough, where discussions are at an advanced stage. On this basis the Board resolved on 6th December 2021 that failure to complete the merger on a timely basis will result in a decision to affect a Members Voluntary Liquidation early in 2022. Therefore, these financial statements have been prepared on a breakup basis."

##### **Income**

Income is included in the statement of financial activities when entitlement has passed to the charity: it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipts is probable and its amount can be measured reliably.
- Legacy income is recognised when receipt is probable and entitlement is established.
- Income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value can be reliably measured. No amounts are included for the contribution of general volunteers.
- Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned it unspent, in which case it may be regarded as restricted.

##### **Expenditure**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- Expenditure on charitable activities includes all costs incurred by a charity in under taking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

## **Tower Hamlets Community Transport**

Company Limited by Guarantee

### **Notes to the financial statements**

**For the year ended 31 March 2021**

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#### **1. Accounting policies (continued)**

##### **Fund accounting**

Restricted funds are to be used for specific purpose as laid down by the donor. Expenditure, which meets these criteria, is charged to the fund together with a fair allocation of management and support costs. Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes. Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

##### **Judgements and Key Sources of Estimation Uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Tangible Assets**

All fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost or valuation of assets, less its residual value, over the useful economic life of those assets as follows:

Motor vehicles	- 25% reducing balance
Furniture & equipment	- 25% reducing balance

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset an estimate is made of the recoverable amount of the cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

##### **Stock**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location & condition.

##### **Pension costs**

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Pension costs charges in the Statement of Financial Activities represent the contributions payable by the charity in the year.

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

##### **Limited by guarantee**

The company is limited by guarantee without share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member.



**Tower Hamlets Community Transport**  
**Notes to the financial statements**  
**For the year ended 31 March 2021**

**2. Income from donations and grants**

	Unrestricted Funds £	Restricted Funds £	2021 Total funds £	2020 Total funds £
Donations	1,000	-	1,000	-
Grants:				
FL DaR MOAT	-	-	-	120,501
Third Sector Consortium	-	-	-	20,642
HMRC JRS Grant	56,267	-	56,267	-
BSOG Grant 2019/20	10,539	-	10,539	-
Tower Hamlet Council (THCVS)	12,000	-	12,000	-
	<u>79,806</u>	<u>-</u>	<u>79,806</u>	<u>141,143</u>

**3. Income from other trading activities**

	Unrestricted Funds £	Restricted Funds £	2021 Total funds £	2020 Total funds £
Vehicle Usage Income	2,764	-	2,764	148,426
Member Training Programme	612	-	612	8,940
Garage Income	19,575	-	19,575	35,680
Management & Administration	7,815	-	7,815	18,375
Membership	-	-	-	3,204
Self-Generated Income	226	-	226	7,421
	<u>30,992</u>	<u>-</u>	<u>30,992</u>	<u>222,046</u>

**4. Investment income**

	Unrestricted Funds £	Restricted Funds £	2021 Total funds £	2020 Total funds £
Bank interest receivable	28	-	28	145
	<u>28</u>	<u>-</u>	<u>28</u>	<u>145</u>

**Tower Hamlets Community Transport**  
**Notes to the financial statements**  
**For the year ended 31 March 2021**

**5. Expenditure analysis**

	Charitable Activities £	Support costs £	2021 Total £	Charitable Activities £	Support costs £	2020 Total £
Wages and salaries (note 6)	163,947	-	163,947	182,144	-	182,144
Employer's NIC	5,107	-	5,107	11,918	-	11,918
Pension costs	554	-	554	1,267	-	1,267
Agency staff	44	-	44	1,215	-	1,215
Vehicle usage: costs due to partners	-	-	-	7,827	-	7,827
Vehicle maintenance expense	36,145	-	36,145	97,402	-	97,402
Garage parts and consumables	3,687	-	3,687	6,255	-	6,255
Other direct costs	142	-	142	401	-	401
Rent	-	-	-	-	500	500
Rates and water	-	659	659	-	380	380
Light and heat	-	3,626	3,626	-	6,931	6,931
Repair and maintenance	-	2,040	2,040	-	6,346	6,346
Insurance (including general & garage)	-	8,370	8,370	-	3,159	3,159
Consultancy	-	5,380	5,380	-	1,929	1,929
Legal and professional fees	-	5,782	5,782	-	-	-
Telephone	-	2,522	2,522	-	2,643	2,643
Other office costs	-	5,207	5,207	-	6,665	6,665
Miscellaneous expenditure/photocopier	-	4,346	4,346	-	3,985	3,985
Computer maintenance and support	-	4,563	4,563	-	3,091	3,091
Member training program	-	1,013	1,013	-	7,646	7,646
Subscription	-	2,320	2,320	-	-	-
Bank charges	-	161	161	-	325	325
Accountancy	-	2,788	2,788	-	400	400
Independent examination fees	-	500	500	-	2,450	2,450
Bad debts	-	5,600	5,600	-	-	-
Depreciation	-	18,131	18,131	-	27,811	27,811
Loss on disposal of fixed assets	-	4,496	4,496	-	-	-
	<b>209,626</b>	<b>77,504</b>	<b>287,130</b>	<b>308,429</b>	<b>74,261</b>	<b>382,690</b>
Support costs allocation	<b>77,504</b>	<b>(77,504)</b>	<b>-</b>	<b>74,261</b>	<b>(74,261)</b>	<b>-</b>
<b>Total expenditure</b>	<b>287,130</b>	<b>-</b>	<b>287,130</b>	<b>382,690</b>	<b>-</b>	<b>382,690</b>



**Tower Hamlets Community Transport**  
**Notes to the financial statements**  
**For the year ended 31 March 2021**

**6. Net Income/ (expenditure)**

	2021	2020
	£	£
This is stated after charging/ (crediting):		
Depreciation of tangible fixed Assets	18,131	27,812
Independent examination fee (excl. VAT)	500	2,450
	<u>18,131</u>	<u>27,812</u>
	<u>500</u>	<u>2,450</u>

**7. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

	2021	2020
	£	£
Salaries and wages	113,831	182,144
Social security costs	5,107	11,918
Employers pension contributions	554	1,267
Redundancy costs	50,116	-
	<u>169,608</u>	<u>195,329</u>

No employee earned more than £60,000 during the year (2020: nil).

The total employee benefits including employer NIC, pension contributions and redundancy costs of the key management personnel were £84,101 (2020: £39,800).

**Defined contributions pension plans**

The amount recognised in income or expenditure as an expense relation to defined contribution pension plans was £554 (2020: £1,267),

**Staff numbers**

The average head count of employees during the year was 4 (2020: 11). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
Number of management and administrative staff	3.0	10.0
Number of core service staff	1.0	1.0
	<u>4.0</u>	<u>11.0</u>

**Trustee remuneration and expenses**

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: nil). No charity trustee received payment for professional or other services supplied to the charity (2020: nil)

**Tower Hamlets Community Transport**  
**Notes to the financial statements**  
**For the year ended 31 March 2021**

**8. Tangible Fixed Assets - held for sale**

	Motor Vehicles £	Equipment £	Total £
<b>Cost</b>			
At 1 April 2020	449,144	15,113	464,257
Disposals	(325,939)	(15,113)	(341,052)
<b>At 31 March 2021</b>	<b>123,205</b>	<b>-</b>	<b>123,205</b>
<b>Depreciation</b>			
At 1 April 2020	354,908	15,113	370,021
Charged this period	18,131	-	18,131
Disposals	(300,323)	(15,113)	(315,436)
<b>At 31 March 2021</b>	<b>72,716</b>	<b>-</b>	<b>72,716</b>
<b>Net book value</b>			
<b>At 31 March 2021</b>	<b>50,489</b>	<b>-</b>	<b>50,489</b>
At 31 March 2020	94,236	-	94,236

**9. Stocks**

	2021 £	2020 £
Raw materials and consumable (garage)	-	2,000
	<b>-</b>	<b>2,000</b>

**10. Debtors**

	2021 £	2020 £
Trade Debtors	1,209	95,974
Prepayments and other debtors	3,407	44,770
VAT recoverable	2,049	-
	<b>6,665</b>	<b>140,744</b>

**11. Creditors: amounts falling due within one year**

	2021 £	2020 £
Trade Creditors	2,226	6,837
Social Security and other Taxes	1,335	3,295
Accruals and other Creditors	45,616	14,262
	<b>49,177</b>	<b>24,394</b>

**Deferred Income**

	2021 £	2020 £
Balance at the beginning of the year	2,560	-
Amount released to income in the year	(2,560)	-
Amount deferred in the year	-	2,560
Balance at the end of the year	<b>-</b>	<b>2,560</b>

**Tower Hamlets Community Transport**  
**Notes to the financial statements**  
**For the year ended 31 March 2021**

**12. Movement in Funds**

<b>Current year</b>	<b>At 1st April 2020</b>	<b>Income</b>	<b>Expenses</b>	<b>Transfers</b>	<b>At 31st March 2021</b>
	£	£	£	£	£
<b>Unrestricted Funds</b>					
General Funds	123,688	110,826	287,130	142,500	89,884
Staff Commitment reserve Fund	25,000	-	-	(25,000)	-
Building repair contingencies Fund	7,500	-	-	(7,500)	-
Fleet vehicles (fixed assets) replacement fund	110,000	-	-	(110,000)	-
	<u>266,188</u>	<u>110,826</u>	<u>287,130</u>	<u>-</u>	<u>89,884</u>

<b>Movement in Funds</b>	<b>At 1st April 2019</b>	<b>Income</b>	<b>Expenses</b>	<b>Transfers</b>	<b>At 31st March 2020</b>
	£	£	£	£	£
<b>Prior year</b>					
<b>Unrestricted Funds</b>					
General Funds	143,044	363,334	(382,690)	-	123,688
Staff Commitment reserve Fund	25,000	-	-	-	25,000
Building repair contingencies Fund	7,500	-	-	-	7,500
Fleet vehicle(fixed assets) replacement fund	110,000	-	-	-	110,000
	<u>285,544</u>	<u>363,334</u>	<u>(382,690)</u>	<u>-</u>	<u>266,188</u>

**13. Analysis of net assets between funds**

<b>Current year</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2021</b>
	£	£	£
Tangible fixed assets	-	-	-
Net Current assets	89,884	-	89,884
Net Assets	<u>89,884</u>	<u>-</u>	<u>89,884</u>

<b>Analysis of net assets between funds</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2020</b>
	£	£	£
<b>Prior year</b>			
Tangible fixed assets	94,236	-	94,236
Current assets	171,952	-	171,952
Net Assets	<u>266,188</u>	<u>-</u>	<u>266,188</u>