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Company Registration No. 01686399 (England and Wales)

Charity Registration No. 289827

Tower Hamlets Community Transport

Company Limited by Guarantee

Annual Report and Financial Statements

For the year ended 31 March 2023

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 2023

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 2023.

Reference and administrative details:

Registered Charity Name: Tower Hamlets Community Transport

Charity Registration Number: 0289827

Company Registration Number: 01686399

Principal Office and Registered Office: 25-27 Newell Street
Limehouse
London E14 7HP

The Trustees/ Directors for the year:
Debbie Brady
Dudley Flynn (Treasurer)
Martin Young

Company Secretary: Simon Rouse

Accountants: 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 2023

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.

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

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 March 2023

Going Concern – Directors' Statement December 2023

The Trustees are pleased to report that in March 2023 the lengthy negotiations between the London Borough of Tower Hamlets and THCT have concluded, and the Council has granted THCT a 15-year full repair lease.

The new lease provides for a rent-free period of two years, with the condition that THCT will secure the substantial funding needed to carry out the much-needed modernisation and refurbishment of the building and yard areas.

THCT continues to maintain its solvency through fees and charges to community organisations needing secure parking in our yards for their vehicles.

In the short to medium term, in order to comply with the conditions of the lease and resume some services, it is essential that THCT develops a partnership with a well-resourced organisation. In this context, discussions are developing in depth with a large organisation to form this partnership.

Should it prove that a partnership cannot be agreed, there is a significant risk of the organisation becoming insolvent in the next financial year.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of charitable company for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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 UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Tower Hamlets Community Transport
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Directors' Report)
Year ended 31 March 2023

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.


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

And signed on behalf of the board of trustees by: 01 December 2023

Martin Young:



Trustee

Simon Rouse:



Company Secretary

Tower Hamlets Community Transport
Company Limited by Guarantee
Independent Examiner's Report to the Trustees
For the year ended 31 March 2023

I report to the trustees on my examination of the accounts of Tower Hamlets Community Transport for the year ended 31 March 2023.

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 3 (Going Concern – Directors' Statement December 2023) and page 8 (Note 1 – Going Concern) of the financial statement, 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 FCA
Accountability Europe Ltd
Omnibus Workspace
39-41 North Road
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Date: 14/12/2023

Tower Hamlets Community Transport

Company Limited by Guarantee

Statement of financial activities (Including income and expenditure account)

For the year ended 31 March 2023

		Unrestricted Funds £	Restricted Funds £	2023 Total Funds £	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £
	Note						
Income from:							
Other trading activities	3	40,732	-	40,732	29,253	-	29,253
Investments income	4	77	-	77	3	-	3
Total income		40,809	-	40,809	29,256	-	29,256
Expenditure on:							
Charitable activities	5	55,367	-	55,367	71,937	-	71,937
Total expenditure		55,367	-	55,367	71,937	-	71,937
Net income/ (expenditure) for the year	6	(14,558)	-	(14,558)	(42,681)	-	(42,681)
Net movement in funds		(14,558)	-	(14,558)	(42,681)	-	(42,681)
Reconciliation of funds:							
Total funds brought forward		47,203	-	47,203	89,884	-	89,884
Total funds carried forward	11	32,645	-	32,645	47,203	-	47,203

The attached notes form part of these financial statements.

Tower Hamlets Community Transport
Company Limited by Guarantee
Balance Sheet
As at 31 March 2023

Company registration no. 01686399

	Note	2023 £	2023 £	2022 £	2022 £
Current assets:					
Assets held for sale	8	19,870		36,891	
Debtors	9	8,956		9,184	
Cash at bank and in hand		20,307		6,098	
Total Current Assets		49,133		52,173	
Liabilities:					
Creditors: amounts falling due within one year	10	(16,488)		(4,970)	
Net current assets / (liabilities)			32,645		47,203
Total net assets / (liabilities)			32,645		47,203
Charity Funds	11				
Unrestricted funds			32,645		47,203
Total funds			32,645		47,203

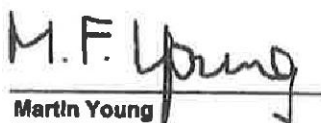
For the year ending 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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
and signed on their behalf by:


Martin Young
Trustee

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 2023

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 2023

In order to secure funds to cover premises overheads, the charity has continued to generate funds from hiring out our two remaining buses, with additional funds being generated from parking charges to charities that park their vehicles on the site. The board is pleased to report that after prolonged negotiations with our Landlord, Tower Hamlets Council, a fifteen year lease on the Newell Street premises has been granted to the charity in March 2023. At the time of writing negotiations are taking place with a significant partner, with the aim of either merging or entering into a management contract with this organisation. It is hoped that that this work will facilitate the resumption of THCT services by the end of the next financial year.

Due to the uncertainties and significant risk of Charity becoming insolvent next year, the Accounts have been prepared on break up 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.
- 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 if 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

- Expenditure on charitable activities includes all costs incurred by a charity in undertaking 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.

Tower Hamlets Community Transport
Company Limited by Guarantee
Notes to the financial statements
For the year ended 31 March 2023

1. Accounting policies (continued)

Expenditure (continued)

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.

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 2023

3. Income from other trading activities

	Unrestricted Funds £	Restricted Funds £	2023 Total funds £	2022 Total funds £
Vehicle usage income	26,462	-	26,462	16,898
Garage Income	-	-	-	3,219
Management & Administration	-	-	-	4,250
Other Income	14,270	-	14,270	4,886
	<u>40,732</u>	<u>-</u>	<u>40,732</u>	<u>29,253</u>

4. Investment Income

	Unrestricted Funds £	Restricted Funds £	2023 Total funds £	2022 Total funds £
Bank Interest receivable	77	-	77	3
	<u>77</u>	<u>-</u>	<u>77</u>	<u>3</u>

Tower Hamlets Community Transport
Notes to the financial statements
For the year ended 31 March 2023

5. Expenditure analysis

	Charitable Activities £	Support costs £	2023 Total £	Charitable Activities £	Support costs £	2022 Total £
Wages and salaries (note 6)	-	-	-	3,241	-	3,241
Vehicle maintenance expense	1,462	-	1,462	6,145	-	6,145
Garage parts and consumables	215	-	215	954	-	954
Other direct costs	-	-	-	98	-	98
Rates and water	-	766	766	-	625	625
Light and heat	-	4,725	4,725	-	3,628	3,628
Repair and maintenance	-	405	405	-	669	669
Insurance (including general & garage)	-	709	709	-	7,179	7,179
Consultancy	-	-	-	-	5,700	5,700
Legal and professional fees	-	17,663	17,663	-	6,805	6,805
Telephone	-	2,260	2,260	-	1,854	1,854
Other office costs	-	2,468	2,468	-	5,541	5,541
Miscellaneous expenditure/photocopier	-	7,767	7,767	-	4,778	4,778
Computer maintenance and support	-	3,763	3,763	-	4,181	4,181
Member training program	-	149	149	-	228	228
Subscription	-	332	332	-	308	308
Bank charges	-	62	62	-	82	82
Accountancy	-	3,600	3,600	-	4,670	4,670
Independent examination fees	-	500	500	-	500	500
Bad debts	-	-	-	-	1,153	1,153
Depreciation	-	7,924	7,924	-	13,598	13,598
Loss on disposal of fixed assets	-	597	597	-	-	-
	1,677	53,690	55,367	10,438	61,499	71,937
Support costs allocation	53,690	(53,690)	-	61,499	(61,499)	-
Total expenditure	55,367	-	55,367	71,937	-	71,937

Tower Hamlets Community Transport
Notes to the financial statements
For the year ended 31 March 2023

6. Net Income/ (expenditure)

	2023 £	2022 £
This is stated after charging/ (crediting):		
Depreciation of tangible fixed Assets	7,924	13,598
Independent examination fee (excl. VAT)	500	500
	<u> </u>	<u> </u>

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

	2023 £	2022 £
Salaries and wages	-	2,609
Social security costs	-	632
	<u> </u>	<u> </u>
	-	3,241

No employee earned more than £60,000 during the year (2022: nil).

The total employee benefits including employer NIC, pension contributions and redundancy costs of the key management personnel were nil (2022: £3,241).

Defined contributions pension plans

The amount recognised in income or expenditure as an expense relation to defined contribution pension plans was £nil (2022: £nil).

Staff numbers

The average number of full-time equivalent employees during the year is analysed as follows:

	2023	2022
Number of management and administrative staff	-	0.1
	<u> </u>	<u> </u>
	-	0.1

Trustee remuneration and expenses

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2022: nil). No charity trustee received payment for professional or other services supplied to the charity (2022: nil)

Tower Hamlets Community Transport
Notes to the financial statements
For the year ended 31 March 2023

8. Tangible Fixed Assets - held for sale

	Motor Vehicles £	Equipment £	Total £
Cost			
At 1 April 2022	123,205	-	123,205
Disposals	(40,000)	-	(40,000)
At 31 March 2023	83,205	-	83,205
Depreciation			
At 1 April 2022	86,314	-	86,314
Charged this period	7,924	-	7,924
Disposals	(30,903)	-	(30,903)
At 31 March 2023	63,335	-	63,335
Net book value			
At 31 March 2023	19,870	-	19,870
At 31 March 2022	36,891	-	36,891

9. Debtors

	2023 £	2022 £
Trade debtors	3,613	3,983
Prepayments and other debtors	5,343	2,421
VAT recoverable	-	2,780
	8,956	9,184

10. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	-	3,359
Social security and other taxes	1,389	255
Accruals and other creditors	15,099	1,356
	16,488	4,970

Tower Hamlets Community Transport
Notes to the financial statements
For the year ended 31 March 2023

11. Movement in Funds

Current year	At 1st April 2022 £	Income £	Expenses £	Transfers £	At 31st March 2023 £
Unrestricted Funds					
General Funds	47,203	40,809	55,367	-	32,645
	<u>47,203</u>	<u>40,809</u>	<u>55,367</u>	<u>-</u>	<u>32,645</u>

Movement in Funds Prior year	At 1st April 2021 £	Income £	Expenses £	Transfers £	At 31st March 2022 £
Unrestricted Funds					
General Funds	89,884	29,256	71,937	-	47,203
	<u>89,884</u>	<u>29,256</u>	<u>71,937</u>	<u>-</u>	<u>47,203</u>

12. Analysis of net assets between funds

Current year	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	-	-	-
Net Current assets	32,645	-	32,645
Net Assets	<u>32,645</u>	<u>-</u>	<u>32,645</u>

Analysis of net assets between funds Prior year	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	-	-	-
Current assets	47,203	-	47,203
Net Assets	<u>47,203</u>	<u>-</u>	<u>47,203</u>

13. Related party transactions

There are no related party transactions to disclose for 2023 (2022: none). There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. There is no balance due to/from related parties at the end of the year.