

Company Number: 04657449
Registered Charity number 1099403



Tower Hamlets Friends and Neighbours

A Charitable Company Limited by Guarantee.

Annual Report
Year ended 31 March 2018

**Tower Hamlets Friends and Neighbours
(a company limited by guarantee)**

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**Tower Hamlets Friends and Neighbours
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR
THE YEAR ENDED 31 MARCH 2018**

Trustees :

Sarah Brown (Chair to 24 January 2018)
Elizabeth Marshall (Vice Chair to 24 January 2018, Temporary Chair from 24 January 2018 to 31 July 2018)
Anne Worlledge (Treasurer, Temporary Chair from 31 July 2018)
Anthony Hardie
Christopher Rawlins
Gemma Roye
Amanda Goh (Vice Chair from 24 January 2018)
Janelle Jones
Michael McGhee (resigned July 2017)
Sophia de Sousa (resigned 13 September 2018)
Kirsty Sanders (from 1 February 2018)
Antony Bullman (from 1 February 2018)
Jyoti Sidhar (from 1 May 2018)

Registered Charity Number : 1099403

Registered Company Number : 04657449

Registered and principal office

St Margaret's House, 21 Old Ford Road, London E2 9PL
Telephone 020 8983 7979 Email admin@thfn.org.uk Website www.thfn.org.uk

Staff

Chief Executive and Company Secretary:	Rajesh Kalhan
Operations Manager:	Bridget Akinbolaji
Client Services Administrator	Clara Djondo (from July 2017)
Befriending Advocates:	Rose Curran, Shirajul Islam, Breenda Lawrence, Sabiha Chowdhury (from July 2017), Asia Khanom (from September 2017), Fouzia Nasrin (until May 2017)

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THE YEAR ENDED 31 MARCH 2018**

Advisers (continued)

Bankers

HSBC Bank plc, 75 Whitechapel Road, London E1 1DU

Independent Examiner

Gavin Purvis (FCCA), Purvis Stevens LLP, Chartered Certified Accountants, Hayles Bridge Offices, 228
Mulgrave Road, Cheam, Surrey SM2 6JT

Solicitors

Russell-Cooke, Solicitors, 2 Putney Hill, Putney, London SW15 6AB

**Tower Hamlets Friends and Neighbours
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Chair's report

This has been a year of consolidation, with the support of the key grant awarded by the Big Lottery which has enabled THFN to put significant infrastructure improvements in place, such as the customer relationship management system, which will enable us to run a more efficient operation. We have also been able to strengthen our human resources under the able leadership of our CEO, and to create supervisory roles to ensure effective co-ordination and efficiency. This has all helped us to take on more clients – a sad reflection of the increasing numbers of isolated elderly people in our Borough.

We celebrated our 70th birthday this year- 70 years of supporting and befriending the elderly residents of Tower Hamlets. We didn't want to let this landmark in our history slip by unmarked and were keen to put our clients at the heart of any celebrations. Thankfully, through fundraising activities and generous donations, and the support of a number of retailers, we were able to provide each of our clients with a small gift at Christmas to mark our special birthday.

During the year our excellent Chair, Sarah Brown, had to stand down. In her nearly five years in charge, she has brought THFN back from the brink, revised and modernised the culture of the charity, and introduced invaluable new members of our Board. Sarah has shown such leadership, hard work, and commitment, that THFN is now transformed into a forward-looking, dynamic provider of an essential and much-needed service to the community, with every prospect of a viable and valuable future.

I am delighted to report that one of our new trustees, Tony Bullman, has agreed to take on the role of Chair from February 2019. To cover the period from January 2018, I took on the role of Chair to July 2018, and another trustee, Anne Worledge, agreed to become temporary Chair for the following six months. Amanda Goh has taken on the role of Vice Chair from February 2018.

During the year we welcomed three new trustees to our Board. We will have 11 trustees in place as we move forward, and hope to recruit a new trustee with a background in health or social services.

We have also introduced a system whereby each trustee takes a lead in one area of responsibility, not only to help provide the necessary assurances to the Board, but also to support the CEO by horizon scanning and drawing on their experience in their day jobs. This will be a valuable component of our governance framework.

I have greatly enjoyed my short tenure as Chair, and I look forward to a secure future for THFN as it fulfils its increasingly important role in our local community.

Elizabeth Marshall

Elizabeth Marshall
Chair
(January to July 2018)

TOWER HAMLETS FRIENDS & NEIGHBOURS
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DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The trustees present the annual report together with the financial statements for the year ending 31 March 2018. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) 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 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies (Strategic Report and Director's Report Regulations 2013) is not required.

Why we are here and what we do

The objects of Tower Hamlets Friends and Neighbours (THFN) are the relief of poverty, hardship and distress, among those residents within the boundaries of the former Borough of Stepney and more generally within Greater London, by the provision of such support (in particular to the elderly, isolated and vulnerable) as the trustees shall from time to time consider appropriate.

The trustees have given due consideration to the public benefit guidance published by the Charity Commission under the Charities Act 2011 and the following report of our charitable activities illustrates the identifiable public benefit.

Our charitable aims are:

- to enhance the quality of life of older people and decrease social isolation;
- to promote wellbeing and increase independence through emotional support and through access to services, benefits, etc;
- to provide relevant and stimulating activities and increase social rehabilitation.

THFN provides a lifeline for vulnerable, isolated, older people, the majority of whom are housebound, and have at least one chronic, medical and mental health issue. Each client receives free befriending, advocacy and support designed to meet their individual needs, to enable them to overcome the barriers of loneliness, disadvantage, medical, cultural or issues around their own 'confidence'.

It has been widely documented that isolation and loneliness are detrimental to both physical wellbeing and mental health. We now know that the impact of loneliness on the health of people is the equivalent of smoking over 15 cigarettes a day. We also know that the proactive interventions at a person-centred level that we undertake will help alleviate this. Through our service, we ensure that our older people in LB Tower Hamlets are not alone, have the opportunity to go out if they can and meet other people but also have access to, and benefit from, health care and support as and when they need it.

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Case study – Dora is 75 and was referred to us by a Social Worker in May 2017. She had recently lost her husband and had become withdrawn and lonely. Dora lived alone and whilst she used to be quite active when her husband was alive, she had lost confidence and had stopped going out. Dora was allocated a Befriender Advocate, and it took a while for her to fully engage and develop a trusting relationship. In August 2017, Dora joined THFN on an outing to the sea side, and slowly each month after this, her confidence regained, and Dora began to go out more and more.

She now attends a luncheon club each week and has made new friends with whom she enjoys spending time. She is still visited by THFN on a weekly basis and looks forward to a catch up with her befriender.

Impact of THFN

Designing services that meet the complex needs of older patients, and that reflect and support the many communities we serve is challenging. But, trying to navigate through the services as an older person, with no one to turn to, is very difficult. For the clients we see who lack family and friends, the loss of community cohesion, and a 'disconnect' between health and social care, leaves them more at risk of physical and emotional ill-health, as they age.

The best solution to this is one-to-one support from befrienders and advocates who champion their needs, who don't give up until they get treatment, housing, a medical appointment, or whatever these vulnerable, unwell people, so desperately need.

Our client base comprises lonely and socially isolated older people with complex physical and mental health problems and severely limited mobility. The majority are over 75, 65 % of them describe themselves as being housebound and there has been an increase of 7% of people referred to us using wheelchairs. Increasing numbers are referred to us with a multitude of problems including depression, an existing diagnosis of dementia, stroke, history of falls and other health issues. It is often assumed that if there are other people living with you, be it family or other residents in a home then it is unlikely that you can feel lonely. However, we know from our clients that this is not the case. 70% of our clients live alone, the same as last year, with 15% now living with family and a further 15% living in sheltered accommodation, a slight reduction from last year. We know from them, that people often feel socially isolated and lonely despite sharing accommodation with other people.

- Largest group supported between 80-90-year olds
- Average age being 79.5 years
- Oldest client 102
- 40% are male, 60% are female

The number of people referred to us with depression and diagnosed dementia has remained similar to previous years with 96% of our clients referred to us with depression. We found that 20% of our clients are referred to us with dementia, however, this does not paint a clear picture, as we have found that a further 30% have memory issues which may be due to undiagnosed dementia. This would support information from local statutory bodies which indicates that there is major under-diagnosis of dementia in the borough.

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Medical Issues



THFN provides services across the entire borough. In total, we saw 274 clients in the period from April 1st, 2017 to 31st March 2018, an increase of over 10% on last year, however the number of referrals we received have been a lot higher. The vast majority of clients were actively supported by us in their own homes, at least fortnightly, but we also help clients in sheltered, warden-controlled or residential accommodation, through reflexology and seated massage, and through outings, trips and community-based reminiscence / music activities (ALFIEs). This year we have increased the extent of our telephone befriending.

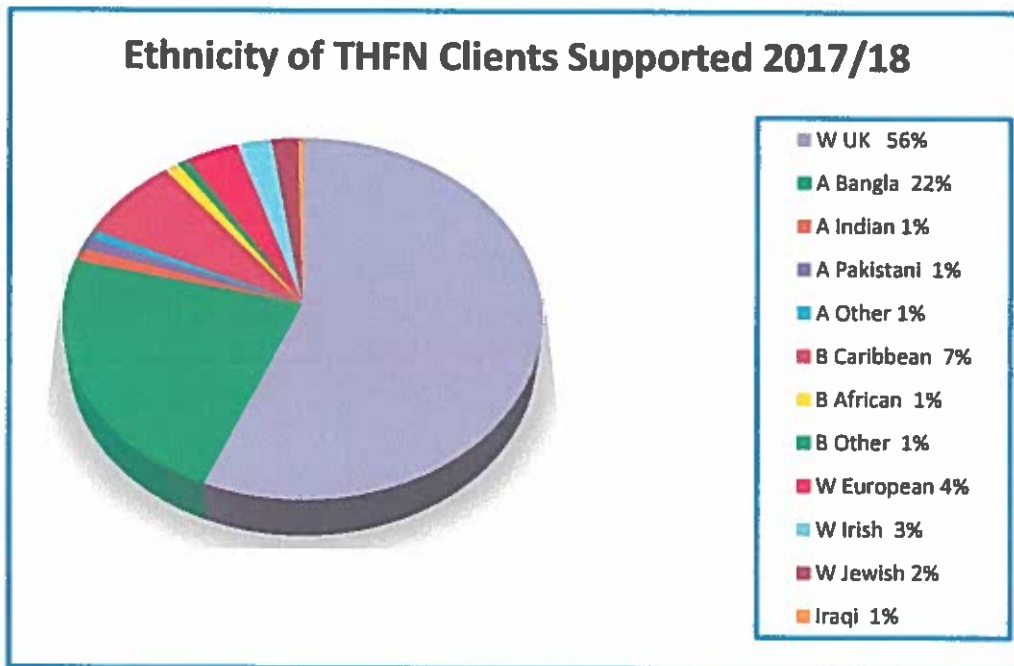
Increasingly, our clients are at the sharp-end with a myriad of emotional and health issues, facing language and cultural barriers, and with no one else to turn to. There has been an increase in the complex health issues that people are referred to us, with 70% now referred with two or more complex health issues. In fact, we have seen an increase across most serious health issues; clients referred to us with obesity increased from 43% to 51% this year; heart disease increased from 35% to 41%; clients with a stroke increased from 25% to 30%; and those with high blood pressure increased from 51% to 60%.

Of our clients, 40% are now male, and 60% female, which is in line with previous year. There has been a slight drop in the number of service users that describe themselves as White UK (56%), but this group is still the largest single group that we see. The second largest group is Bangladeshi (22%), an increase of 4% on last year, and the third is Black Caribbean service users who increased from 4% last year to 7% this year.

The take up of our advocacy services has continued to increase and is now an integral part of our work. All our befrienders are advocacy trained, and the increase in the take up of this service demonstrates the value our services users place on this aspect of our service. The advocacy focused on a wide range of things including support on housing, financial issues, social care and health issues.

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We are currently receiving 3 new referrals per week or 36 per quarter. Over 91% of these are from statutory bodies, 60% of which are from LB Tower Hamlets Adult Social Care Service. We continue to provide our reflexology service which remains very popular with our service users.



Case study – Albert is 68 and was referred to us by an Occupational Therapist after suffering a stroke. This left him with reduced mobility and as he lived alone, with no other family, he was feeling lonely. Albert always enjoyed going out but had no support in the community to help him. He was allocated a THFN Befriender Advocate who helped him rebuild his confidence and took short walks with him each week. He enjoyed visiting the local parks, and after a few months started going out himself with a walking aid.

Albert is now completely confident in going out by himself. He attended one of THFN's Christmas outings and goes back to his regular pub to see his old friends.

Albert: "Without THFN's support, I think I would still be stuck indoors. They helped me when it mattered most, and I shall be forever grateful".

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Referrers

	Percentage referrals made:		
	2015	2016	2017
LBTH Adult Social Services for Older People	53	55	60
Alzheimer's Society	10	5	7
GP's/ Social Prescribers	3	8	8
Community Health Teams	12	10	12
Royal London and Mile End Hospital (including Memory Clinic)	15	18	11
Self -referral or referral by family	5	2	1
Sheltered Home	2	2	1

Case study - Mr K was referred to us by his tenancy support worker because he was lonely.

His house was very cluttered and as he was unable to use his bath, he developed personal hygiene issues. Aware of this, he became uncomfortable going out and sitting next to other people, and slowly became withdrawn. He was very reluctant to seek help from anyone as he felt embarrassed about his situation.

He was allocated a Befriender Advocate (BA) who began to visit him on a weekly basis. His BA helped him declutter the house and eventually he developed the confidence to contact the local authority and seek help for some adaptations to be made to allow him to bathe. Our BA worked with the council to help improve his quality of life working with the re-ablement team and occupational therapy.

Mr K now feels comfortable going out, with his BA and alone. He has reconnected with his old friends and is confident to talk to other professionals and dealing with his daily life.

"I feel that my house is presentable now".

"I can see a positive change in my life style"

"I look forward to see you and go out to the café"

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What we have achieved this year?

It is over seventy years now since Tower Hamlets Friends and Neighbours started. As we find the needs of our clients have changed and more and more are being referred to us with two or more complex health issues, so we have adapted our services to meet their needs and ensure that our beneficiaries are at the heart of our services, and that our offer is based around their need. We try to involve the people we work with at every opportunity and consult with not only our primary beneficiaries but also the family and friends of our users, our secondary beneficiaries. This year we have undertaken formal and informal consultation with our service users and as a result, plan to organise more local outings which means that more clients will be able to benefit from smaller group outings which do not require being out the whole day.

Our core service, always termed as *befriending*, remains the mainstay of our work. Regular home visits and phone contact providing emotional and practical support, remain an important and vital part of our work – we will always offer befriending as part of our core work - but increasingly it is the *means* to building relationships and trust with clients, so that together we can ensure their health and wellbeing needs are met. Yet, the needs we see, and the help sought from us, are changing fast. Our clients now need us to be advocates and to help them to self-advocate; they require us to source information so they can understand; they want us to signpost to where other help is available; they want us to ensure their voices are heard in consultation on services they receive; and they need and love activities inside and outside the home to maintain their independence.

They need THFN to help them to help themselves to maintain their health and well-being and reduce the isolation and loneliness that compound the impact of their health issues. In response to this, we have trained our befrienders so that they are accredited advocates and able to meet the needs of our beneficiaries.

The year has been spent on consolidation of work undertaken in previous years. Our systems and processes have been reviewed and adapted to ensure we have the information we need to report back to funders, service users and other stakeholders. The Loneliness Questionnaire we use, adapted from the Campaign to End Loneliness (CTEL) toolkit, to measure our impact on alleviating loneliness amongst our service users, has been reviewed and simplified and made less intrusive. Like many charities we need to be able to continue to demonstrate the impact our intervention has on the lives of our service users and the difference we make to them, and what value we add.

The introduction of a new Customer Relationship Management System (CRM) has been an important step in modifying and improving how we collect and analyse data. This has allowed for smarter and more effective and efficient systems.

This coincided with our move towards digitalised health and wellbeing plans and assessment forms and the revamping of our website with a clean, modern, easy-to-use look. The integration with the back-end systems now allows referrers to send automated forms directly to the CRM through the website, making for a more efficient process.

Our partnership with Queen Mary's University resulted in a research project focusing on the needs of older Bangladeshi people in the borough experiencing loneliness and social isolation. This piece of work was followed up with focus groups and further consultation with members of from this community to ensure that THFN fully understand their needs.

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A thorough review was undertaken to improve our management of volunteers. This has resulted in improved management of our volunteers with the development of annual appraisals, and improved reporting systems. We developed a partnership with another local organisation who assisted us in recruiting and training people from specific communities. This resulted in three new volunteers.

Befriending Networks, an umbrella body for befriending organisation in the UK, were commissioned to undertake an evaluation of THFN focusing on all operational aspects of the organisation. This idea was that the evaluation would act as a critical friend making recommendations on how services and processes could be further improved but also exploring what additional services we should consider providing using best practice in the befriending sector, and knowledge of other services around the UK as comparators. The results of this were extremely positive and THFN have already begun implementing the recommendations.

What we will do in 2018/19

Much of the work undertaken last year will cross over into the coming year too. For example, the recommendations from the internal evaluation undertaken by Befriending Networks will continue to be implemented in 2018/19.

Volunteers - As the number of people referred to us continues to increase, we will need to manage this demand without compromising the service that we provide. We will therefore need to increase our capacity in an era when the voluntary sector is still struggling to survive with less money available and a greater demand for services. We anticipate a further increase in referrals and must consider how we can best manage this increase and work with those that are the most vulnerable in our borough. Our use of volunteers is thus expected to increase, although we understand the difficulties in recruiting volunteers. We will offer more telephone befriending, not as a replacement to home visits but as an alternative or supplementary. It is imperative we continue to consider ways of meeting future demand.

Data Protection - The General Data Protection Regulation (GDPR) (EU) 2016/679 is a regulation in EU law on data protection and privacy for all individuals within the European Union. It also addresses the export of personal data outside the EU. The GDPR aims primarily to give control to citizens and residents over their personal data and to simplify the regulatory environment for business by unifying the regulation within the EU. As with other charities, THFN needs to continue to demonstrate that it is compliant with the new legislation.

Fundraising – A key priority for next year is fundraising; to ensure we have the funds we need to continue to provide what we currently offer, and for new projects we are planning. We will need to continue fundraising for this year and next, as well as planning our fundraising activities for the future, including seeking to diversify our funding base. The findings from the research project on Bangladeshi Elders will culminate in the development of a project proposal for an ethnically specific project which meets the cultural needs of this community.

Marketing – With the development of a new website we plan to have a greater presence on social media, however, we due to limited capacity we will need to recruit a volunteer to assist us in meeting our social media targets.

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Advocacy - Our model of befriending has changed as demand increases – in both numbers, and the complexity of the issues we help with. Our clients are older, more isolated and extremely vulnerable – all compounded by the varied backgrounds and ethnicities of Tower Hamlets residents. Where possible, we must enable independence and empower people to make the most of their lives, for as long as they can. Where that isn't possible, where a client has dementia for instance, we must ensure they can access the services and support that exist to help them.

Partnerships – We will continue to develop partnerships so that we can share what we do and also learn from others to help us continually improve. We will work closer with the commercial sector as well as other charities and statutory bodies to enable us to deliver our services as effectively as we can.

Skills – We will continue to ensure we have a workforce that has the training and skills required to meet the needs of our service users.

Financial Review

Our income for this year was £224,469, an increase of 11% over the previous year. We had restricted funds for the year of £203,699 (2017: £181,572) and general unrestricted donations of £20,698 (2017: £20,591). We were in second year of the three-year funding from the Big Lottery and this restricted grant contributed £87,542 toward our running costs for this year and a further £10,702 to pay for the development of the client relationship management system and associated IT upgrade- a total of £98,244 in this year (2017: £74,422). The grant from the Big Lottery covers over half of our costs and has enabled management to focus on building relationships with current and new funders and on securing the remaining funds for the year from other charitable organisations and foundations.

However, as reported last year, it remains very difficult for charities to secure funding; the competition is very strong and the financial resources available to the grant making foundations remains limited, and as a result significant management time and energy is taken up in making applications and responding to funders. At the current date, thanks to the endeavours of the CEO and senior staff we already have funding of some £180,000 in place to support our work in the year to 31 March 2019.

We are fortunate to have continued funding from the London Borough of Tower Hamlets, receiving grants in the year totalling £35,000 (£35,000 in 2017) to provide befriending services to new clients from the borough, and have enjoyed continued support from other long-standing funders such as Dunhill Medical Trust, The William and Patricia Venton Charitable Trust, Tudor Trust and The Northmoor Trust.

The total expenditure for the year amounted to £218,085. Included in this figure are a number of expenses which are non-recurring: £7,000 relating to the development of the new client relationship management system, £2,500 for an independent evaluation report, £2,755 for the final phase of the IT upgrade started in the previous year and £2,199 in respect of gifts for clients at our 70th birthday. During the year we also

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increased our staff numbers by recruiting additional office support and two Befrienders (all part-time posts). We were also able to invest in training for staff and in marketing through specific funding, and Dunhill Medical Trust funded the external evaluation carried out by the Befriending Network, and contributed towards the costs of the related strategy review and business planning meeting for the trustees and staff. All other costs remain broadly in line with the previous year.

Our net surplus for the year was £6,384; taking our general reserves at 31 March 2018 to £103,039.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Reserves Policy

The Board of Trustees has examined the organisation's requirements for reserves in the light of the main risks to the organisation. Alongside the funding issues identified above, it has borne in mind the support needs of our client group who are particularly vulnerable and the time needed to find and arrange alternative ways to address these needs in the event of the cessation of activities. It has therefore established a policy whereby unrestricted funds not committed or invested in tangible fixed assets held by the charity should be six months of expenditure. This also acknowledges the financial risks and contractual obligations associated with the employment of staff and contractual requirements relating to premises. The policy is reviewed annually. The charity's running expenditure is on average £200,000 a year and the target for reserves is £100,000 in unrestricted funds.

At 31 March 2018 the unrestricted funds totalled £103,039, slightly exceeding our target. THFN's strategy is to continue to build its reserves where possible to meet the growing demand, while acknowledging the difficulty of doing so in the current challenging funding climate.

Structure, governance and management

Governing Document

The organisation is a charitable company limited by guarantee and is also a registered charity. The company was established by a Memorandum of Association which established the objects and powers of the charitable company and is governed by its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Board of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as the Board of Trustees. At each Annual General Meeting one third of the members of the Board of Trustees both elected and co-opted shall retire but all are eligible for re-election. Those longest in office since co-option or election shall retire first. In the case of an equal period of service in default of agreement those to be retired shall be selected by lot. At an Annual General Meeting the Board of Trustees may elect two of its members as Chair and as Treasurer, each to serve for an initial period of three years. At the Annual General Meeting marking the end of his/her first three years in office the Chair and/or the Treasurer shall retire from office but each is eligible for re-election for a further three year period. A Chair or Treasurer shall normally retire from office after a six year period in office.

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The Board of Trustees seeks to ensure that the charity's client group and the ethnic diversity of Tower Hamlets are appropriately reflected on the Board. It also tries to ensure a good mix of skills from the business, social and health care and voluntary sectors. The Board regularly carries out a skills audit and has an ongoing policy of identifying suitable potential Board members who can be approached to offer themselves for election to the Board as and when required. Three new appointments were made during the year, all of whom live or work in Tower Hamlets and bring skills which address needs on our Board.

New trustees receive a trustee handbook and attend an induction day which includes visiting clients with a befriender as well as meetings with the Chair and Chief Executive.

Organisational Structure

The organisation has a Board of Trustees of not less than five and not more than twelve persons (currently 11), elected by the members of the Company at the Annual General Meeting, and not more than three additional co-opted members. The Company Secretary, who is also the Chief Executive of the organisation, attends Board meetings but has no voting rights. The Board of Trustees has overall responsibility for the strategic direction, policy and human and financial resources of the organisation. It meets at least four times a year. Day to day operational management of the organisation is delegated by the Board of Trustees to the Chief Executive, who is responsible for ensuring that the organisation delivers the services specified through its team of staff.

Risk Management

The Board of Trustees has reviewed the major risks to which the organisation is exposed and developed a risk matrix which is reviewed regularly at Board meeting. Internal and external risks have been identified and action taken to mitigate these to best ensure that the charity is able to carry out its purposes as securely and efficiently as possible. All procedures are reviewed on an ongoing basis to safeguard the charity's assets, to ensure the health and safety of staff, volunteers, clients and visitors in the offices and in clients' homes, and in relation to data protection and confidentiality.

Fundraising policy

We have not made any appeals or solicited funding from the general public in the year. We do not use any professional fund-raisers to carry out any activities on our behalf. Through our website we have an ongoing request for funds, and have provided a link via Local Giving, for individuals to support us but funds from this source are very limited. We are aware of the Fundraising Regulator's Code of Fundraising Practice and will not put undue pressure or unreasonably intrude on anyone to make a gift. Any appeals we make in the future for donors will be developed with respect to our current and potential donors as well as for the people we are here to support. We have not received any fundraising complaints from our donors.

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Trustees' responsibilities in relation to the financial statements


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

Company law requires the board of trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure for that period. In preparing the financial statements, the trustees are required to:

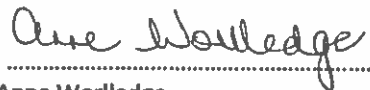
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

Approved by the Board of Trustees of Tower Hamlets Friends and Neighbours and signed on its behalf by:



Elizabeth Marshall
(Director and Trustee)



Anne Worledge
(Director and Trustee)

13 September 2018

Independent Examiner's Report to the trustees of Tower Hamlets Friends and Neighbours

I report on the accounts of the company for the year ended 31 March 2018, which are set out on pages 18 to 26.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


Gavin Purvis (FCCA), Chartered Certified Accountant

Purvis Stevens LLP, Hayles Bridge Offices, 228 Mulgrave Road, Cheam, Surrey SM2 6JT

13 September 2013

TOWER HAMLETS FRIENDS & NEIGHBOURS
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Income:					
Donations and legacies	2	20,698	168,699	189,397	167,163
Income from charitable activities	3	-	35,000	35,000	35,000
Investment income	4	72	-	72	68
Total income		<u>20,770</u>	<u>203,699</u>	<u>224,469</u>	<u>202,231</u>
Expenditure:					
Costs of raising funds	5	103	21,747	21,850	20,830
Expenditure on charitable activities:					
Befriending services	5	14,283	181,952	196,235	169,938
Total expenditure		<u>14,386</u>	<u>203,699</u>	<u>218,085</u>	<u>190,768</u>
Net income(Expenditure) and net movement in funds for the year.	14/15	6,384	-	6,384	11,463
Reconciliation of funds					
Total funds brought forward		<u>96,655</u>	-	<u>96,655</u>	<u>85,192</u>
Total funds carried forward		<u>103,039</u>	-	<u>103,039</u>	<u>96,655</u>

Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

Continuing Operations

None of the company's activities were acquired or discontinued during the above two financial periods.

The notes on pages 20 to 26 form part of these financial statements.

TOWER HAMLETS FRIENDS & NEIGHBOURS
(A company limited by guarantee)

BALANCE SHEET AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed Assets			
Tangible fixed assets	10	-	-
Total Fixed Assets		<u>-</u>	<u>-</u>
Current assets			
Debtors	11	22,620	27,980
Cash at bank and in hand	12	<u>130,864</u>	<u>150,151</u>
Total current assets		<u>153,484</u>	<u>178,131</u>
Liabilities			
Creditors due within one year	13	<u>(50,445)</u>	<u>(81,476)</u>
Net current assets		<u>103,039</u>	<u>96,655</u>
Total assets, less current liabilities		103,039	96,655
Net assets		<u>103,039</u>	<u>96,655</u>
The funds of the charity			
Unrestricted income funds	14	103,039	96,655
Restricted income funds	15	-	-
Total funds		<u>103,039</u>	<u>96,655</u>

The notes on pages 20 to 26 form part of these financial statements.

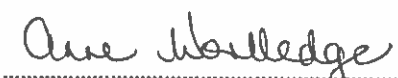
For the year ending 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- *the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,*
- *the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts,*
- *these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.*

Approved by the Directors on 13 September 2018


Elizabeth Marshall- Director and Trustee


Anne Worledge – Director and Trustee

TOWER HAMLETS FRIENDS & NEIGHBOURS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ACCOUNTS

1. Accounting policies

The principal accounting policies adopted are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

a. Basis of accounting

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with Accounting and Reporting by Charities Statement of Recommended Practice and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Companies Act 2006. Tower Hamlets Friends and Neighbours meets the definition of a public benefit entity under FRS 102. Assets and liabilities are recognised at historical cost, or transaction value, unless otherwise stated in the relevant accounting policy notes.

b. Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
Restricted funds are subject to the restriction on their expenditure imposed by the donor or through the terms of an appeal.

c. Income

All incoming resources are recognised when the charity has entitlement to the funds, any performance conditions attached have been met, it is probable that the income will be received and the amount can be measured reliably.

d. Donated services and facilities

Donated services and facilities are included at the value to the charity when the charity has control over the item, any conditions associated with the donated item have been met, the economic benefit to the charity is probable and the economic benefit can be reliably measured. On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain the services or facilities in the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

In accordance with the Charities SORP FRS 102, the general volunteer time provided by volunteers has not been recognised and refer to the trustees' annual report for more information about their contribution.

TOWER HAMLETS FRIENDS & NEIGHBOURS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2018

e. Interest receivable

Investment income is included when receivable and the amount can be reliably measured by the charity; this is normally upon notification by the bank.

f. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise those costs incurred in seeking voluntary income, including staff time.
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Other expenditure represents those items not falling into any other heading.

All expenditure is inclusive of irrecoverable VAT.

g. Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; while others are apportioned on an appropriate basis e.g. estimated staff time or usage as set out in Note 5.

h. Tangible Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at the rate calculated to write off the cost of each asset over its useful economic life. The fixed assets are mainly computer equipment, and these assets are depreciated over three years on a straight line basis. Equipment, including computers and software, costing less than £500 per individual item are not capitalised and are charged to expenditure in the year of purchase. No assets were held by THFN as custodian.

i. Debtors

Debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

j. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due can be measured or estimated reliably.

k. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

TOWER HAMLETS FRIENDS & NEIGHBOURS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2018

2 Donations and legacies

All of the charity's voluntary income was received in the form of grants and donations. While the charity receives a small portion of this income in the form of unsolicited donations, it generates much the greater part by application to charitable trusts and statutory bodies - including The Big Lottery- Reaching Communities (2018: £98,244, 2017: £74,422).

3 Income from charitable activities

The charity was in receipt of income from certain performance related grants ancillary to the delivery of its charitable activities. Income from charitable activities comprises a grant from the London Borough of Tower Hamlets (2018:£35,000; 2017: 35,000).

4 Investment income

	Unrestricted	Restricted	2018	2017
	£	£	£	£
Income from investments	-	-	-	-
Bank interest	72	-	72	68
	<u>72</u>	<u>-</u>	<u>72</u>	<u>68</u>

TOWER HAMLETS FRIENDS & NEIGHBOURS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2018

5. Total resources expended

	Befriending Services				Basis of allocation
	Unrestricted £	Restricted £	2018 £	2017 £	
<i>Cost of raising funds</i>					
Staff costs		21,460	21,460	20,452	Time
Sundry costs	103	287	390	378	Direct
	103	21,747	21,850	20,830	
<i>Cost of charitable activities</i>					
Staff costs	-	129,264	129,264	122,693	Time
Reflexology	-	5,750	5,750	5,385	Direct
Transport and travel	1,330	1,266	2,596	2,011	Direct
Outings with clients	1,454	300	1,754	2,208	Direct
Telephone	2,827	-	2,827	2,970	Direct
Postage and stationery	920	-	920	745	Direct
Recruitment costs	-	1,150	1,150	72	Direct
CRM system development	316	6,684	7,000	-	Direct
Independent Evaluation Report	-	2,500	2,500	-	Direct
Marketing	-	1,313	1,313	-	Direct
Training	-	1,475	1,475	481	Direct
<i>Support costs allocated to charitable activities</i>					
<i>General support:</i>					
Staff costs	-	19,603	19,603	14,060	Time
Premises	-	8,628	8,628	8,628	Direct
Insurance	724	-	724	697	Direct
70th birthday	2,199	-	2,199	-	Direct
Sundry expenses	2,022	753	2,775	2,400	Direct
Computer support	358	-	358	726	Direct
IT upgrade	-	2,766	2,766	2,631	Direct
Payroll costs	936	-	936	680	Direct
<i>Governance cost:</i>					
Independent examiners fee	1,140	-	1,140	1,079	Direct
Sundry costs	59	500	559	13	Direct
Strategy review	-	-	-	2,458	Direct
	14,283	181,952	196,235	169,937	
Total expenditure	14,386	203,699	218,085	190,767	

TOWER HAMLETS FRIENDS & NEIGHBOURS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2018

6. Net income for the year

	2018	2017
This is stated after charging:	£	£
Independent Examiner's fee	1,140	1,140
Adjustment for previous year	-	(60)

7. Analysis of staff costs, trustees remuneration and cost of key personnel

	2018	2017
	£	£
Salaries and wages	155,112	144,381
National Insurance contributions	10,275	10,081
Pension costs	4,940	2,742
	<u>170,327</u>	<u>157,204</u>

No employee received employee benefits (excluding employer pension contributions) of more than £60,000. (2017: nil)

The trustees were not paid, or received, any benefits from employment with the charity or reimbursed for expenses during the year (2017: nil).

During the year, two trustees were reimbursed £3,387.81 (2017: nil) for purchases made on behalf of the Charity.

The employee benefits of the key management personnel of the charity were £88,960 (2017: £84,198).

The average number employees (and full-time equivalent), analysed by function was:

	2018		2017	
	Average	Full time Equivalent	Average	Full time Equivalent
Management	2	2	2	2
Service delivery	6	4.5	4	3

8. Taxation

As a charity, Tower Hamlets Friends and Neighbours is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charge has arisen within the charity.

TOWER HAMLETS FRIENDS & NEIGHBOURS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2018

9. Related party transactions

Tower Hamlets Friends and Neighbours rents its office premises from St. Margaret's House- a charity which provides office accommodation to local community organisations and charities. Anthony Hardie (a trustee of THFN) is a Director and Chief Executive of St Margaret's House. Our annual accommodation payments were £8,628. (2017: £8,628).

10. Tangible fixed assets

	2018	2017
	£	£
Fixtures and office equipment		
Cost at 1 April 2017	925	925
Additions	-	-
Cost at 31 March 2018	925	925
Depreciation		
As at 1 April 2017	925	925
Charge for the year	-	-
As at 31 March 2018	925	925
Net book value:		
At 31 March 2017		Nil
At 31 March 2018	Nil	

11. Debtors

	2018	2017
	£	£
Other debtors	22,578	25,208
Taxation	-	2,500
Prepayments	42	272
	22,620	27,980

12. Cash and cash equivalents

	2018	2017
	£	£
Cash in hand	130,864	150,151
	130,864	150,151

TOWER HAMLETS FRIENDS & NEIGHBOURS
(A company limited by guarantee)

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2018

13. Creditors : amounts falling due within one year

	2018	2017
	£	£
Deferred income	40,815	71,328
Taxation and social security costs	3,816	3,527
Holiday pay	3,258	3,044
Accruals	<u>2,556</u>	<u>3,577</u>
	<u>50,445</u>	<u>81,476</u>

Deferred income represents grants attributable to the following accounting period.

	2018	2017
	£	£
Balance at 1 April 2017	71,328	48,013
Amount released to income	(71,328)	(48,013)
Amount deferred in the year	<u>40,815</u>	<u>71,328</u>
Balance at 31 March 2018	<u>40,815</u>	<u>71,328</u>

14. Movement in unrestricted funds

	<u>General Fund</u>	
	2018	2017
	£	£
Balance at 1 April 2017	96,655	85,192
Incoming resources	20,770	20,659
Resources expended	<u>(14,386)</u>	<u>(9,196)</u>
Funds at 31 March 2018	<u>103,039</u>	<u>96,655</u>

15. Movement in restricted funds

	1 April 2017	Income	Expended	31 March 2018
	£	£	£	£
Big Lottery-Reaching Communities	-	98,245	98,245	-
Others	<u>-</u>	<u>105,454</u>	<u>105,454</u>	<u>-</u>
	<u>-</u>	<u>203,699</u>	<u>203,699</u>	<u>-</u>

TOWER HAMLETS FRIENDS & NEIGHBOURS
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Funders and supporters:

The Board would like to thank all of those people and organisations who make our work possible. Our funders and donors – without whom there would be no charity. Thank you also to our excellent staff, volunteers and community partners - all working with skill, dedication and passion to improve people's lives - and to our partners in health, social care, and commissioners in our local authority – from whom we get the majority of our client referrals. Finally, our biggest thank you is to our clients, the reason THFN exists, and who make our jobs fulfilling.

Thank you.

The Big Lottery – Reaching Communities
The William and Patricia Venton Charitable Trust
East End Community Foundation
Dunhill Medical Trust
Tower Hill Trust
Tudor Trust
London Borough of Tower Hamlets
The Northmoor Trust

The Worshipful Company of Coopers
The Haberdashers' Company
Salters' Charitable Foundation
Queen Adelaide's Charity
The Poor Land's Charity
Swan Foundation
The Woodroffe Benton Foundation
Second University Trust
Canary Wharf Contractors Group
The Co-operative Foundation