

Company No. 02898308
Charity No. 1035200

Custom House and Canning Town Community Renewal Project

Report & Financial Statements

30 June 2019



Custom House and Canning Town Community Renewal Project

Report and accounts Contents

	Page
Reference & administrative information	1
Report of the management committee	2 - 9
Independent Examiner's report	10
Statement of financial activities	10
Balance Sheet	12
Cash Flow Statement	13
Notes to the financial statements	14 - 23

Custom House and Canning Town Community Renewal Project

Reference & administrative information

For the year ended 30 June 2019

Status The organisation is a charitable company limited by guarantee, incorporated on 15 February 1994 and registered as a charity on 21 March 1994.

Governing document The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The Memorandum and Articles of Association were amended to reflect the new name of organisation.

Management Committee	Sarah Ruiz	Chair
	Amala Corera	Treasurer
	Janet Moffatt	
	Lorraine Starke	
	Frank Rosillo-Calle	
	Freda Ayres	
	Rosie Saunders	
	Adrian Hodgson	Co-opted 10/12/2018
	Elizabeth Booker	Co-opted 08/02/2019

Website www.chctcrp.org.uk

General Manager John McNeill

Company number 02898308

Charity number 1035200

Registered office and operational address The St Luke's Community Centre
89 Tarling Road
Canning Town
London
E16 1HN

Independent Examiner Patrick J Gray
Chartered Accountant
56 Bracken Drive
Chigwell
Essex IG7 5RD

Bankers National Westminster Bank
East Ham Branch
37 High Street North
London
E6 1HS

Custom House and Canning Town Community Renewal Project

Report of the management committee

For the year ended 30 June 2019

The management committee presents its report and the financial statements for the year ended 30 June 2019, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. This report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (FRS102) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to smaller entities.

Structure, Governance and Management

The Charity is registered as a charitable company limited by guarantee and governed by its Memorandum (which was updated this year) and Articles of Association.

The Committee members serving during the year, and those currently serving, are shown above. The Charity has no issued share capital or debentures; hence no directors' interests require disclosure.

The control and direction of the Charity is the responsibility of the Management Committee and its members are elected and co-opted to it under the terms of the Memorandum and Articles of Association. Elections are held at the Charity's Annual General Meeting and the Committee can co-opt members during the year. Attendance is good and in an open environment people are able to take up the reins of governance. At any given time the majority of members are well aware of their duty and the systems in place to do their duty.

The Committee delegates its power to run the Charity from day to day to the General Manager who acts on employment matters, exercises routine financial control, ensures that the essential landlord functions are properly maintained and organises specific project development and management. The General Manager ensures that the Committee remains informed by issuing reports on all aspects of the organisation to every Committee meeting. These reports give Directors regular opportunity to minute their views, set and adapt policy and make binding decisions which create a clear line of accountability.

The Management Committee has assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and is satisfied that systems are in place to mitigate its exposure to the major risks. In 2015 the Trustees undertook a review of the Charity's financial standing orders.

Objects and activities

The Charity is established for the promotion of any charitable purposes for the benefit of the residents of the Custom House and Canning Town areas of London. There have been no changes to the objects since the Charity's inception.

The principal policies of the Charity to further its objects are as follows:

- Develop and maintain local buildings and infrastructure for the benefit of the community
- Play a role in the area's overall regeneration by participation in and contribution to local forums
- Operate and assist in the operation of projects for the benefit of the community and
- Assist local community groups and projects from surpluses from rents from the Charity's property.

Custom House and Canning Town Community Renewal Project

Report of the management committee

For the year ended 30 June 2019

The Charity continues to properly manage its assets in the interests of the local area and continues to work to improve efficiency. St Luke's and Abrahams constitute some 25,000 square feet of space put to good social purpose. The Charities policy is let to a range of socially useful tenants to provide unrestricted funds which cover the Charity's core costs and a modest surplus to apply for good purposes.

St. Luke's houses a double doctor's surgery, a community café, a community hall and offices for charities and small businesses. The only space remaining to be developed is the Apse (the historic altar area at the north end of the building) where long term plans exist to convert that space into a modern meeting space.

Activities and Achievements

How our activities deliver public benefit

The charity carries out a wide range of activities in pursuance of its charitable aims. The Trustees consider that these activities detailed below, provide benefit to the public, especially those who live in Custom House and Canning Town and the wider community of Newham and beyond.

19 years of financial stability

Since 2000 the Charity has let office space at St. Luke's making it a secure, independent and self-sustaining Project in this poor part of London. At the time of writing 96% of the available office space was let. The Charity plans for its contingencies, reserves, building fund and other risks and with secure finances is able to work on projects that benefit the community. The greater the surpluses generated the greater the resources available for charitable activities. The Charity's landlord duties are managed by a General Manager.

Staff

At the time of writing this report the Charity had 16 individual members of staff on its payroll including 2 with Parkside, 1 over 50's worker and 9 with PEACH. Staff are headed by the General Manager who is responsible to the Management Committee and is supported by a Financial Administrator and Building Manager for St. Luke's.

The Apse

The apse of the old St. Luke's Church contains massive fine art mosaics which constitute one of Newham's most important work of art. The mosaics, a core reason for St. Luke's being listed, were sadly vandalised before the CH&CTCRP moved in. The Charity has taken steps to clean and cover the damage appropriately and install a brand new floor. The apse became a storage space but in 2017 it was cleared. Now a plan to remove the scaffolding and make some final improvements will make the Apse ready for use. In 2018 Newham Music moved in as a tenant and it was agreed that, when ready, the apse (with its marvellous acoustic properties) could be used as a music venue and so establish the apse as a bespoke venue for arts.

The Community Hall

The community hall is used by a variety of groups and for private hire by the local community. The Charity helps small local groups that serve the community by offering the hall at a subsidised rate. 12 different groups catering for children, the elderly, the disabled plus many children's private parties benefit from this subsidy which is now worth over £38,000 over a year. In 2017 a new floor and associated facilities were installed.

The Café

The Café has been empty for 1 year and meanwhile the Charity has been trying to preplace the service and or market the space but has faced real difficulties in achieving this.

Abrahams

The Charity built and let a new nursery by 2000 and obtained a 20 year lease for the property from Newham Council after which the Charity has a right to purchase outright for a peppercorn. The building is now let to a Lithuanian community organisation who use the whole building for childcare activities.

Parkside

In 2007 the Trustees agreed to assist the Parkside Gardening Project which continues to assist people suffering mental health difficulties into horticultural work experience. The project attracts funds irregularly and has survived at a basic level with financial and corporate support from the Charity. In 2013 Jamie Smith and Jane Scott, took over this valuable work and continue to to it to date. In 2015 Parkside boosted its workload by taking on an education function with a special school but the volatility of the school led to an end of that arrangement leaving Parkside more dependent on the Charity.

Over 50's – a new initiative

In January, having seen an improved financial situation, created the new part time post of Over 50's development worker. The aim, to try and fill the hall every week with a variety of different activities that attract a range of elderly people, is working well at the all day sessions every Friday. The plan was for the worker to engage with PEACH, but that did not work out so the effort to build a street network of support for the frail in the community and to help get the scant services there are to be more aware of each other will continue without PEACH.

Powerhouse

Powerhouse is a charity catering exclusively for women with disabilities and was one of the longest standing tenants at St. Luke's. In recent times funding support has grown tighter for all small charities including Powerhouse so in 2016 the decision was taken to allow Powerhouse free desk and storage space in the CH&CTCRP staff office at St. Luke's to help Powerhouse make ends meet. The arrangement has worked well. Powerhouse also benefits from a subsidy to its regular use of the hall.

PEACH

In 2012 money became available from Big Local for Custom House ward to run a £1,000,000 ten year scheme along community priorities. The Charity participated in the inaugural meetings and supported the development of "community organising" and community initiatives. The People's Empowerment Alliance of Custom House (PEACH) was formed and from September 2013 the CH&CTCRP became the "Local Trusted Organisation" (LTO) responsible for the initiative's finances (held as a restricted fund) and the employment of its staff. PEACH has developed an impressive community run participation and development project. In February 2017 PEACH chose the CH&CTCRP as its LTO for a further three years (to 31/12/19).

However, the CH&CTCRP began to feel that its role as the PEACH employer was contradictory and could not continue in the long run and this year, for its own reasons, PEACH chose to become an incorporated body and manage its own resources. Consequently the CH&CTCRP agreed to an extension of its role as the LTO to June 2020 and to help facilitate PEACH's becoming an independent charity in its own right.

Community Facilities

Letting the hall at a subsidised rate to groups that serve the local community is an important part of the Charity's work. The subsidised use of the hall is equivalent to financial support of over £38,000.

The youth club meeting every Monday night is entering its 13th year. The Club is very popular and is in constant need of support. Powerhouse, a specialist group working with adult women with learning difficulties, use it twice a week. The "Over 60's" continues to meet every Tuesday and the Over 50's every Friday.

Community activities also take place outside in the grounds of St. Luke's which provide good outdoor space. For activities such as annual Summer Fêtes. In 2010 a group of students greatly improved the northern strip of land (fenced off by the Charity since 1996) but after 17 years of stewardship this plot was given over to developers as part of a plot for 50 housing units. The land was used for a path for which there was no demand but insisted upon by Council Planners and for a green space which no one can use.

The Charity's long partnership with the local Royal British Legion led to regular co-operation in organising events and in particular Remembrance Sunday. Whilst the Legion branch has closed the Charity continues to organise the Remembrance service which was again well attended last November.

Volunteer Activity

The Charity's Management Committee is totally voluntary. The Committee properly oversees the Charity. Committee members work in the office, the treasurer oversees all payments and the Chair regularly monitors the General Manager. None of the meetings of the Management Committee have been inquorate and if such governance and direction were to be purchased it would cost a considerable sum.

The Charity's main functions are performed by paid staff. As the Charity does not directly organise charitable activities other than where professionals are required, there is no need for volunteers to help the Charity's main effort. However, the charity's workers and trustees are linked to a web of people who bring charitable effort to St. Luke's. The Charity makes an effort to encourage volunteers to set up and run their independent activities such as the youth club and the elders' afternoons. By offering free use of the community hall and by assisting small local organisations the Charity assists volunteering such as with the youth club for whom it organises CRB checks and inducts volunteers but not directly for the Charity itself.

Parkside's work is with people who are volunteers. Volunteers are helping the over 50s Club and PEACH has a number of volunteers in its wide work in the community of Custom House.

Paradoxically the voluntary sector is better developed in richer areas and to counter this, the Charity works to improve and enlarge of the area's voluntary sector. This way the Charity has helped to create a long term environment for more volunteering.

The area's regeneration – a tale of class clensing

The Charity's area of operation remains in one of the poorest areas of East London. After 11 years of Single Regeneration Budget up to 2007 with £millions spent; unemployment remained high, educational achievement low and health did not improve.

After the Jubilee Line came to Canning Town in 1999 property values rose and the council developed plans to demolish 2000 council built homes, remove the population (dubbed as being "not normal") and replace them with some 10,000 mainly private homes. Over 1,000 homes have been demolished and others emptied and passed to a private landlord who has doubled the rent, the difference paid by the taxpayer via housing benefit. The private landlord Mears was able to evict its tenants at short notice whenever the land is required without a duty on the Council to rehouse those families.

The regeneration quickened after the credit crunch with blocks mushrooming near the station and the Charity's General Manager helped local tenants who wanted to represent themselves. The residents made some gains but in 2007 they were de-recognised. Subsequently, the Charity learned that the Council had insisted that the Charity's General Manager shall not be spoken to. The Charity's Trustees lived with this.

The housing question has not gone away and has been spurred on by the new Cross-rail station at Freemasons Road. PEACH has taken on the issue of housing rights under its own direction and, supported by a new Mayor, have won significant changes for the private tenants. At the behest of PEACH a Regeneration Steering Group has been established by the Council that at last gives a legitimate voice for residents in the regeneration process. PEACH has also spawned the E16 CLT which is a body focussed on wider regeneration issues in the area.

However, the pressure for more private dwellings continues. Around St. Luke's hundreds of homes have been built with none of them for social rent. One whole development of 300 units was sold off plan in China without UK advertising.

A lesson on co-operation and the destruction of the Charity's manual training activities

For 16 years the Charity ran training projects, Pitstop and Skillshop, for young people with few prospects at derelict sites. LBN encouraged it to use and which it restored with £200,000 worth of non-council grants. The London Borough of Newham (LBN) encouraged Pitstop to move to and share a depot with Newham Community Transport (NCT) as that saved on rent which LBN paid. In 1998 the Charity mistakenly trusted LBN and under duress agreed a joint and several lease with NCT in the belief that it would be fairly treated.

In 2007 LBN became belligerent. It tried to impose £30,000 back rent on Skillshop forgetting it didn't own the building and that the land was let at a peppercorn and so was defeated in court. It also announced a 6 year backdated rent increase on the depot site where the CH&CTCRP was paying its 40% share of the rent. LBN then forced NCT to close so it could load all the back rent on to the CH&CTCRP. This was contested but LBN evicted Pitstop in 2010 and claimed £110,000 from the CH&CTCRP. This was resisted but the court order which guaranteed protection was complicated and expensive so the Charity in 2016 agreed to pay £50,000 as it would have cost more to win in court.

When LBN took the Hallsville site it broke its contract for training services and destroyed Pitstop's garage business. After forfeiture LBN connived to establish and fund a project with the same name and in 2013 the Charity heard that its valuable garage machinery, unmovable because of the road widening scheme, had been included in a lease to another tenant. Apart from destroying a valuable and well run project, LBN made a considerable income from forfeited equipment and buildings built with charitable funds.

Skillshop kept operating at the green shed (still empty to date) but was forced out in 2015. It moved to St. Luke's but after 2 years it was realised that the project could not operate there. The project was closed in July 2017. Thus ended 16 years of manual training for young people by this Charity.

Democracy in Newham

Until May 2018 Newham (where all councillors were and are from the ruling party) had been run by the same elected Mayor for 12 years. All power became centred on one person who, having taken a dislike for this Charity and its manager, felt the need for a long term campaign of bullying. After considerable shenanigans the ruling party was allowed to select a mayoral candidate and this resulted in the election of a new mayor who has suggested that she might allow a vote on whether to discontinue the elected mayorship. The new mayor is friendly and there have been cordial exchanges with council officers local branches of the ruling party.

Financial review

The Committee receives a quarterly review of the Charity's financial position so that all trends can be regularly examined. The Charity reviewed its financial standing orders in 2015.

Income for the year increased by £10,542 to £378,943 (2017/18 -£368,401 (2.8%). Expenditure decreased by £15,485 to £363,690 (2017/18 - £379,175 (-4%) . The surplus of £15,253 compared to 2017/18 deficit £10,774. Of this, £46,786 arises annually as depreciation on the St Luke's building. The original building cost is the basis of the depreciation calculation which is required for accounting purposes and this constitutes a large (paper) part of the loss. In practice the Committee believes that it is possible to keep its assets in good repair indefinitely and aims to set aside £50,000 into the Sinking Fund (see Note 13 to the accounts). The built assets, being developed with grant funding meant there was no continuing restriction as to use and hence the asset is not held in a restricted fund.

Reserves Policy

The Charity's ability to meet its objectives rests on the proper management of its assets. In addition the Committee, guided by professional advice, annually sets aside a specified sum to a building fund for future repairs and improvements. In June 2018 the Charity increased its secure investment deposits to over £170,000. It also assures that there is a minimum 3 months of turnover in net current assets, for the staff and other liabilities.

Volunteer Activity

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Custom House and Canning Town Community Renewal Project

Report of the management committee

For the year ended 30 June 2019

Responsibilities of the management committee

Company law requires the management committee to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements which give a true and fair view, the management committee should follow best practice and:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable 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 assume that the company will continue on that basis

The management committee is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

The management committee members are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The management committee is 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.

Each member of the management committee confirms that to the best of their knowledge there is no information relevant to the independent examination of which the independent examiner are unaware. Members of the management committee also confirms that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the independent examiner.

Members of the management committee, who are also trustees under charity law, who served during the year and up to the date of this report are listed on page 1.

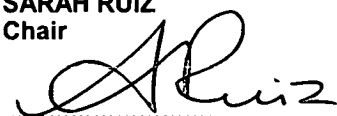
Public Benefit Statement

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefits'.

A resolution to appoint Conways Chartered Accountants as the company's independent examiner will be proposed at the annual general meeting. This report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

This report was approved by the Board on 16 February 2019 and signed on its behalf .

SARAH RUIZ
Chair



**INDEPENDENT EXAMINER'S REPORT
TO THE MEMBERS OF CUSTOM HOUSE AND CANNING TOWN COMMUNITY RENEWAL PROJECT**

I report on the accounts of Custom House and Canning Town Community Renewal Project for the 12 months ended 30 June 2019 set out on pages 11 to 23.

Respective responsibilities of trustees and independent examiner

The charity's trustees who are also the directors of Imkaan 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. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a CA.

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:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) 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
- (iii) 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:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep proper accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare accounts which accord with the accounting records, 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
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Patrick J Gray
Chartered Accountant
56 Bracken Drive
Chigwell
Essex IG7 5RD

Signed Patrick J Gray

Date 16 February 2020

Custom House and Canning Town Community Renewal Project

Statement of Financial Activities (Incorporating an Income and Expenditure account)

For the year ended 30 June 2019

		Unrestricted	Restricted	2019 Total	2018 Total
	Notes	£	£	£	£
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income				-	-
Investment income		3,784		3,784	4,059
<i>Incoming resources from charitable activities</i>					
Peach		500	141,296	141,796	140,808
Skill shop : Teaching hours		-		-	-
Parkside Gardening Project		-	600	600	11,661
St Luke's and Abraham's					
Nursery rent and recharges		232,763		232,763	210,149
Other Community Projects		-	-	-	1,725
Total incoming resources	2	<u>237,047</u>	<u>141,896</u>	<u>378,943</u>	<u>368,401</u>
Resources expended					
<i>Cost of generating funds</i>					
Fundraising and publicity				-	-
<i>Charitable activities</i>					
Peach		500	133,742	134,242	132,009
Skill shop : Teaching hours		-	-	-	6,419
Parkside Gardening Project		-	11,191	11,191	26,106
St Luke's and Abraham's		198,242	9,299	207,541	206,656
Over 50s Project		6,757		6,757	-
Other Community Projects		159	-	159	5,210
				-	-
<i>Governance costs</i>		<u>3,800</u>	<u>-</u>	<u>3,800</u>	<u>2,775</u>
Total resources expended	3	<u>209,458</u>	<u>154,232</u>	<u>363,690</u>	<u>379,175</u>
Net (Expenditure)/Income for the year		27,589	(12,336)	15,253	(10,774)
Transfers between funds	11	(9,767)	9,767	-	-
Net movement in funds for the year		17,822	(2,569)	15,253	(10,774)
Total funds brought forward		<u>1,909,689</u>	<u>439,951</u>	<u>2,349,639</u>	<u>2,360,413</u>
Funds carried forward	12	<u><u>1,927,511</u></u>	<u><u>437,382</u></u>	<u><u>2,364,893</u></u>	<u><u>2,349,639</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 12 to the financial statements.

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

Custom House and Canning Town Community Renewal Project (Limited by Guarantee)

Balance sheet

As at 30 June 2019

	Note	£	2019 £	2018 £
Tangible fixed assets	7		1,804,891	1,861,091
Investments	8		<u>245,000</u>	<u>75,000</u>
			2,049,891	1,936,091
Current assets				
Debtors	10	69,158		89,206
Cash at bank and in hand		<u>290,778</u>		<u>368,565</u>
		359,936		457,772
Creditors :				
Amounts falling due within one year	11	<u>(44,934)</u>		<u>(44,223)</u>
Net current assets			<u>315,002</u>	<u>413,549</u>
Total Assets less current liabilities			<u>2,364,893</u>	<u>2,349,639</u>
The funds of the charity:				
Unrestricted funds				
General funds			237,651	187,583
Designated funds			1,689,861	1,722,106
Restricted funds			<u>437,382</u>	<u>439,951</u>
Total funds	12		<u>2,364,893</u>	<u>2,349,639</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2019. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

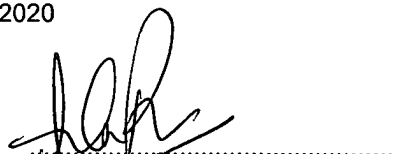
The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources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

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The accounts were approved by the Board on 16th February 2020



Sarah Ruiz
Chair



Amala Corera
Treasurer

Company No. 02898308

Custom House and Canning Town Community Renewal Project

Cash Flow Statement

For the year ended 30 June 2019

	2019 £	2018 £
	11,469	(14,832)
Reconciliation of Cash generated from Operations		
Depreciation of Tangible fixed Assets	57,299	58,101
Purchase of Tangible Assets	(1,099)	(3,225)
Loss on disposal of assets	0	0
Decrease/(Increase) in debtors	20,049	(11,534)
Decrease/(Increase) in creditors	710	903
Investments (Increase)/decrease	(170,000)	0
Cash generated from Operations	<u>(81,572)</u>	<u>29,413</u>
Cash from Other sources		
Interest Received	<u>3,784</u>	<u>4,059</u>
Change in cash and cash equivalents in the year	(77,787)	33,471
Cash and cash equivalents at the beginning of year	368,565	335,094
Cash and cash equivalents at the end of year	<u>290,778</u>	<u>368,565</u>
Consisting of :		
Cash at bank and in hand	<u><u>290,778</u></u>	<u><u>368,565</u></u>

1. Accounting policies

Custom House and Canning Town Community Renewal Project Limited is a private company limited by guarantee incorporated in England and Wales. The registered address is The St Luke's Community Centre, 89 Tarling Road, Canning Town, London E16 1HN.

The following are the more important policies adopted by the charity.

- a) The financial statements have been prepared under the historical cost convention and in accordance with the company's constitution and applicable accounting standards. They follow the recommendations in the 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) and the Companies Act 2006. The company is a Public Benefit Entity as defined by FRS 102.
- b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when received or receivable, whichever is earlier.
- c) Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier, unless they relate to a specific future period, in which case they are deferred.
- d) Contractual income is recognised as an incoming resource to the extent that the charity has provided the services. If incoming resources are received in advance of the services being provided, they are deferred until the charity is entitled to them.
- e) Rental income is recognised net of voids.
- f) Gifts in kind represent assets or services donated for distribution or use by the charity. Assets given for distribution are recognised as incoming resources only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.
- g) Grants for the purchase of fixed assets are recognised in full in the statement of financial activities in the year in which they are receivable.
- h) Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund.
- i) Unrestricted funds are donations and other income received or generated for the charitable purposes.
- j) Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Notes to the financial statements

For the year ended 30 June 2019

1. Accounting policies (continued)

- k) Tangible fixed assets are stated at costs less depreciation. Equipment costing less than £500 is written off in the year of purchase. Depreciation is provided on all fixed assets at rates calculated to write off the cost of each asset over its estimated useful life. The depreciation rates in use are as follows:

Freehold land	indefinite (no depreciation charged)
Freehold buildings	50 years straight line (2.00%)
Leasehold property	period of the lease
Office Equipment	5 years straight line basis (20.00%)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

At each reporting date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss(if any).

- l) All leases of equipment are operating leases, and rentals are charged to the statement of financial activities on a straight line basis over the length of the lease. No assets are held under hire purchase agreements.
- m) Governance costs include the management of the charitable company's assets, organisational management and compliance with constitutional and statutory requirements. Cost of raising funds relates to the costs incurred by the charitable company in raising funds for the charitable work.
- n) The accounts are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

o) **Subsidiary**

The Charity has a subsidiary but group accounts are not prepared because its results, assets and Liabilities are not material to the Charity.

- p) These accounts for the year ended 31 March 2017 are the first accounts of the charity prepared in accordance with FRS 102. The date of transition to FRS102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS102.

Notes to the financial statements

For the year ended 30 June 2019

1. Accounting policies (continued)

q) The financial statements have been prepared on the going concern basis. The management committee members have considered a period of one year from the date of approval of the accounts.

r) Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

s) The charity 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.

t) The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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

v) In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

1.2 Accumulated funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are allocated out of unrestricted funds by the trustees for specific purposes. The use of such funds is at the trustees' discretion.

Restricted funds are subject to restrictions on their expenditure imposed by the donor.

Custom House and Canning Town Community Renewal Project
Notes to the financial statements
For the year ended 30 June 2019

2. Incoming Resources

	Skillshop	St Luke's and Abraham's	Parkside Gardening	Peach	Legion	Youth Club	General Fund	2019 Total	2018 Total
Restricted Funds									
Big Lottery Fund				119,996				119,996	127,748
Trust for London			-	14,500				14,500	-
Lush Charity Pot			-	6,800		0		6,800	4,494
Other Sales Income			600	-	-			600	-
Sub Total	-	-	600	141,296	-	-	-	141,896	132,242
Unrestricted Funds									
Training Services	-		-					0	8,667
Investment income	-	-					3,784	3,784	4,059
Small Grants								-	8,300
Rental Income		215,982						215,982	190,643
Utility recharges		3,828						3,828	4,664
Summer Scheme						-		0	225
Donations								-	-
Other Incoming resources		6,000	-	-				6,000	6,409
Other Sales Income		133		500				633	4,954
Telephone Income		6,820						6,820	8,239
Sub Total	-	232,763	-	500	-	-	3,784	237,047	236,159
Total Incoming Resources	0	232,763	600	141,796	-	0	3,784	378,943	368,401

Custom House and Canning Town Community Renewal Project
Notes to the accounts
For the year ended 30 June 2019

3. Resources Expended

	Basis of allocation	Skillshop	St Luke's and Abraham's	Parkside Gardening	Peach	Over 50's Project	Youth Club	General Fund	Govern-ance	2019 Total	2018 Total
Cost directly allocated to activities											
Staff costs	Staff time	0	70,181	9,759	103,074	6,098	0	-		189,110	208,756
Recruitment					525					525	-
Staff Supervision	Direct	0	0		516		0			516	2,230
Staff Training	Direct	0	0		1,552		0			1,552	1,016
Staff Travel & Meetings	Direct	0	0		1,665		0			1,665	1,514
Depreciation	Direct		57,299							57,299	58,101
Materials	Direct	0	5.29	197		71	100			373	200
Accreditation	Direct	0								0	400
Office Costs	Direct	0	68	117	4,853	7				5,045	3,042
Refreshments/Subsistence	Direct		360	214	1,561	81	45	0		2,260	3,730
Insurance	Usage	0	13,014	450	770					14,234	12,672
Internet	Usage		1,027							1,027	944
Other Costs	Direct		200	0	2,392			0		2,592	928
Publicity	Direct		150	-	618			-		768	1,649
Social Events	Direct				5,854		0			5,854	7,322
Rent and Rates	Direct	0	4,098	-	4,050			-		8,148	9,778
Heat & Light	Usage	0	16,382		0					16,382	14,247
Telephone	Usage	0	4,430	0	85					4,515	3,757
Cleaning	Usage	0	3,377	5	0					3,382	3,593
Equipment & Maintenance	Direct		14,531	388	119	501	14	-	-	15,552	13,297
Bad Debt Write off	Direct		2,876							2,876	-
Independent Examination Fees	Direct								3,800	3,800	2,775
Support costs allocated to activities											
Printing, Postage and Stationery	Usage	0	184	-	483					667	1,028
Legal and professional fees	Usage	0	1,867	-	4,020					5,887	7,997
Bank Charges	Usage	0	272	-	104					375	448
Sundry Expenses	Usage	0	103	62	101					265	350
Staff Costs	Staff time	0	17,118	-	1,902					19,020	19,401
Total resources expended		0	207,541	11,191	134,242	6,757	159	0	3,800	363,690	379,175

Custom House and Canning Town Community Renewal Project

Notes to the financial statements

For the year ended 30 June 2019

4. Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, nor was anyone reimbursed for travelling and subsistence (Nil- 2017).

5. Staff costs and numbers

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	196,345	216,110
Social security costs	9,509	10,673
Pension Costs	2,276	1,374
	<u>208,130</u>	<u>228,157</u>

No employee earned more than £60,000 during the year.

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to income and expenditure account in respect of defined contribution schemes was £1,795 (2018 - £1,374)

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2019 No.	2018 No.
Parkside gardening project	0.5	1.1
St Luke's and Abraham's	2.5	2.5
Skill Shop	-	0.5
Peach	3.4	3.4
Support	-	-
	<u>6.4</u>	<u>7.4</u>

6. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes, under S 466 to 493 CTA 2010

Custom House and Canning Town Community Renewal Project

Notes to the financial statements

For the year ended 30 June 2019

7. Tangible fixed assets

	Freehold land and buildings £	Leasehold properties £	Furniture and equipment £	Total £
Cost				
At the start of the year	2,339,293	597,994	189,394	3,126,681
Additions in year	-	-	1,099	1,099
At the end of the year	2,339,293	597,994	190,493	3,127,780
Depreciation				
At the start of the year	881,106	198,154	186,330	1,265,590
Charge for the year	46,786	9,299	1,214	57,299
At the end of the year	927,892	207,453	187,544	1,322,889
Net Book Value				
At the end of the year	1,411,401	390,541	2,949	1,804,891
At the start of the year	1,458,187	399,840	3,064	1,861,091

On 19 February 1996 the Charity was given the freehold land and buildings comprising the old Church of St Luke, Victoria Docks by its owner, the Church commissioners for England, for development as a community resource. The land was valued on 1 May 1995 by Bernard Williams Associated Chartered Surveyors, at £200,000 and was taken into the accounts at this sum. The balance of the cost/valuation shown above represents the cost of developing the site into the St Luke's community centre: this is the costs of depreciable assets which at 30 June 2017 amounted to £2,339,293 (2016:£2,339,293)

8. Fixed Asset Investment

	2019 £	2018 £
Investment in subsidiary	100	100
Deposits	245,000	75,000
	245,100	75,100

In December 1995 the charity formed a subsidiary company, St Luke's Project Limited, to undertake the development of the St Luke's Church site. The company has issued 100 £1 shares, all to the Charity. Following completion of the development work, the Company's activities have ceased. The Company has never made a profit or loss and its net assets are £100, equivalent to the issued share capital. Total income and total expenditure for the year were £Nil(2016 £Nil). Since the company's results, assets and liabilities are not material to the Charity's accounts they are not consolidated. Copies of the Company's account are available from the Charity's registered office.

Custom House and Canning Town Community Renewal Project

Notes to the financial statements

For the year ended 30 June 2019

9. Financial instruments	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>69,157</u>	<u>89,205</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>30,372</u>	<u>34,547</u>
10. Debtors	2019	2018
	£	£
Trade Debtors	62,631	79,195
Staff Loan	5,627	7,500
Other debtors	898	2,511
Prepayments	<u>1</u>	<u>1</u>
	<u>69,158</u>	<u>89,206</u>
11. Creditors : amounts falling due within one year	2019	2018
	£	£
Trade creditors	3,208	2,211
Taxation and social security	14,561	9,676
Other creditors	22,132	22,532
Accruals	593	5,698
Rent Deposit from tenants	<u>4,440</u>	<u>4,106</u>
	<u>44,934</u>	<u>44,223</u>

Custom House and Canning Town Community Renewal Project

Notes to the financial statements

For the year ended 30 June 2019

12. Movements in funds

	At 1 July 2018 £	Incoming resources £	Outgoing resources £	Transfers In/(Out) £	At 30 June 2019 £
Restricted funds:					
Peach	33,800	141,296	133,742		41,354
Abrahams Point	405,312	-	9,299		396,013
Pensioners Club	443	-	-	(443)	-
British royal legion	15	-	-		15
Parkside gardening	-	600	11,191	10,591	-
Victory	381			(381)	-
Total restricted funds	439,951	141,896	154,232	9,767	437,382
Designated funds :					
Fixed assets fund	1,432,790		46,786		1,386,004
Sinking Fund	289,316			14,541	303,857
	<u>1,722,106</u>	<u>0</u>	<u>46,786</u>	<u>14,541</u>	<u>1,689,861</u>
 General Funds	 187,583	 237,047	 162,672	 (24,307)	 237,651
Total funds	<u>2,349,639</u>	<u>378,943</u>	<u>363,690</u>	<u>-</u>	<u>2,364,893</u>

The Fixed assets fund represents the unrestricted funds tied up in fixed assets.

The committee has established a sinking fund to finance the cost of future major repairs at St Luke's Centre and Abraham's Nursery. The Chariry's Surveyors have advised the amount to be set aside.

Transfers from general funds to restricted funds relate to the replacement of restricted funds previously utilised for core activities

13. Movements in funds (continued)

Grants from Big Local/Local Trust (National Lottery) for the Peoples Empowerment Alliance for Custom House (PEACH) will be held in trust as a restricted fund

Custom House and Canning Town Community Renewal Project

Notes to the financial statements

For the year ended 30 June 2019

14. Analysis of net assets between funds

	Restricted funds £	General funds £	Total funds £
Tangible fixed assets	396,013	1,653,878	2,049,891
Current assets	52,674	307,262	359,936
Creditors: amounts falling due within one year	<u>(11,305)</u>	<u>(33,628)</u>	<u>(44,934)</u>
Net assets at 30 June 2019	<u>437,382</u>	<u>1,927,511</u>	<u>2,364,893</u>

15. Management committee members' remuneration and expenses

The management committee members are the trustees under charity law and received no remuneration. (2018 - Nil)

16. Related Party Transactions

In May 2013, the chair agreed with the charity a license agreement for £3,000 per annum for the rental of the Café. The license agreement ended July 2018.