

THE TOWER PROJECT
(A company limited by guarantee)

**DIRECTORS' AND TRUSTEES' REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31ST MARCH 2016

CHARITY COMMISSION
FIRST CONTACT

28 JUL 2016

ACCOUNTS
RECEIVED

Company No: 03338883
Charity No: 1061626

THE TOWER PROJECT
(A company limited by guarantee)
REPORT AND ACCOUNTS

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DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2016

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31st March 2016, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statements of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OUR PURPOSE AND ACTIVITIES

The Charity's Objects are:

To promote the welfare of children, young people and adults with disabilities and/or learning difficulties, autism and/or long-term condition in any manner which now or hereafter may be deemed by law to be charitable within Greater London.

New Dawn Day Service

Providing a dedicated day opportunities service which promotes inclusion based on the needs of young people with moderate/complex learning disabilities and/or physical disabilities. The young people are supported with a flexible person centred programme to integrate and access services and activities within the community.

Children's Services

Providing various services for children with complex physical and/or learning needs and autism from age 5 up to the child's 19th birthday. These provisions range from after school clubs, holiday schemes during summer holiday, Easter, October and February half-term and a Saturday leisure service for young people with autism.

Job Enterprise & Training

Providing specialist supported employment services for disabled people and people with long term health conditions. JET aims to increase the number of disabled people and people with long term health conditions that are in sustainable employment by providing a straight forward programme of support solutions, which will equip clients with the required tools to overcome any barriers stopping rapid progression into employment.

At the JET Service rapid progression towards employment is supported through the provision of employment support, training, social enterprise and employer engagement.

First Start Day Opportunities Service (Autism)

Provides services specifically for people living with an Autism Spectrum Condition, this is the Tower Project First Start service is located on the Isle of Dogs and provides a range of bespoke services for people living with the condition who also present with associated challenging behaviours and other related conditions.

Supported Living

Provides and manages a range of both supported living and independent living projects for people with learning disabilities, physical disabilities and autism. The Service allows our members to live either independently or with staff support in a home of their own. The services range from self-contained apartments which require minimal support through to shared accommodation that provides 24 hour intensive support to the individuals.

DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2016

Our volunteers

The charity is grateful for all the volunteers who give their time to assist with the various projects undertaken. During the year ended 31st March 2016, the contribution in terms of volunteer's hours in respect of various projects is detailed below:

- New Dawn – 804 hours
- First Start – 533 hours
- Children's services – 36 hours

Achievements and Performance

Autistic Day Opportunities Service (First Start)

The service has successfully operated for eleven years providing a day opportunities service for autistic adults and young people who are resident in the London boroughs of Tower Hamlets, Hackney, Newham and the City of London. The project is located in its own fully adapted centre (The Cedar Centre) which is dedicated to the provision of services for people with autism. The Tower Project has undertaken extensive improvements to the building in terms of refurbishment and added many specialist facilities and adaptations. Mini buses and additional transport is available for the service so that dedicated transport is provided for the service members. The service has grown in size and additional placements have been created for new members. The service is fully accredited within the National Autistic Societies accreditation scheme. The service has continued to further develop the quality of the service provided and recruited a number of additional staff with specific skills which has further supported the membership of the service and allowed the service to improve both its scope and quality.

Youth & Leisure Services

The Youth services operate on 5 evenings each week and during the daytime on Saturday and Sunday providing a dedicated door to door transport service for members. The service has in excess of 350 children and young adults with disabilities who are resident within the London boroughs of Tower Hamlets, Corporation of London and East London boroughs attending each week. The service has continued to provide both Youth Services and adult leisure services despite budgetary pressures and has maintained the number of members attending the service. The service has also developed a number of individual leisure services supporting members to access mainstream provision within the community via an individual budget or direct payment. The service has also developed both new and additional partnership working arrangements within the last few years and continues to work positively with Youth services and local schools to deliver both new and existing services both in buildings and the wider community.

Children's Complex Needs Services

The service operates an after-school club throughout the school term time and a full time weekly holiday scheme during the school holidays periods for children with disabilities who are resident in the London borough of Tower Hamlets and surrounding East London boroughs. The service operates and provides a dedicated door to door transport service for all children and young people if required who attend the services. In addition the service provides dedicated holiday play scheme for the Phoenix special needs school and provides additional places on all schemes throughout the academic year for children with autism and complex needs. Following the most recent inspection by OFSTED the service was awarded an outstanding rating across all the children's services provided.

Community Outreach Support Service (Incorporating Information & Advice)

The service was developed to offer information and advice in addition to supporting families with issues ranging from benefits, housing, bereavement and access to health, family conflict and support around individual budgets and direct payments. The service leads on consultations and inclusion of parents and carers of members and acts as a conduit for the board of Trustees to ascertain parents and carers views. The service will continue to develop and offer various training, information and advice to families and also act as a link between Tower Project services often coordinating complex packages of support across the Tower Projects services.

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DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST MARCH 2016

Social Enterprise

The Job, Enterprise & Training service has continued to successfully develop social enterprises, which in turn has created job opportunities for members seeking both training and employment opportunities. The first success of the service was the development of a valeting service (Tower Hamlets Valeting Service) which provides employment opportunities for young people with disabilities. The service has developed a successful partnership with a number of community organisations and developed a community café (Ocean View Cafe) which has now become independent, the café acts as a training hub for young disabled job seekers and provides both formal job training in addition to accredited qualifications. It is the Tower project's intention to further develop existing social enterprises and identify new opportunities and specifically develop additional social enterprises.

Job, Enterprise & Training (JET TEAM)

The Job Opportunities service had successfully continued to provide a high quality service and has again made progress in both stabilising and retaining their ability to deliver and improve on the quality of previous years. The service operates from its own purpose designed building (Candy Wharf) which provides dedicated facilities for disabled job seekers within Tower Hamlets, Hackney and the City of London. The service provides a number of dedicated posts to specific disability groups as well as social enterprise development and support to parents and carers wishing to enter into training or returning to work. This year the service has worked closely with the local NHS, schools and the private sector to develop specific autism services and further progress the work with local employers.

New Dawn Day Service

The service provides a dedicated day opportunities service for people with learning disabilities which operates five days a week for a duration of 52 weeks per year. The service provides dedicated door to door transport service or travel training for members. The service is based at the Tower Projects Whitehorse Road premises which provide a number of unique facilities on one site for the membership. The service continues to increase the number of places available to young adults with complex physical needs and has increased the staff team to further support the members of the service to access mainstream community facilities. The service also operates from a light industrial unit which produces Arts and Crafts that the service members sell. An important element of the service continues to be the coordination of its members who either attend or reside in our related services.

Supported Living

The Tower Project provides both residential and supported living services and following on from the successfully developed supported living project (Fulmer Road) that currently accommodates 3 young men who are being supported to live semi independently within the community we have completed another project (Fulmer Road) which supports 3 young women to live in the community supported by a dedicated team of staff. The Tower Project hopes to purchase additional properties this year and is currently negotiating and developing 2 supported living projects one for young men with autism and one for young women with complex needs. At present a number of additional properties are being considered for the development of a dedicated respite facility for our membership.

Organisational Development

The Tower Project has further streamlined administrative support in the organisation so that dedicated departments manage specific areas within the management structure. Human resources, Finance, Facilities and maintenance operate as separate departments which have created both a more efficient and cost effective administrative function. In addition to organisational management, The Tower Project have developed a communications department which has focused on developing information for the membership and managing the organisations profile and marketing along with our IT capability.

Public benefit statement

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PD2)'. The achievements and activities above demonstrate the public benefit arising through the Charity's activities.

FINANCIAL REVIEW

The Statement of Financial Activities shows a net surplus of £205,356 (2015 – deficit £91,012) for the year resulting in reserves standing at £1,321,246 (2014 - £1,115,890) at 31st March 2016.

The charity had a very successful year in financial terms and benefited from good cost controls and increased unrestricted donations and grants. The Trustees are planning to invest some of the surplus into new capital projects for supported living.

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DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2016

Principal Funding Sources

The main principal funding sources are grants and service level agreements from statutory bodies, charitable trusts and commercial organisations. The charity also received corporate and individual donations.

In addition, the charity has started to work with local primary schools and this has provided additional income.

Details of principal funding sources are shown in notes 2 and 4.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit. The trustees have considered the most appropriate policy for investing funds and have found that cash deposits meet their requirements to generate income.

Reserves policy

The Directors consider it prudent to maintain an adequate balance of unrestricted funds to cover the Charity's contractual commitments and ideally would like these to be at a minimum level of between 3 and 6 months annual expenditure.

The Directors consider that the Charity's reserves will enhance the services provided and provide financial security for the future. The reserves held in unrestricted funds, which have not been designated at the 31st March 2016 were £809,141 (2015 – £677,113).

The charity's unrestricted free reserves including designated reserves, which are not held in fixed assets as at 31st March 2016, are £301,378 (2015 - £134,910).

Details of reserves are shown in notes 16 and 17. The Independent Fund within designated funds has increased during the year by £100,000 as the charity is intending to acquire new premises for which these funds will be needed.

FUTURE PLANS AND DEVELOPMENTS

Autistic Day Service:

Following the success of the Autistic day opportunities service (First Start) in acquiring their own dedicated premise (The Cedar Centre) we are planning to further develop and improve the service and recruit a number of specialist health staff. Having already undertaken a significant refurbishment of the building within the previous 4 years we had acquired additional space and incorporated it into the main building. The service is now fully accredited to the National Autistic Societies accreditation scheme which is the industry benchmark for quality assurance and we will continue to develop both facilities within the centre and specialist health services for members attending the service.

Community Outreach Support Project (Information & Advice)

The Tower Project's Community Outreach Support Service continues to provide information and advice to members on issues such as Housing, Welfare, Benefits, Services and Health with support to access direct payments, individual budgets and personal care services which in turn supports the membership to manage their own care. It is our intention to continue with the service this year and further expand into children's services and independent living.

Job, Enterprise & Training (JET TEAM)

The service has been based at its own dedicated premises (Candy Wharf) since 2010 which has continued to meet the expansion needs of the service. The premises provide facilities for disabled job seekers and people wishing to access further training and support. The service has recruited a number of new staff within this financial year having previously recruited a new service manager. We may need to consolidate the service within the coming year which has to be gauged against a background of restrictive funding for employment and training services.

Work Placement Day Opportunities Service

The Tower Project has developed a day opportunities service for members' currently attending New Dawn wishing to access either work experience, paid employment or work placement. The Tower Project has undertaken consultation with members whose views have shaped the service. The service has become fully operational within the previous year with plans to further expand and develop throughout 2017 developing partnership working.

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DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2016

Social Enterprise

Having secured additional funding for a social enterprise development we had already successfully developed a social enterprise called the Tower Hamlets Valeting Service which provides both employment and accredited training for disabled jobseekers, we intend to support the social enterprise into independence in 2017. In addition we have been able to develop a community café in partnership with a number of community organisations, the café provides employment and training for young people with disabilities and now operates independently of the Tower Project.

Whitehorse Road Premises

This year we have continued to refurbish parts of the building to create better use of the limited space available, the finance team and Human Resources have dedicated offices. Much of the building has been redecorated and we will continue to refurbish and decorate, a new kitchen had been installed following the refurbishment of the main hall. The planning for a large extension to the main building which would incorporate additional accessible washrooms is due to be undertaken and subject to funding it is our intention to proceed with building the additional facilities.

Supported Living

Following the successful development of supported living schemes for three young men and three young women. The Tower Project will continue to acquire properties which will provide supported living for members who are currently living at home with parents. As previously reported the Tower Project has entered into a partnership with a number of Tower Hamlets housing organisations and we are optimistic that we are able to develop new supported living housing opportunities for our members and the wider community.

Older Members day Opportunities Service

The Tower Project has a number of older and less active members across day services who have requested that we develop a more art and crafts based day opportunities service which would better meet their needs. Following various discussions with Social Services we are currently seeking to identify appropriate premises to base the service in and purchase a minibus for the membership to access activities in the community.

Organisational Development

The Tower Project will continue to streamline and further develop the organisational management so that dedicated departments continue to manage specific areas of the organisation such as finance and human resources. Although the Tower Project is well served by its administration the increased growth of the project has placed additional demands on the administration team and it is our intention to further expand the administration support for all services. In addition we will further develop our information technology capacity within the forthcoming year and further develop and expand our communications department.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Tower Project (the word 'Limited' being omitted by licence from the Board of Trade) is a Company Limited by guarantee and not having a capital divided by shares.

The charity was incorporated on 24th March 1997 and commenced activity on 1st April 1997. The company was registered as a charity on 1st April 1997 under Registration Number 1061626 and the company registration number is 03338883. Anyone over the age of 18 can become a member.

Recruitment and appointment of Trustees

As set out in the Articles of Association the chair of the trustees is nominated by the other trustees. The Directors of the organisation are also the charity trustees for the purposes of charity law.

The Board of Trustees have power to appoint additional Trustees as it considers fit to do so.

The Trustees have no beneficial interest in the company other than as members. The Trustees are also the directors of the company. All of the Trustees are members of the company and guarantee to contribute £1 in event of winding up. The Board has the power to appoint additional Directors.

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DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST MARCH 2016

Trustee induction and training

The Trustees maintain a good working knowledge of charity and company law and best practise by regular reading of charity press articles and scrutiny of Companies House, Charity Commission, other Government and voluntary organisation advisory websites. New Trustees are given copies of the Memorandum and Articles of Association and copies of previous year's minutes and attend an induction session given by an experienced Trustee.

Organisation

The trustees of the company meet quarterly as a Board, but have also set up a range of sub-groups, which meet with the Director between Board meetings. The Chair and Treasurer also meet with the Director on a regular basis.

It is governed by the Board of Directors, which sets the overall framework. The Chief Executive Officer and his staff team are then delegated full responsibility for implementation within this framework. The Board and organisation are also supported by an Advisory Council that meets at least semi-annually.

The charity is not significantly dependent on the services of unpaid volunteers.

Related parties

The charity works closely with other similar organisations as detailed in the achievements and performance section of the Trustees Report below. None of the charity's trustees are directors or trustees of these other organisations.

Pay policy for senior staff

The finance and remuneration sub-committee reviews annually the salary and employment conditions of the Chief Executive Officer, taking into account performance, market rates and the charities financial position.

The Chief Executive Officer reviews annually the pay of the senior management team in consultation with the Chair of the Trustees.

Risk Management

The trustees have a risk management strategy which comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan;
- Implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

REFERENCE AND ADMINISTRATIVE DETAILS

Company Number: 03338883

Charity Number: 1061626

Directors and Trustees:

David Barnett (Chair)

Kumar Kotecha (Treasurer)

Pamela Mason

Gaynor Tenen

Samantha Walker

Jill Sullivan (Co-opted Member)

Adetayo David-Ogundele - Resigned 06/10/15

Secretary: David Barnett

THE TOWER PROJECT
TRUSTEES' REPORT (Cont/d)
FOR THE YEAR ENDED 31ST MARCH 2016

Senior Management Team

Mr Gerald O'Shaughnessy	- Director/ Chief Executive Officer
Mr Kuddus Miah	- Finance Manager
Ms Cathy Cocklin	- Admin & Facilities Manager
Mr Matthew Phillips	- Children's Services Manager
Mr Graham Smithers	- Job, Enterprise & Training Manager
Ms Belinda Foster	- Autistic Service Manager
Ms Sue Burlo	- Day Services Manager
Ms Michelle Dakin	- Youth & Leisure Service Manager
Mrs Naima Boukhriess	- Community Support Service Manager

Registered Office: 45-55 Whitehorse Road, London E1 0ND

Auditors: Ramon Lee & Partners, Kemp House, 152/160 City Road, London EC1V 2DW

Bankers: Lloyds TSB Plc., Walthamstow Branch, 180-182 High Street, Walthamstow, London E17 7JH

Solicitors: Allen & Overy, One New Change, London EC4M 9QQ

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also directors of The Tower Project for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT OF DISCLOSURE TO AUDITOR

In accordance with company law, the company's Directors certify that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the Directors of the company they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

THE TOWER PROJECT
TRUSTEES' REPORT (Cont/d)
FOR THE YEAR ENDED 31ST MARCH 2016

AUDITORS

A resolution was proposed and agreed at the Annual General Meeting that Ramon Lee & Partners be re-appointed as auditors of the Charity for the ensuing year.

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

APPROVAL

This report was approved by the Board of Directors and Trustees 16th June 2016 and signed on its behalf:


DAVID BARNETT
CHAIR

16th June 2016

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF

THE TOWER PROJECT

(A company limited by guarantee)

We have audited the financial statements of The Tower Project for the year ended 31st March 2016 on which comprises: the Statement of Financial Activities (Summary Income and Expenditure Account), Balance Sheet, the Statement of Cash Flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This auditor's report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' and Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

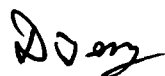
OPINION ON THE OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' and Trustees' report.



DAVID TERRY (Senior Statutory Auditor)
for and on behalf of RAMON LEE & PARTNERS
CHARTERED ACCOUNTANTS
STATUTORY AUDITOR

KEMP HOUSE
152/160 CITY ROAD
LONDON EC1V 2DW

16th June 2016

THE TOWER PROJECT
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2016

		UNRESTRICTED FUNDS				
	Notes	General Funds £	Designated Funds £	Restricted Funds £	2016 £	2015 £
Income						
Donations and legacies	2	86,231	-	11,000	97,231	27,392
Income from charitable activities	4	2,190,467	-	948,819	3,139,286	3,189,546
Investment income	5	873	-	-	873	508
Other income	3	2,332	-	-	2,332	34,441
Total incoming resources		<u>2,279,903</u>	<u>-</u>	<u>959,819</u>	<u>3,239,722</u>	<u>3,251,887</u>
Expenditure						
Cost of raising funds	6	7,996	-	-	7,996	7,768
Expenditure on charitable activities	6	2,039,879	-	986,491	3,026,370	3,335,131
Total Expenditure		<u>2,047,875</u>	<u>-</u>	<u>986,491</u>	<u>3,034,366</u>	<u>3,342,899</u>
Net income/(expenditure) & net movement in funds before transfer between funds		232,028	-	(26,672)	205,356	(91,012)
Transfer between funds		(100,000)	100,000	-	-	-
		<u>132,028</u>	<u>100,000</u>	<u>(26,672)</u>	<u>205,356</u>	<u>(91,012)</u>
Reconciliation of funds						
Total funds, brought forward		677,113	370,000	68,777	-1,115,890	-1,206,902
Total funds, carried forward		<u>809,141</u>	<u>470,000</u>	<u>42,105</u>	<u>1,321,246</u>	<u>1,115,890</u>

The Statement of Financial Activities also complies with the requirements of 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.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the above movement in funds for the above two financial periods.

The notes on pages 14 to 24 form part of these accounts.

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BALANCE SHEET AS AT 31ST MARCH 2016

	Notes	2016	2015
		£	£
Fixed assets			
Tangible assets	11	986,780	954,226
Current assets			
Stock		490	466
Debtors	12	301,607	289,289
Cash at bank and in hand		692,144	512,718
		<u>994,241</u>	<u>802,473</u>
Liabilities			
Creditors falling due with in one year	13	(325,779)	(286,001)
Net current assets		668,462	516,472
Creditors falling due after more than one year	14	(333,996)	(354,808)
Net assets		<u>1,321,246</u>	<u>1,115,890</u>
The funds of the charity			
Unrestricted funds:			
General	17	809,141	677,113
Designated	16	470,000	370,000
Restricted funds	17	42,105	68,777
Total charity funds		<u>1,321,246</u>	<u>1,115,890</u>

These accounts were approved by the Board of Trustees on 16th June 2016 and were signed on its behalf by:



DAVID BARNETT (CHAIR)

Company Registration No. 03338883

The notes on pages 14 to 24 form part of these accounts.

THE TOWER PROJECT
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2016

	Notes	2016 £	2015 £
Cash used in operating activities	19	<u>282,041</u>	<u>128,489</u>
Cash flows from investing activities			
Interest income		873	508
Proceeds from sale of fixed assets		3,900	-
Purchase of tangible fixed assets		(86,576)	(463,123)
Cash provided by / (used in) investing activities		<u>(81,803)</u>	<u>(462,615)</u>
Cash flows from financing activities			
Receipt of mortgage loan		-	292,900
Repayment of borrowing		(20,812)	(6,094)
Cash used in financing activities		<u>(20,812)</u>	<u>286,806</u>
Increase / (decrease) in cash & cash equivalents in the year		<u>179,426</u>	<u>(47,320)</u>
Cash & cash equivalents at the beginning of the year		512,718	560,038
Total cash & cash equivalents at the end of the year		<u><u>692,144</u></u>	<u><u>512,718</u></u>

The notes on pages 14 to 24 form part of these accounts.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Tower Project meets the definition of a public benefit entity under FRS 102.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

1.2 Reconciliation with previous Generally Accepted Accounting Practices

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

The opening reserves and the previous year's Net Income and Expenditure are unchanged.

1.3 Preparation of accounts on a going concern basis

The Charity's Financial Statements show net income of £205,356 for the year and free reserves of £301,378. The trustees are of the view that these results have secured the immediate future of the Charity for the next 12 to 18 months and on this basis the Charity is a going concern.

1.4 Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and amount can be measured reliably.

- (a) Income received by way of grants, donations and legacies are included in full in the Statement of Financial Activities when received, unless they relate to a specified future period, in which case they are deferred.
- (b) Legacies entitlement is taken as the earlier of the date on which either: the charity is aware that the probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that the distribution is made, or when a distribution is received from the estate. No legacies were received during the year.
- (c) Income from charitable activities received by way of revenue grants and donations are credited to restricted incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.
- (d) Grants and donations of general nature which are not conditional on delivering certain levels of service are included as part of Grants, Donations and Legacies as shown under note 2. Performance related grants and donations which have conditions for a specific outcome are included as Income from Charitable Activities as shown in Note 3.
- (e) Capital grants for the purchase of fixed assets are credited to restricted incoming resources on the earlier date of when they are received or receivable. Depreciation on the related fixed assets is charged against the restricted fund.
- (f) Income from charitable activities include income recognised as earned (as the related goods and services are provided) under contract, in the form of training income.
- (g) Shop income is recognised as earned (that is, as the related goods are provided).
- (h) Investment income is included when receivable.

THE TOWER PROJECT

NOTES TO THE ACCOUNTS (Cont'd)

FOR THE YEAR ENDED 31ST MARCH 2016

1.5 Volunteers and donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refers to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated 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 services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. No such donations were received during the year.

1.6 Expenditure recognition and irrecoverable VAT

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:

- (a) Cost of raising funds comprises the cost of seeking donations and legacies, membership services and other fundraising activities and their associated support costs.
- (b) Expenditure on charitable activities includes the costs directly associated with the following projects New Dawn, Children's Services, Youth & Leisure, Job Enterprise and Training, First Start, Community Outreach and Supported Living and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.7 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 include back office costs, finance and administration personnel, payroll and governance costs which support the Trust's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 7.

1.8 Funds structure

The general fund comprises those monies, which may be used toward meeting the charitable objectives of the company at the discretion of the Management Board.

The designated funds are monies set aside out of general funds and designated for specific purposes by the Management Board.

The restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor imposed conditions.

1.9 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.10 Tangible fixed assets and depreciation

Tangible fixed assets (excluding investments) are stated at cost less depreciation. The cost of minor additions or those costing less than £500 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	- Over unexpired term of lease.
Playground	- Over term of lease.
Kitchen & other equipment	- 25% on cost.
Fixtures and fittings	- 25% on cost.
Motor vehicles	- 25% net book value.

1.11 Stock

Stock is shown at the lower of cost and net realisable value. Stock consists of course material and shop stock.

THE TOWER PROJECT

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2016

1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short term cash deposits.

1.13 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 the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.14 Financial instruments

The Trust 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 Taxation

The Charity is a registered charity and, therefore, is not liable for Income Tax or Corporation Tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

1.16 Transition to FRS 102

Restatement of opening fund balances or reported net income, at the date of transition was not required. Refer to note 1.2 for further details. The transition date was 1st January 2014.

1.17 Judgement and key sources of estimation uncertainty

In the application of the company's accounting policies, the charity is required to make judgments, 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.

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
Donations and gifts	86,231	-	86,231	16,392
Ratcliff Educational Foundation	-	11,000	11,000	11,000
	<u>86,231</u>	<u>11,000</u>	<u>97,231</u>	<u>27,392</u>

Donations and legacies in 2015, totalled £27,392. These were attributed £16,392 to unrestricted funds and £11,000 to restricted funds.

3. OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
Insurance claim	489	-	489	30,826
Other income	1,843	-	1,843	3,615
	<u>2,332</u>	<u>-</u>	<u>2,332</u>	<u>34,441</u>

Other income in 2015, totalling £34,441 was all attributed to unrestricted funds.

THE TOWER PROJECT

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2016

4. INCOME FROM CHARITABLE ACTIVITIES

Grants donations and contracts receivable represent monies received from local authorities and other bodies and are shown at the agreed level of funding for the year 2015/2016.

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Income receivable for charitable activities				
City of London - Youth Service	1,901	-	1,901	1,952
City of London - First Start Day Service	54,079	-	54,079	53,757
City of London - New Dawn	55,283	-	55,283	50,081
City of London - Children's Services	-	-	-	985
City of London - Supported Living	58,900	-	58,900	54,229
City of London - Community Outreach & Support Service	10,632	-	10,632	14,885
City of London - JET	-	-	-	15,000
Ellingham Support Placement - New Dawn	-	453	453	1,084
Job Centre (DWP Access to work) - New Dawn	-	2,618	2,618	2,657
LB of Hackney - New Dawn	-	5,186	5,186	5,186
LB of Hackney - JET	-	10,360	10,360	-
LBTH - New Dawn	906,069	-	906,069	887,745
LBTH - Children's Services	-	395,662	395,662	415,991
LBTH - First Start Day Service	717,338	-	717,338	674,317
LBTH - Youth Service	-	60,789	60,789	60,779
LBTH - JET	-	287,124	287,124	362,818
LBTH - Community Outreach & Support Service	94,550	-	94,550	217,397
LBTH - Supported Living	217,153	-	217,153	151,422
LB of Newham - Supported Living	5,851	-	5,851	-
NHS Tower Hamlets - New Dawn	53,003	-	53,003	53,119
NHS Tower Hamlets - JET	-	38,220	38,220	-
NHS Tower Hamlets - Community Outreach & Support Service	3,830	-	3,830	4,668
The Royal Mencap Society - Youth Service	-	-	-	17,000
Spotlight Centre - JET	-	9,386	9,386	-
Leonard Cheshire Disability - JET	-	39,289	39,289	93,434
George Green School - JET	-	10,333	10,333	13,332
Cambridgeheath Sixth Form - JET	-	6,800	6,800	8,250
Stepney Green Maths & Computing College - JET	-	22,500	22,500	-
Langdon Park School - JET	-	46,859	46,859	-
Beatrice Tate School - JET	-	-	-	3,500
Café takings - JET	11,878	-	11,878	25,958
Phoenix School - JET	-	4,240	4,240	-
Boshier Hinton - New Dawn	-	3,000	3,000	-
J B Riney & Co - JET	-	6,000	6,000	-
	<u>2,190,467</u>	<u>948,819</u>	<u>3,139,286</u>	<u>3,189,546</u>

Income from charitable activities in 2015, totalled £3,189,546. These were attributed £2,201,193 to unrestricted funds and £988,353 to restricted funds. Income received related to Children's Services of £395,662 (2015 - £416,976), New Dawn of £1,022,612 (2015 - £999,872), First Start Day Service of £771,417 (2015 - £728,074), Supported Living of £281,904 (2015 - £205,651), Community Outreach & Support Service of £109,012 (2015 - £236,950), Youth & Leisure Service of £62,690 (2015 - £79,731) and Job Enterprise and Training of £495,989 (2015 - £522,292).

5. INVESTMENT INCOME

	2016 £	2015 £
Interest on cash deposits	873	508
	<u>873</u>	<u>508</u>

Investment income is all attributed to unrestricted funds.

THE TOWER PROJECT
(A company limited by guarantee)

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2016

6. ANALYSIS OF EXPENDITURE

	Basis of Allocation	Voluntary Income £	New Dawn £	Children's Services £	Youth & Leisure Services £	Job Enterprise & Training £	First Start £	Community Outreach £	Supported Living £	Play Equipment £	Total 2016 £	Total 2015 £
<i>Costs directly allocated to activities:</i>												
Salaries and staff costs	Staff time	-	683,574	176,106	49,684	313,650	495,682	55,272	149,779	-	1,923,747	2,052,189
Recruitment expenses	Direct	-	627	1,817	-	774	1,219	88	-	-	4,525	4,423
Activities & project cost	Direct	-	15,627	1,571	360	8,073	6,597	10,047	1,303	-	43,578	62,666
Transport & travel costs	Direct	-	13,614	73,051	20,700	1,330	22,104	1,223	3,065	-	135,087	120,444
Staff & beneficiary training	Direct	-	2,072	1,440	-	13,080	3,163	-	414	-	20,169	14,681
Rent & rates	Direct	-	19,739	8,400	-	67,006	1,217	-	4,001	-	100,363	98,698
Light & heat	Direct	-	731	-	-	9,562	9,872	-	2,926	-	23,091	20,518
Membership & subscriptions	Direct	-	286	165	-	1,290	2,646	12	236	-	4,635	3,437
Repairs and maintenance	Direct	-	2,725	268	-	9,351	17,300	4,357	11,961	-	45,962	26,684
Clothing cost	Direct	-	231	-	-	149	186	-	-	-	566	536
Cleaning & sanitation	Direct	-	4,902	524	4	6,614	7,835	-	549	-	20,428	22,471
Hire of equipment	Direct	-	-	-	-	1,240	306	-	-	-	1,546	3,259
Stationery & other costs	Direct	-	1,101	18	-	3,234	2,964	-	3,868	-	11,185	3,655
Security cost	Direct	-	-	-	-	1,346	4,914	-	-	-	6,260	4,442
Insurance	Direct	-	-	-	-	1,692	2,233	-	930	-	4,855	4,634
Grant refunded	Direct	-	-	-	-	-	-	-	-	30,000	30,000	130,000
Conference & event costs	Direct	-	-	-	-	5,490	-	-	-	-	5,490	18,691
Health & safety	Direct	-	624	668	-	251	885	-	516	-	2,944	21,851
Refreshments & Consumables	Direct	-	19,244	7,245	492	1,622	18,241	-	375	-	47,219	50,142
Support & governance costs (see note 7)	Usage	7,996	201,692	112,855	11,999	73,612	79,621	55,263	59,678	-	602,716	679,478
		<u>7,996</u>	<u>966,789</u>	<u>384,128</u>	<u>83,239</u>	<u>519,366</u>	<u>676,985</u>	<u>126,262</u>	<u>239,601</u>	<u>30,000</u>	<u>3,034,366</u>	<u>3,342,899</u>

Of the £3,034,366 in 2016 (2015 - £3,342,899), £2,047,875 (2015 - £2,218,766) related to unrestricted funds and £986,491 (2015 - £1,124,133) to restricted funds.

THE TOWER PROJECT
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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2016

7. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs and other support costs are apportioned separately between the key activities undertaken (see note 6) in the year.

	Basis of Allocation	Voluntary Income £	New Dawn £	Children's Services £	Youth & Leisure Services £	Job Enterprise & Training £	First Start £	Community Outreach £	Supported Living £	Play Equipment £	Total 2016 £	Total 2015 £
Analysis of support costs:												
Salaries and staff costs	Staff time	5,098	117,245	67,968	6,797	33,984	40,781	33,984	33,984	-	339,841	351,480
General expenses	Usage	3	740	175	20	290	460	33	72	-	1,793	637
Recruitment expenses	Usage	14	322	187	19	93	112	93	93	-	933	-
Travel costs	Usage	99	2,270	1,316	132	658	790	658	658	-	6,581	6,369
Training	Usage	72	1,656	960	96	480	576	480	480	-	4,800	3,039
Membership & subscriptions	Direct	6	147	85	9	43	51	43	43	-	427	427
Insurance	Usage	188	4,332	2,511	251	1,256	1,507	1,256	1,256	-	12,557	12,053
Rent & rates	Usage	601	13,820	8,012	801	4,006	4,807	4,006	4,006	-	40,059	26,502
Repairs and maintenance	Usage	303	6,961	4,036	404	2,018	2,421	2,018	2,018	-	20,179	19,796
Postage and stationery	Usage	235	5,410	3,136	314	1,568	1,882	1,568	1,568	-	15,681	18,229
Light & heat	Usage	347	7,992	4,633	463	2,316	2,780	2,316	2,316	-	23,163	12,213
Hire of equipment	Usage	67	1,540	893	89	446	536	446	446	-	4,463	4,029
Cleaning & sanitation	Usage	204	4,698	2,723	272	1,362	1,634	1,362	1,362	-	13,617	13,166
Security cost	Usage	24	553	320	32	160	192	160	160	-	1,601	1,901
Publicity & marketing cost	Usage	-	-	374	-	5,385	-	-	-	-	5,759	6,707
Refreshments & Consumables	Usage	95	2,191	1,270	127	635	762	635	635	-	6,350	6,756
Health & safety	Usage	20	466	270	27	135	162	135	135	-	1,350	1,549
Telephone, IT & internet cost	Usage	201	5,596	2,684	604	8,220	4,176	1,562	3,202	-	26,245	24,107
Bank charges and interest	Direct	180	4,167	2,421	240	1,231	1,470	1,199	1,226	-	12,134	9,847
Clothing cost	Usage	6	143	83	8	41	50	41	41	-	413	147
Professional fees	Usage	-	-	-	-	-	-	-	-	-	-	4,154
Depreciation	Usage	23	16,604	6,509	1,013	7,881	12,272	1,864	4,573	-	50,739	142,648
Conference & event costs	Usage	1	29	17	2	9	10	9	9	-	86	1,190
Analysis of governance costs:												
Salaries and staff costs	Staff time	77	1,767	1,024	102	512	614	512	512	-	5,120	4,261
Audit fees	Direct	117	2,691	1,053	156	780	1,443	780	780	-	7,800	7,440
Insurance	Direct	2	52	20	3	15	28	15	15	-	150	49
Rent & rates	Usage	3	67	40	4	20	24	20	20	-	198	198
Refreshments & Consumables	Usage	7	171	99	10	50	59	50	50	-	496	396
Postage and stationery	Usage	3	62	36	4	18	22	18	18	-	181	188
		7,996	201,692	112,855	11,999	73,612	79,621	55,263	59,678	-	602,716	679,478

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NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31ST MARCH 2016

8. OPERATING SURPLUS

Operating surplus is shown after charging:	2016 £	2015 £
Depreciation of tangible fixed assets	20,759	24,836
Amortisation of leasehold premises	12,269	100,894
Amortisation of freehold premises	17,713	16,918
Auditors' remuneration	<u>7,800</u>	<u>7,440</u>

9. ANALYSIS OF STAFF COSTS, TRUSTEES REMUNERATION AND EXPENSES, AND COST OF KEY MANAGEMENT PERSONNEL

	2016 £	2015 £
Wages and salary	2,075,897	2,189,165
National Insurance	141,017	145,294
Pension cost	31,099	26,295
Holiday Pay Accrual	20,695	44,066
	<u>2,268,708</u>	<u>2,404,820</u>

As a Charity, no Director or Trustee received any remuneration in the year (2015 - £nil).

No employee received remuneration in excess of £60,000 during the year.

The key management personnel of the charity is as shown on page 5 and includes the Executive Director. The total employee benefits of the key management personnel of the charity were £354,399.

10. STAFF NUMBERS

The average monthly number of full time staff employed by the charity including part time and temporary staff employed on holiday schemes during the period was as follows:

Department (Full-time)	<u>No. of Employees</u>	
	2016	2015
Director	1	1
Admin & Finance	10	10
IT & Maintenance	3	2
Job, Enterprise & Training	12	13
Youth & Leisure Services	2	2
Children's Services	82	82
New Dawn Day Services	36	36
First Start Day Services	26	22
Community Outreach & Support	5	7
Supported Living	7	3
Community Café (Spotlight)	2	4
Total	<u>186</u>	<u>182</u>

THE TOWER PROJECT

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2016

11. TANGIBLE FIXED ASSETS

NET BOOK VALUES		2016	2015
		£	£
Freehold premises		835,070	813,057
Long leasehold premises		66,493	52,959
Short leasehold premises		45,516	47,599
Playground		-	-
Kitchen & other equipment		6,020	12,866
Fixtures and fittings		4,062	1,366
Motor vehicles		29,619	26,379
		<u>986,780</u>	<u>954,226</u>
MOVEMENTS IN YEAR			
Cost or valuation	Opening Balances	Additions	Closing Balances
	£	£	£
Freehold premises	845,938	39,726	885,664
Long leasehold premises	674,335	16,700	691,035
Short leasehold premises	145,975	7,020	152,995
Playground	73,665	-	73,665
Kitchen & other equipment	250,149	2,179	252,328
Fixtures and fittings	106,804	4,556	111,360
Motor vehicles	90,514	16,395	93,077
	<u>2,187,380</u>	<u>86,576</u>	<u>2,260,124</u>
Depreciation	Opening Balances	Charge For Year	Closing Balances
	£	£	£
Freehold premises	32,881	17,713	50,594
Long leasehold premises	621,376	3,166	624,542
Short leasehold premises	98,376	9,103	107,479
Playground	73,665	-	73,665
Kitchen & other equipment	237,283	9,025	246,308
Fixtures and fittings	105,438	1,860	107,298
Motor vehicles	64,135	9,873	63,458
	<u>1,233,154</u>	<u>50,740</u>	<u>1,273,344</u>

12. DEBTORS

	2016	2015
	£	£
Trade debtors	223,625	174,522
Other debtors	7,740	9,230
Prepayments and accrued income	70,242	105,537
	<u>301,607</u>	<u>289,289</u>

13. CREDITORS: amounts falling due within one year

	2016	2015
	£	£
Mortgage Loan	22,240	24,138
Trade creditors	194,791	97,893
Other creditors	6,875	5,578
Taxation & social security	45,575	41,584
Accruals	48,678	106,809
Deferred income (note 15)	7,620	9,999
	<u>325,779</u>	<u>286,001</u>

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NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31ST MARCH 2016

14. CREDITORS: amounts falling after within one year

	2016 £	2015 £
Mortgage Loan	356,236	378,946
Less: amount included in creditors due within one year	(22,240)	(24,138)
	<u>333,996</u>	<u>354,808</u>

During 2013 the charity acquired a freehold property, 20 Bullivant Street, London E14 0ER, on which it has a secured loan with its bankers. The loan facility was for £100,000 repayable over 15 years and is secured by a first mortgage charge over the land and building. The facility provided is on a fixed rate of interest of 6.3% per cent per annum fixed for 15 years.

During 2014 the charity acquired a freehold property, 79 Fulmer Road, London E16 3TE, on which it has a secured loan with its bankers. The loan facility was for £290,000 repayable over 15 years and is secured by a first mortgage charge over the land and building. The facility provided is on a variable rate of interest of 2.16% per cent per annum over the base rate of Lloyds bank plc.

15. DEFERRED INCOME

	2016 £	2015 £
Balance as at 1st April	9,999	5,500
Amount released to income in the year	(9,999)	(5,500)
Amount deferred in the year	7,620	9,999
Balance as at 31st March	<u>7,620</u>	<u>9,999</u>

Deferred income relates to grants of £5,500 and £2,120 from the Ratcliff Foundation and Phoenix School towards rent of the premises and the Step Up Employability Programme respectively for 2016/17.

16. DESIGNATED FUNDS

The income of the Charity includes the following designated funds, which have been set aside out of the restricted funds by the Trustees for specific purposes:

	Balance as 01.04.15 £	New Designations £	Utilised / Realised £	Balance as 31.03.16 £
Staff contingency fund	120,000	-	-	120,000
Development fund	100,000	-	-	100,000
Independent living fund	150,000	100,000	-	250,000
	<u>370,000</u>	<u>100,000</u>	<u>-</u>	<u>470,000</u>

The staff contingency fund represents monies designated by the Trustees towards covering the legal commitment for staff redundancy and notice costs. The development fund is to cover the cost of developing new services. The independent living fund is to provide support to enable young people and adults with disabilities to live independently.

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NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31ST MARCH 2016

17. FUND BALANCES

	Balance at 01.04.15 £	Incoming Resources £	Resources Expended £	Transfer between funds £	Balance at 31.03.16 £
Unrestricted Funds					
General funds	677,113	2,279,903	2,047,875	(100,000)	809,141
Designated funds (see note 16)	370,000	-	-	100,000	470,000
Restricted Funds					
Children's Services	21,554	395,662	384,128	-	33,088
Youth & Leisure Services	5,200	60,789	65,989	-	-
Job Enterprise & Training	-	484,111	484,111	-	-
New Dawn	-	8,257	8,257	-	-
Play Equipment	30,000	-	30,000	-	-
Mini Van	12,023	-	3,006	-	9,017
Rent Contribution	-	11,000	11,000	-	-
	<u>1,115,890</u>	<u>3,239,722</u>	<u>3,034,366</u>	<u>-</u>	<u>1,321,246</u>

The balances on individual projects at the 31st March 2016 as shown above are not necessarily represented by amounts held in the bank.

Unrestricted funds:

Unrestricted funds include both the general fund which represents funds available to spend at the discretion of the Trustees after allowing for all the designated funds and designated funds as shown in note 16.

Restricted funds

- Children's Services - The service operates an after-school club throughout the school term time and a 5 day holiday scheme during the school holiday periods for up to 600 children with disabilities.
- Youth & Leisure Services - Providing an evening service for young people with disabilities age 13-25 years, taking part in a range of activities both on and off site. Young people are invited to come together to share in an experience of exchanging thoughts and ideas through discussions and debates, informal education, social events, celebrations and to meet with a group of like-minded young people who are creative, innovative and smart.
- Job Enterprise & Training - The job opportunities service works with disabled young people and adults. The service provides individual advice and practical support to assist people of working age with a range of employment and training opportunities.
- New Dawn - Funding received from Ellingham Employment Services towards the running of a dedicated day opportunities service for people with learning disabilities.
- Play Equipment - Funding originally received from London Borough of Tower Hamlets for play equipment. As suitable facilities for the play equipment could not be found, we were directed by the donor to pay £30,000 being the balance of the original grant to the funder.
- Mini Van - Funding received from the London Borough of Tower Hamlets towards the purchase of a mini bus to be used by the New Dawn service.
- Rent Contribution - A grant received from the Ratcliff Educational Foundation to cover the rent cost of the leasehold premises.

THE TOWER PROJECT

(A company limited by guarantee)

NOTES TO THE ACCOUNTS (Cont'd)

FOR THE YEAR ENDED 31ST MARCH 2016

18. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	Unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	977,763	-	9,017	986,780
Net current assets	165,374	470,000	33,088	668,462
Creditors due after more than one year	(333,996)	-	-	(333,996)
	<u>809,141</u>	<u>470,000</u>	<u>42,105</u>	<u>1,321,246</u>

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net movement in funds	205,356	(91,012)
Add back depreciation	50,740	142,648
Profit on sale of fixed assets	(618)	-
Deduct interest income shown in investment activities	(873)	(508)
Decrease / (increase) in stock	(24)	427
Decrease / (increase) in debtors	(12,318)	(9,299)
Increase / (decrease) in creditors	39,778	86,233
Net cash used in operating activities	<u>282,041</u>	<u>128,489</u>

20. SHARE CAPITAL

The Company is limited by guarantee and does not have a share capital divided by shares.

21. RELATED PARTY TRANSACTIONS

For the whole of the year the Charity was under the control of the Trustees as detailed on page 7. No remuneration or reimbursed expenses were paid to the Trustees during the year (2015 - £nil).