

CHARITY COMMISSION
FIRST CONTACT

ACCOUNTS
RECEIVED

THE TOWER PROJECT
(A company limited by guarantee)

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

FOR THE YEAR ENDED 31ST MARCH 2018

CHARITY COMMISSION
FIRST CONTACT

18 JUN 2018

RECEIVED

Company No: 03338883
Charity No: 1061626

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

C O N T E N T S

	Page
Directors' and Trustees' Report	2 – 11
Independent Auditors' Report	12 – 13
Statement of Financial Activities	14
Balance Sheet	15
Statement of Cash Flows	16
Notes to the Accounts	17 – 27

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST MARCH 2018

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31st March 2018, 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 Tower Project is an established community based voluntary sector organisation that has developed a reputation for excellent services and community engagement over a long period of time. It has successfully provided a range of specialist services for disabled children, young people and adults resident in the City of London and surrounding London boroughs covering Greater London. The organisation provides specific services to children and adults with Learning Disabilities, Autism, Physical Disabilities, Sensory Impairments, Long Term health conditions and Mental Health conditions. The organisation provides a comprehensive range of services which include Supported Housing, Day Opportunities Services, Domiciliary Care Services, Adult Leisure Services, Youth Services, Employment & Training Services, Social Enterprises, Afterschool Clubs, Holiday Play Schemes, Respite Services, Residential Holiday Services, Advice/Advocacy Information Services and financial planning.

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.

The Tower Project is pleased to report that although this year has been challenging, the year has also been both a constructive and very rewarding year for the Tower Project. As in previous reports the organisation would like to begin the annual report with a very big thank you in recognition of all the staff, partners, members, volunteers and management committee members who have generously contributed so much of their time and energy into making the project a continued success and the enormous support they have given to whole of the Tower Project throughout the year.

The Tower Project has again faced a challenging year in terms of the continued reduction in local and central government funding, but against this backdrop we have been able to further develop our existing core services and also create a number of new services which has enabled the Tower Project to meet the ever increasing demand for our services and also meet the needs of all our existing members. We will continue in the forthcoming year to build on the achievements of the previous year and further develop new and innovative projects and services to meet the needs of our membership.

An important element of the Tower Project is the New Dawn Day Opportunities Service that has again expanded and increased in size this year and is considered a very successful day opportunities service. The Whitehorse Road premises is the home of the New Dawn service and we continue to refurbish further areas of the premises with some additional new facilities being created for members, with ongoing plans to build a major extension to the main building subject to funding. The extensive programme of arts and crafts that are provided in the service has this year been moved to the newly acquired John Scurr Centre which is a joint undertaking with The Royal Foundation for St Katharine and I would take this opportunity to thank the Foundation for all the support they have provided in the last year. The building has been fully refurbished by the Tower Project with plans to install additional facilities which will enable the service to further develop and expand on the existing range of activities. The New Dawn service continues to work closely with our Job & Enterprise Team developing and creating work experience and training opportunities for members who wish to develop new skills and experiences with a number of our members moving into either supported or paid employment.

THE TOWER PROJECT
(A company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST MARCH 2018

The First Start Day Opportunities Service is another core element of the Tower Project and is the service that provides for our young people with Autism. The service has completed another successful year at the services dedicated building the Cedar Centre. The Cedar Centre was acquired by the Tower Project solely for the service and provides a specifically created environment for members and staff and is the permanent home of the service. We have continued to actively improve on the quality and range of support the service is able to offer. We have continued to develop and improve the building and have again invested significantly in both the fabric and facilities in the building for both staff and members. The service continues to provide a number of services outside the day opportunities service with outreach and centre support in the evenings and weekends forming an important additional service for members and families. The First Start service has developed into a highly regarded service with the service gaining full accreditation through the National Autistic Societies accreditation scheme which is the quality mark for the sector. The service has received a number of awards and recognition with our service now sitting on the All Party Parliamentary Group on Autism.

Although we continue to work in a challenging economic environment, the Tower Project has continued to recruit new staff to services, many with disabilities, which has enhanced the skills of the staff team and created unique employment opportunities for new staff. The number of staff appointed within the Tower Project has once more increased this year with a significant number of those appointments being members of the local community which we hope will increase and grow over the next year and enable the Tower Project to offer more employment opportunities.

The JET service is the Tower Projects disability employment project and it continues to provide support and training to disabled job seekers with a committed and dedicated staff team who have further developed the training and support element of the service in partnership with local schools this year. Last year the service secured additional funding which allowed the JET team to further extend their work into schools and colleges and develop a wider range of support and opportunities for school leavers, which has been an achievement the manager and his staff team are very proud of.

The service is located at Candy Wharf in its own purpose built premises which provides a number of additional facilities to support the work of the staff team. This year the project has again increased the number of disabled job seekers directly into training and employment and has continued to develop a strong social enterprise element with the existing social enterprises providing employment for young disabled people.

This year the JET service will be opening a new community café in Goldsmiths Row Hackney following on from the success of our Ocean View community café on Ben Jonson Road. This will create jobs for both local jobseekers and young disabled people seeking further training. The service has continued to work with and develop many strong partnerships with companies and institutions and I would take this opportunity to thank the Australia & New Zealand bank for the continued support the Tower Project has received from them over many years.

The Tower Projects Children's Services has continued to provide a substantial and quality service following a challenging period with a number of changes and reductions to funding. The service was awarded an outstanding status by OFSTED, which clearly demonstrated the high quality of our services. With a number of formal partnerships in place with schools and related voluntary sector organisations the service has continued to evolve and provide a larger and more diverse range of activities for children and young people. The after-school clubs and holiday schemes along with our youth and leisure services have secured funding for the foreseeable future, this will allow the service to provide to children and young people with complex needs and employ a significant number of local staff moving the service further into the community. The Children's Services are operating throughout the whole week and evenings with schemes and projects across all the school holiday periods.

The work over the previous three years to provide training and staff development has continued which has ensured the retention of the Investors in People Award which we now hold along with the Two Ticks Award (Positive about Disability). Both awards are benchmarks in terms of quality assurance and give an indication of the investment in staff and volunteers the Tower Project makes each year which will support the organisation to develop our staff into service managers and active members of the community.

Within this year additional improvements have been made to all of the Tower Project premises and following discussions with our membership a considerable amount of new facilities have been installed in all of the buildings. I would take this opportunity to thank all those individuals and organisations who have either donated or contributed financially to the Tower Project and would single out both the Ratcliff Trust and the Royal Foundation of St Katharine for the significant financial and practical support they have made over many years to the Tower Project.

THE TOWER PROJECT
(A company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST MARCH 2018

The Tower Project continues to support our members towards achieving greater independence and direct involvement within the community with the number of direct payments and individual budgets the Tower Project receive again increasing which provides services enabling members and families to take control of their individual budgets and services they receive and pay for support in the home and community.

The continued development of supported and independent living services for our members has again been a high priority. The success of the Bullivant Street and Fulmer Road supported living projects has enabled the Tower Project to develop more projects offering members the opportunity to live independently with staff to support them in a home of their own. The latest project in Indigo Mews on the Isle of Dogs will provide a supported living home for young men with autism and will open in the summer. The partnerships with Community Housing groups to develop and provide supported living services for members is continuing and we hope to create a number of new projects in the next year which is an important service for the future of the Tower Project.

The Tower Projects Business Plan was completed and approved last year by our board of trustees and has set the organisations objectives for the next three years. The plan incorporated the impact of a number of new legislative changes that would impact on social care and also considered the effect of continued financial restraints to local authority and National funding. The new and additional services the Tower Project wish to develop and provide will enhance and compliment the broad range of services the Tower Project already provides and will further support what we are able to offer the wider community in the coming years particularly in housing.

The achievements of the last year gives a strong basis for developing additional services in the coming year which can only be achieved by everyone that is involved with the Tower Project continuing to work together as an active community organisation. With the continued support of all the membership our plans for the future can be viewed with cautious optimism so that the already good reputation of the Tower Project can be further enhanced and services expanded to meet the ever growing needs of our membership and the wider community.

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 2018, the contribution in terms of volunteer's hours in respect of various projects is detailed below:

- New Dawn – 1092 hours
- Job Enterprise & Training – 2558 hours

Achievements and Performance

Autistic Day Opportunities Service (First Start)

The autism service has successfully operated for over twelve 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 based in its own fully adapted centre (The Cedar Centre) which is wholly dedicated to the provision of services for people with autism. The Tower Project has undertaken extensive improvements to the Cedar Centre 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 individual service members. The service has grown in size and additional full time placements have been created for new members to meet ever increasing demand. The service is fully accredited within the National Autistic Societies accreditation scheme which is the industry benchmark for quality assurance and also has full membership of Autism Europe. The service has continued to further develop the quality 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.

DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2018

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 if required. The service has in excess of 350 children & young adults with disabilities who are resident within the London boroughs of Tower Hamlets, Corporation of London and neighbouring East London boroughs most attending each week. The service has continued to provide both Youth Services and adult leisure services despite budgetary pressures and has managed to maintain the same 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 which has provided a dedicated worker. The service has also developed both new and additional partnership working arrangements within the last year and continues to work positively with Youth services and local schools and community groups to further deliver both new and existing services in dedicated Youth centres and the community.

Children's Complex Needs Services

The service is provided for children and young people who currently attend a special education needs provision with the service operating an after-school club throughout the school term time and a full time weekly holiday scheme during the school holiday 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 and coordinates support for children attending independently.

Additionally the service provides dedicated holiday play schemes for the Phoenix special needs school and provides places on a number of Tower Project additional holiday play schemes throughout the year for children with autism, complex needs and additional disabilities.

The service has received a number of awards and commendations with the most recent inspection by OFSTED awarded the service an outstanding rating across all the children's services provided by the Tower Project. In addition to the core services the children's service also provides a full day leisure service on Saturdays for children with Autism and challenging behaviour with a 1-1 staffing ratio enabling children and young people to access mainstream leisure facilities in community settings supported with a door to door transport service.

Community Outreach Support Service (Incorporating Information & Advice)

The Community Outreach support service was developed to offer information and advice to support individuals accessing Tower Project services 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 specifically during the evenings and weekends.

Social Enterprise

JET's Social Enterprises continued to create paid employment opportunities and supported work placements. JET's Ocean View Café supported 15 paid Traineeship opportunities last year and acted as a springboard into employment with mainstream hospitality employers such as the Excel Centre. The JET service took delivery of a new Coffee Trike funded by a donation from ANZ Bank and piloted the coffee enterprise along the Regents Canal and at local community events. JET's Valeting Enterprise based at THCT premises in Limehouse, offered work placements to 43 young people with learning disabilities from local schools and colleges including yearlong placements for six form students at Phoenix SEN School. JET Emporium provided regular retail work placements at Shoreditch Market and paid employment opportunities on its online retail service which was supported by Swiss Post staff and sold used entertainment media. The service will be further expanding and developing a number of social enterprises this year which will create both training opportunities and work placements along with paid employments for people with disabilities and autism.

The expansion of JET services last year would not have been possible without the support of ANZ Bank whose kind donations enabled JET to develop new enterprises, offer new opportunities and expand our team of Job Coaches and Disability Employment Advisors to meet our increased offer.

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST MARCH 2018

Job, Enterprise & Training (JET TEAM)

Operating from London's only Learning Disability Employment and Training Hub in Mile End, The Tower Project JET Service has had an outstanding year, increasing outcomes, service capacity and service offer, to meet local demand. Delivering contracts for the London Borough of Tower Hamlets, East London NHS Foundation Trust and ESF / Big Lottery, JET's Employment Team last year supported 146 people with learning disabilities and or autism and met or exceeded all employment targets set by statutory funders.

As a service that aspires to continuously improve, JET's Disability Employment Advisors completed new industry standard qualifications set by the British Association for Supported Employment and the service shared best practice with visitors from the UK and overseas including the Kuwaiti Government. The quality of JET's delivery models was highlighted in a report published last year by the Centre of Economic and Social Inclusion and in July 2016 JET received an outstanding Matrix Inspection where its management and strategic vision were praised.

To support clients to progress into work, JET's training team delivered 153 accredited vocational qualifications and was commissioned by schools and colleges to deliver year-long employability programmes to 79 students from Tower Hamlets and Hackney. 22 of these students undertook a JET Supported Internship programme and completed nine months of work placements with employers including Swiss Post, Sands Film Studios and the Royal Foundation of St Katherine.

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. In addition New Dawn provides a door to door transport service or travel training for all members who require it. The service is based at the Tower Projects Whitehorse Road premises with the centre providing a number of unique facilities on one site for the membership along with specialised areas for physiotherapy, occupational therapy, Information Technology, Music therapy and Arts & Crafts. The service has continued 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 the John Scurr community centre which is where the Arts and Crafts program is accessed and has developed into an important element of the service with plans to develop a social enterprise to market the arts and crafts the service is currently producing. The service has strong links with all statutory health and social care commissioners and works closely with these agencies to improve and develop the quality of members lives. The service continues its ongoing support of members who are living with complex long term health conditions which has been a significant challenge for the service against the needs of aging carers and extended family members.

Supported & Independent Living

The Tower Project provides both residential and supported living services for people with autism and learning disabilities in the City of London, London borough of Tower Hamlets and the London borough of Newham. Following on from the successfully developed supported living project that currently accommodates young men who are being supported to live semi independently within the community we have completed another project which supports young women to live in the community supported by a dedicated team of staff. The Tower Project has purchased additional properties this year and is currently refurbishing a property that will provide for young men with learning disabilities and autism who are currently living at home with a parent/ carer. At present a number of additional properties are being sought or considered for the development of a dedicated respite facility for our membership and we are planning to open more supported living accommodation within the coming year.

Organisational Development

In line with the Tower Project current business plan The Tower Project has further streamlined administrative support in the organisation so that dedicated departments manage specific areas within the management structure. These departments, Human resources, Finance, Facilities and maintenance operate as separate departments which have created both a more efficient and cost effective administrative function with all functions of the organisation undertaken in house.

In addition to organisational management and development of the Tower Project we have developed a communications function for all services which has focused on developing information for the membership and managing the organisations profile and marketing along with our IT capability. This year we will be updating our IT systems with new software to manage our HR department and will be developing a new website with linked social media along with an electronic newsletter.

THE TOWER PROJECT
(A company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2018

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 £106,373 (2017 – surplus £222,774) for the year resulting in reserves standing at £1,650,393 (2017 - £1,544,020) at 31st March 2018.

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.

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 2018 were £1,173,592 (2017 – £1,067,257).

Details of reserves are shown in notes 16 and 17.

FUTURE PLANS AND DEVELOPMENTS

Autism Day Opportunities Service

The Tower Projects autism day opportunities service (First Start) continues to grow and develop, following the successful accreditation of the service through the National Autistic Societies accreditation scheme which is the quality assurance mark for the sector. We will be providing further health support services for the members; which will add to the existing alternative and complimentary therapies already being provided along with a more expansive arts and music programme. The service has its own dedicated premises (The Cedar Centre) and we will continue to develop and improve the building in the next year; this will create space in the main building for an arts and therapy area along with the newly refurbished music therapy room.

Community Outreach Support Project (Information & Advice)

The Tower Projects Community Outreach Support Service provides information and advice to members on issues such as housing, benefits, and health, with support to access direct payments and individual budgets. The service helps to support members to manage their own care where possible and supports carers to access additional support services either in the home or in the community. It is our intention to continue to manage and support the service this year and further expand into our children's services and respite provision.

DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2018

Job, Enterprise & Training (JET TEAM)

Last year the service underwent a restructure with changes to staff with a much stronger emphasis placed on the training of young people who could be supported into employment. The services premises (Candy Wharf) has continued to be fully used and is providing partnership training with both corporate and statutory partners. The service continues to provide facilities to job seekers with disabilities and people who want to access training and support via the service. The service has recruited a number of specialist staff and has further developed partnerships with businesses, neighbouring boroughs, schools and colleges with the intention to expand the services. In addition we are planning to further consolidate the service in the coming year which will need to be considered against an ongoing environment of restrictive funding for employment and training services both locally and nationally.

Work Placement Day Opportunities Service

The Tower Project successfully developed a work placement element to our day opportunities service for members' currently attending New Dawn, who expressed an interest in accessing either paid employment or supported work placements. From placing young people for a few hours a week in supported jobs the service has become very popular and we have now widened the service this year to support young disabled people in supported work experience placements through our network of partners and supporters as well as our community services and cafes.

Whitehorse Road Premises

This year we have continued to improve the building to create better use of the limited space available, last year the Human Resources and Facilities Team moved into newly refurbished offices and we hope to continue moving staff into improved office space. The building has again been redecorated and we will continue to both modernise and refurbish as both the finance and opportunities arise. We have continued the planning process to build a large extension between the main building which will provide accessible washrooms, personal care rooms along with training rooms and additional office space that subject to securing the finance we hope to get underway in early 2018.

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. The next supported living project will be for 4 young men with autism and will be in a refurbished property we have acquired on the Isle of Dogs. As previously reported the Tower Project has entered into a partnership with a number of Tower Hamlets housing organisations and we are working towards developing new supported living housing opportunities for our members and the wider community with local housing providers.

Social Enterprise

Following on from the development of our first successful social enterprise the Tower Hamlets Valeting Service we are planning to develop a number of new social enterprises in the coming year that will provide employment for young disabled job seekers. The last year has seen the development of the Ocean View Café with a mobile coffee shop which has provided supported employment and training for 12 young disabled people who we will support into further employment and training opportunities. In the coming year we will be opening a new community café at Goldsmiths Row Hackney which will provide employment and training opportunities for a number of young disabled job seekers.

Older Members day Opportunities Service

The Tower Project has a number of older and less active members across services who have requested that we develop a more art and crafts based day opportunities service which would better meet their needs. Following consultation with the membership of the services we will be developing a social enterprise to make and sell products produced by the service and have acquired the John Scurr community centre to base the service. We are actively seeking to acquire a small shop which will also create some new roles for our membership and provide an outlet for products we have made.

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 so that staff are able to access information and be kept informed of developments and new opportunities.

THE TOWER PROJECT
(A company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST MARCH 2018

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.

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.

DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2018

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 – Appointed 31/01/2018
Julia Mason – Appointed 31/01/2018
Gaynor Tenen
Samantha Walker
Jill Sullivan
Kelly Dee

Secretary: David Barnett

Senior Management Team

Mr Gerald O'Shaughnessy	- Director / Chief Executive Officer
Mr Kuddus Miah	- Finance Manager
Ms Cathy Cocklin	- Admin & Facilities Manager
Mrs Naima Boukhriss	- 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

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

Auditors: Ramon Lee & Partners, Eagle House, 167 City Road, London EC1V 1AW

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

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

THE TOWER PROJECT
TRUSTEES' REPORT (Cont/d)
FOR THE YEAR ENDED 31ST MARCH 2018

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.

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 xxxx 2018 and signed on its behalf:



DAVID BARNETT
CHAIR

14th June 2018

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF

THE TOWER PROJECT

(A company limited by guarantee)

Opinion

We have audited the financial statements of The Tower Project for the year ended 31st March 2018, which comprise the Statement of Financial Activities (Summary Income and Expenditure Account, balance sheet and notes to the financial statements, including a summary of significant accounting policies). The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF (Cont/d)

THE TOWER PROJECT (A company limited by guarantee)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit;
- 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statements set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

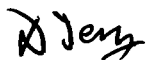
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

This 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 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.



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

EAGLE HOUSE
167 CITY ROAD
LONDON EC1V 1AW

14th June 2018

THE TOWER PROJECT
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2018

		UNRESTRICTED FUNDS				
	Notes	General Funds £	Designated Funds £	Restricted Funds £	2018 £	2017 £
Income						
Donations and legacies	2	7,449	-	35,500	42,949	115,353
Income from charitable activities	4	2,162,268	-	1,213,118	3,375,386	3,261,385
Investment income	5	585	-	-	585	699
Other income	3	351	-	-	351	13,455
Total incoming resources		<u>2,170,653</u>	<u>-</u>	<u>1,248,618</u>	<u>3,419,271</u>	<u>3,390,892</u>
Expenditure						
Cost of raising funds	6	6,919	-	-	6,919	8,879
Expenditure on charitable activities	6	2,057,399	-	1,248,580	3,305,979	3,159,239
Total Expenditure		<u>2,064,318</u>	<u>-</u>	<u>1,248,580</u>	<u>3,312,898</u>	<u>3,168,118</u>
Net income/(expenditure) & net movement in funds		106,335	-	38	106,373	222,774
Reconciliation of funds						
Total funds, brought forward		1,067,257	470,000	6,763	1,544,020	1,321,246
Total funds, carried forward		<u>1,173,592</u>	<u>470,000</u>	<u>6,801</u>	<u>1,650,393</u>	<u>1,544,020</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 17 to 27 form part of these accounts.

THE TOWER PROJECT
(A company limited by guarantee)

BALANCE SHEET AS AT 31ST MARCH 2018

	Notes	2018	2017
		£	£
Fixed assets			
Tangible assets	11	1,694,642	1,013,958
Current assets			
Stock		336	363
Debtors	12	222,633	421,437
Cash at bank and in hand		835,090	631,937
		<u>1,058,059</u>	<u>1,053,737</u>
Liabilities			
Creditors falling due with in one year	13	(236,508)	(211,822)
Net current assets		821,551	841,915
Creditors falling due after more than one year	14	(865,800)	(311,853)
Net assets		<u>1,650,393</u>	<u>1,544,020</u>
The funds of the charity			
Unrestricted funds:			
General	17	1,173,592	1,067,257
Designated	16	470,000	470,000
Restricted funds	17	6,801	6,763
Total charity funds		<u>1,650,393</u>	<u>1,544,020</u>

These accounts were approved by the Board of Trustees on 14th June 2018 and were signed on its behalf by:



DAVID BARNETT (CHAIR)

Company Registration No. 03338883

The notes on pages 17 to 27 form part of these accounts.

THE TOWER PROJECT
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2018

	Notes	2018 £	2017 £
Cash used in operating activities	19	<u>410,720</u>	<u>54,362</u>
Cash flows from investing activities			
Interest income		585	699
Purchase of tangible fixed assets		(762,099)	(93,125)
Cash provided by / (used in) investing activities		<u>(761,514)</u>	<u>(92,426)</u>
Cash flows from financing activities			
Receipt of mortgage loan		600,000	-
Repayment of borrowing		(46,053)	(22,143)
Cash used in financing activities		<u>553,947</u>	<u>(22,143)</u>
 Increase / (decrease) in cash & cash equivalents in the year		 <u>203,153</u>	 <u>(60,207)</u>
 Cash & cash equivalents at the beginning of the year		 631,937	 692,144
Total cash & cash equivalents at the end of the year		<u><u>835,090</u></u>	<u><u>631,937</u></u>

The notes on pages 17 to 27 form part of these accounts.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2018

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 Preparation of accounts on a going concern basis

The Charity's Financial Statements show net income of £106,373 for the year and free reserves of £1,067,257. 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.

1.3 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.

1.4 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.

THE TOWER PROJECT

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2018

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.

1.5 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.

1.6 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.

1.7 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.

1.8 Investments

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

1.9 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.

1.10 Stock

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

1.11 Cash at bank and in hand

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

THE TOWER PROJECT

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2018

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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 £	2018 £	2017 £
Donations and gifts	7,449	-	7,449	104,353
Ratcliff Educational Foundation	-	35,500	35,500	11,000
	<u>7,449</u>	<u>35,500</u>	<u>42,949</u>	<u>115,353</u>

Donations and legacies in 2017, totalled £115,353. These were attributed £46,110 to unrestricted funds and £69,243 to restricted funds.

3. OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	2018 £	2017 £
Insurance claim	-	-	-	13,067
Other income	351	-	351	388
	<u>351</u>	<u>-</u>	<u>351</u>	<u>13,455</u>

Other income in 2017, totalling £13,455 was all attributed to unrestricted funds.

THE TOWER PROJECT

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2018

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 2017/2018.

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Income receivable for charitable activities				
Big Lottery Fund & ESF Building Better Opportunities Grant - JET	-	45,505	45,505	12,915
City of London - First Start Day Service	-	-	-	44,008
City of London - New Dawn	40,051	-	40,051	39,309
City of London - Supported Living	141,969	-	141,969	146,274
City of London - Children's Services	571	-	571	-
Job Centre (DWP Access to work) - New Dawn	-	4,115	4,115	3,341
LB of Hackney - New Dawn	-	5,186	5,186	5,186
LB of Hackney - First Start Day Service	-	60,625	60,625	13,026
LBTH - New Dawn	881,880	-	881,880	876,151
LBTH - Children's Services	-	291,197	291,197	249,273
LBTH - First Start Day Service	629,770	127,749	757,519	767,474
LBTH - Youth Service	-	50,000	50,000	70,299
LBTH - JET	-	302,187	302,187	286,000
LBTH - Community Outreach & Support Service	64,552	-	64,552	43,210
LBTH - Supported Living	295,561	-	295,561	315,481
LB of Newham - Supported Living	33,729	-	33,729	37,649
NHS Tower Hamlets - New Dawn	52,726	-	52,726	53,119
NHS Tower Hamlets - JET	-	38,220	38,220	38,220
Café takings - JET	21,459	-	21,459	26,271
Transition to Employment Programmes - JET	-	286,084	286,084	233,129
Leonard Cheshire Disability - JET	-	2,250	2,250	1,050
	<u>2,162,268</u>	<u>1,213,118</u>	<u>3,375,386</u>	<u>3,261,385</u>

Income from charitable activities in 2017, totalled £3,261,385. These were attributed £2,309,588 to unrestricted funds and £951,797 to restricted funds. Income received in 2018 totalled £3,375,386. Income related to Children's Services of £291,768 (2017 – £249,273), New Dawn of £983,958 (2017 - £977,107), First Start Day Service of £818,145 (2017 – £824,508), Supported Living of £471,258 (2017 - £499,404), Community Outreach & Support Service of £64,552 (2017 – £43,210), Youth & Leisure Service of £50,000 (2017 - £70,299) and Job Enterprise and Training of £695,705 (2017 – £597,584).

5. INVESTMENT INCOME

	2018 £	2017 £
Interest on cash deposits	585	699
	<u>585</u>	<u>699</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 2018

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 £	Total 2018 £	Total 2017 £
<i>Costs directly allocated to activities:</i>											
Salaries and staff costs	Staff time	-	677,890	139,239	51,319	415,097	538,803	5,978	192,080	2,020,406	2,012,444
Recruitment expenses	Direct	-	1,022	2,367	-	541	637	-	857	5,424	6,855
Activities & project cost	Direct	-	10,815	1,638	28	11,888	6,992	-	31	31,392	51,088
Transport & travel costs	Direct	-	17,382	25,805	13,104	3,164	19,943	-	7,509	86,907	116,003
Staff & beneficiary training	Direct	-	2,165	951	-	13,859	8,472	-	-	25,447	29,392
Rent & rates	Direct	-	15,989	1,200	-	96,190	1,088	-	4,827	119,294	94,119
Light & heat	Direct	-	2,746	-	-	10,639	8,151	-	3,756	25,292	21,835
Membership & subscriptions	Direct	-	185	98	-	1,035	3,074	-	292	4,684	1,867
Repairs and maintenance	Direct	-	7,471	1,279	-	6,027	9,188	510	12,228	36,703	59,268
Clothing cost	Direct	-	33	-	-	636	55	-	-	724	290
Cleaning & sanitation	Direct	-	7,071	159	-	11,737	10,450	-	792	30,209	24,288
Security cost	Direct	-	-	-	-	1,588	1,626	-	-	3,214	4,504
Hire of equipment	Direct	-	-	-	-	696	-	-	-	696	696
Insurance	Direct	-	-	-	-	5,812	1,798	-	1,537	9,147	4,941
Respite breaks	Direct	-	339	-	-	-	-	28,254	14,695	43,288	-
Conference & event costs	Direct	-	-	-	-	3,332	-	-	-	3,332	6,415
Telephone, IT & internet cost	Direct	-	1,286	553	494	7,050	2,717	-	3,652	15,752	14,270
Postage and stationery	Direct	-	1,293	144	-	4,993	2,477	-	1,148	10,055	10,928
Health & safety	Direct	-	527	58	-	2,238	1,186	192	218	4,419	2,687
Legal & professional fees	Direct	-	-	-	-	-	-	-	1,400	1,400	2,436
General expenses	Direct	4	910	144	20	1,417	406	16	218	3,135	1,806
Refreshments & Consumables	Direct	-	21,355	4,821	421	1,000	21,417	-	394	49,408	46,812
Support & governance costs (see note 7)	Usage	6,915	230,917	111,012	35,768	95,003	158,799	29,140	115,016	782,570	655,174
		<u>6,919</u>	<u>999,396</u>	<u>289,468</u>	<u>101,154</u>	<u>693,942</u>	<u>797,279</u>	<u>64,090</u>	<u>360,650</u>	<u>3,312,898</u>	<u>3,168,118</u>

Of the £3,312,898 in 2018 (2017 - £3,168,118), £2,064,318 (2017 - £1,984,157) related to unrestricted funds and £1,248,580 (2017 - £1,183,961) to restricted funds.

THE TOWER PROJECT

(A company limited by guarantee)

NOTES TO THE ACCOUNTS (Cont'd)

FOR THE YEAR ENDED 31ST MARCH 2018

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 £	Total 2018 £	Total 2017 £
Analysis of support costs:											
Salaries and staff costs	Staff time	4,254	127,620	63,810	21,270	42,540	85,080	17,016	63,810	425,400	367,788
Recruitment expenses	Usage	146	4,374	2,187	729	1,458	2,916	525	2,187	14,522	4,583
Travel costs	Usage	89	2,660	1,330	443	887	1,773	355	1,330	8,867	7,565
Training	Usage	3	95	48	16	32	63	13	48	318	534
Membership & subscriptions	Direct	16	489	245	82	163	326	65	245	1,631	7,601
Insurance	Usage	80	2,394	1,197	399	798	1,596	319	1,197	7,980	10,995
Rent & rates	Usage	510	15,309	7,655	2,552	5,103	10,206	2,041	7,655	51,031	27,686
Repairs and maintenance	Usage	476	14,287	7,144	2,381	4,762	9,525	1,905	7,144	47,624	30,443
Postage and stationery	Usage	130	3,889	1,944	648	1,296	2,592	518	1,944	12,961	8,889
Light & heat	Usage	214	6,426	3,213	1,071	2,142	4,284	857	3,213	21,420	17,959
Hire of equipment	Usage	37	1,112	556	185	371	741	148	556	3,706	3,263
Cleaning & sanitation	Usage	152	4,568	2,284	761	1,523	3,046	609	2,284	15,227	12,595
Security cost	Usage	12	359	180	60	120	240	48	180	1,199	1,528
Publicity & marketing cost	Usage	-	-	-	-	6,957	-	-	-	6,957	12,894
Refreshments & Consumables	Usage	72	2,162	1,381	360	2,979	2,422	288	1,092	10,756	7,147
Health & safety	Usage	51	1,519	760	253	506	1,013	203	760	5,065	1,074
Telephone, IT & internet cost	Usage	145	4,342	2,171	724	1,447	2,894	579	2,171	14,473	12,813
Bank charges and interest	Direct	195	5,900	2,966	978	2,025	3,944	782	2,977	19,767	12,696
Clothing cost	Usage	-	-	-	-	-	-	-	-	-	559
Donations	Usage	58	1,724	862	287	575	1,150	230	862	5,748	-
Professional fees	Usage	64	1,912	956	319	637	1,275	255	956	6,374	15,813
Depreciation	Usage	10	23,739	7,103	1,244	16,669	19,687	1,578	11,385	81,415	65,947
Conference & event costs	Usage	11	335	168	56	112	224	45	168	1,119	4,848
Analysis of governance costs:											
Salaries and staff costs	Staff time	56	1,676	838	279	559	1,118	224	838	5,588	6,995
Audit fees	Direct	80	2,412	1,206	402	804	1,608	322	1,206	8,040	7,800
Insurance	Direct	42	1,245	623	208	415	830	166	623	4,152	4,152
Rent & rates	Usage	4	121	61	20	40	81	16	61	404	226
Refreshments & Consumables	Usage	6	180	90	30	60	120	24	90	600	581
Postage and stationery	Usage	2	68	34	11	23	45	9	34	226	200
		6,915	230,917	111,012	35,768	95,003	158,799	29,140	115,016	782,570	655,174

THE TOWER PROJECT
(A company limited by guarantee)

NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31ST MARCH 2018

8. OPERATING SURPLUS

Operating surplus is shown after charging:	2018	2017
	£	£
Depreciation of tangible fixed assets	36,204	35,707
Amortisation of leasehold premises	13,716	12,428
Amortisation of freehold premises	31,495	17,812
Auditors' remuneration	<u>8,040</u>	<u>7,800</u>

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

	2018	2017
	£	£
Wages and salary	2,242,116	2,157,029
National Insurance	182,057	175,897
Pension cost	35,545	33,387
Holiday Pay Accrual	1,129	22,184
Redundancy	-	1,095
	<u>2,460,847</u>	<u>2,389,592</u>

As a Charity, no Director or Trustee received any remuneration in the year (2017 - £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 8 and includes the Executive Director. The total employee benefits of the key management personnel of the charity were £391,784 (2017 - £338,442).

10. STAFF NUMBERS

The average monthly head count was 125 (2017 - 129) and the average monthly number of full time staff based on full time equivalents 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>	
	2018	2017
Director	1	1
Admin & Finance	9	10
IT & Maintenance	4	3
Job, Enterprise & Training	13	14
Youth & Leisure Services	1	1
Children's Services	20	30
New Dawn Day Services	35	30
First Start Day Services	25	25
Community Outreach & Support	0	0
Supported Living	7	7
Community Café (Spotlight)	1	1
Community Café (Haggerston Perk)	1	-
Total	<u>117</u>	<u>122</u>

THE TOWER PROJECT
(A company limited by guarantee)

NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31ST MARCH 2018

11. TANGIBLE FIXED ASSETS

	2018 £	2017 £
NET BOOK VALUES		
Freehold premises	1,474,800	822,205
Long leasehold premises	97,195	63,168
Short leasehold premises	27,310	36,413
Playground	-	-
Kitchen & other equipment	38,351	19,888
Fixtures and fittings	7,533	6,346
Motor vehicles	49,453	65,938
	<u>1,694,642</u>	<u>1,013,958</u>

MOVEMENTS IN YEAR

Cost or valuation	Opening Balances £	Additions £	Disposals £	Closing Balances £
Freehold premises	890,611	684,090	-	1,574,701
Long leasehold premises	691,035	38,640	-	729,675
Short leasehold premises	152,995	-	-	152,995
Playground	73,665	-	-	73,665
Kitchen & other equipment	276,978	34,331	-	311,309
Fixtures and fittings	116,590	5,038	-	121,628
Motor vehicles	151,375	-	-	151,375
	<u>2,353,249</u>	<u>762,099</u>	<u>-</u>	<u>3,115,348</u>
Depreciation	Opening Balances £	Charge For Year £	Disposals £	Closing Balances £
Freehold premises	68,406	31,495	-	99,901
Long leasehold premises	627,867	4,613	-	632,480
Short leasehold premises	116,582	9,103	-	125,685
Playground	73,665	-	-	73,665
Kitchen & other equipment	257,090	15,868	-	272,958
Fixtures and fittings	110,244	3,851	-	114,095
Motor vehicles	85,437	16,485	-	101,922
	<u>1,339,291</u>	<u>81,415</u>	<u>-</u>	<u>1,420,706</u>

12. DEBTORS

	2018 £	2017 £
Trade debtors	133,099	350,990
Other debtors	5,990	8,984
Prepayments and accrued income	83,545	61,463
	<u>222,633</u>	<u>421,437</u>

13. CREDITORS: amounts falling due within one year

	2018 £	2017 £
Mortgage Loan	45,878	22,495
Trade creditors	70,836	72,238
Other creditors	5,722	5,787
Taxation & social security	47,003	45,039
Accruals	66,400	60,764
Deferred income (note 15)	669	5,500
	<u>236,508</u>	<u>211,823</u>

THE TOWER PROJECT
(A company limited by guarantee)

NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31ST MARCH 2018

14. CREDITORS: amounts falling after within one year

	2018 £	2017 £
Mortgage Loan	911,678	334,348
Less: amount included in creditors due within one year	(45,878)	(22,495)
	<u>865,800</u>	<u>311,853</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.

During the year the charity acquired a freehold property, 13 Indigo Mews, London E14 9PN, on which it has a secured loan with its bankers. The loan facility was for £600,000 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

	2018 £	2017 £
Balance as at 1st April	5,500	7,620
Amount released to income in the year	(5,500)	(7,620)
Amount deferred in the year	669	5,500
Balance as at 31st March	<u>669</u>	<u>5,500</u>

Deferred income relates to grants of £nil (2017 - £5,500) and Housing benefit of £669 (2017 - £ nil) from the Ratcliff Foundation and council towards rent of the premises and the rental of one of the supported Living accommodation respectively for the next financial year.

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 01.04.17 £	New Designations £	Utilised / Realised £	Balance as 31.03.18 £
Staff contingency fund	120,000	-	-	120,000
Development fund	100,000	-	-	100,000
Independent living fund	250,000	-	-	250,000
	<u>470,000</u>	<u>-</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.

THE TOWER PROJECT
(A company limited by guarantee)

NOTES TO THE ACCOUNTS (Cont/d)
FOR THE YEAR ENDED 31ST MARCH 2018

17. FUND BALANCES

	Balance at 01.04.17 £	Incoming Resources £	Resources Expended £	Transfer between funds £	Balance at 31.03.18 £
Unrestricted Funds					
General funds	1,067,257	2,170,653	2,064,318	-	1,173,592
Designated funds (see note 16)	470,000	-	-	-	470,000
Restricted Funds					
Children's Services	-	291,197	289,468	-	1,729
Youth & Leisure Services	-	50,000	50,000	-	-
First Start Day Service	-	188,374	188,374	-	-
Job Enterprise & Training	-	674,246	674,246	-	-
New Dawn	-	9,301	9,301	-	-
Mini Bus	6,763	-	1,691	-	5,072
Rent Contribution	-	35,500	35,500	-	-
	<u>1,544,020</u>	<u>3,419,271</u>	<u>3,312,898</u>	<u>-</u>	<u>1,650,393</u>

The balances on individual projects at the 31st March 2018 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, celebration's 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.
- 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.

A new mini bus was received in the year from the Department of Transport. This has now been transferred to unrestricted funds.

- 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 2018

18. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	Unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	1,689,570	-	5,072	1,694,642
Net current assets	349,822	470,000	1,729	821,551
Creditors due after more than one year	(865,800)	-	-	(865,800)
	<u>1,173,592</u>	<u>470,000</u>	<u>6,801</u>	<u>1,650,393</u>

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

	2018 £	2017 £
Net movement in funds	106,373	222,774
Add back depreciation	81,415	65,947
Deduct interest income shown in investment activities	(585)	(699)
Decrease / (increase) in stock	27	127
Decrease / (increase) in debtors	198,804	(119,830)
Increase / (decrease) in creditors	24,686	(113,957)
Net cash used in operating activities	<u>410,720</u>	<u>54,362</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 (2017 - £nil).