

Company number: 2942840

Charity number: 1041653

The Bromley by Bow Centre

Report and financial statements

For the year ended 30 June 2018

The Bromley by Bow Centre

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The Bromley by Bow Centre

Reference and administrative details

For the year ended 30 June 2018

Company number 2942840

Charity number 1041653

Registered office and operational address St Leonards Street
Bromley by Bow
London E3 3BT

Directors Trustees, who are also directors under company law, at the date of this report are:

Monjur Ali	
Simon Bevan	Treasurer
Paul Brickell	
Michael Gould	
Ajit Lalvani	Chair
Marcia Maximin	
Savitha Pushparajah	
Obafemi Shokoya	
David Smeed	Vice-Chair
Neil Smith	
Peter Thorne	

Company Secretary Graham Rowbotham

Chief Executive Officer Robert Trimble

Solicitors Stephenson Harwood LLP
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Chartered Accountants and Registered Auditors
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108-114 Golden Lane
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The Trustees present their Report and Financial Statements for the year ended 30 June 2018.

A CHAIR'S INTRODUCTION

I am delighted to present this Annual Report for 2017-18 on behalf of the Board of the Bromley by Bow Centre.

In 2019, the Bromley by Bow Centre will celebrate its 35th anniversary. This will provide the opportunity to reflect on a journey that began in 1984 in rather unlikely circumstances. A small rundown church in the East End of London was on its last legs. It had been around for over 100 years and prospered for much of that time but, by the mid 1980s, it was down to handful of elderly church members and there was just a few hundred pounds in the bank. It was from these very inauspicious circumstances that our journey began that, thirty-five years later, has led us to where we are today.

The principles that were applied in those early days remain the hallmarks of our work today – creativity, innovation and entrepreneurship. Our charity is passionate about the innate abilities and capacity that lie within every human being, irrespective of their circumstances and the hand they have been dealt in life. We see our task as being one focused on empowering people and we continue to see the evidence every day that a key element in this approach is to tap into peoples' creativity and latent ability to learn new skills and transform their own lives. Critical to this approach is for people to feel a strong sense of connectedness with their friends and neighbours and to live in a vibrant community. The Bromley by Bow Centre's research project is entitled "Unleashing Healthy Communities" and for me that sums up perfectly the whole ethos and practice of this brilliant charity.

It is clear from this report that we are travelling through a challenging period for the charity and indeed for our sector as a whole. Our financial performance was disappointing, partly because we have not been immune to the shifting funding realities around us. We remain very cognisant of the need to renew our structures and to be constantly improving our ways of working. My fellow trustees, along with our Chief Executive and his management team, are very aware that we need to grow the charity and create a more secure financial underpinning moving forward. This work is already progressing and 2019 will be an important year as we embark on two key projects that will create transformational organisation renewal and also take major steps toward the redevelopment of our site in Bromley by Bow. All of this work will create a stronger and more stable financial base for the charity moving forward.

I continue to have the privilege of chairing a Board of dedicated and hard-working trustees who have an extraordinary range of skills and experience. It is hard to imagine a better balance of people and their combined efforts create a secure foundation for the charity. As we celebrate our 35th Anniversary we will be focused on the future and building the firm base that will enable us to be even more successful in the years to come. As always, our success will be driven by the quality and the commitment of our people and by the strength of the partnerships we build. My colleagues and I would welcome your engagement with us on our journey.

Professor Ajit Lalvani

Chair

B STRATEGIC REPORT

1. Overarching Purpose and Meeting Local Needs

The Bromley by Bow Centre is a dynamic and innovative charity operating in East London. Over the past 34 years it has transformed the lives of people who come from some of the most deprived estates in the UK. It has achieved this by providing a distinctive, holistic and easily accessible range of integrated services in one place.

This stretches from healthcare services for local residents to opportunities to set up your own social business; from support with tackling credit card debts to becoming a stained-glass artist; from learning to read and write to getting a job for the first time or giving a helping hand up the career ladder. The Centre delivers a huge variety of projects and there really is something for everyone.

The Bromley by Bow Centre's charitable purposes are closely connected to its location. The early initiatives of the Centre began over thirty years ago when some of the estates in the local area were deemed to be amongst the most deprived in Europe. For a number of reasons (including the work of the Bromley by Bow Centre) the overall socio-economic wellbeing of the area has improved over the years but it still has some extreme challenges:

- Tower Hamlets is the third most deprived borough in the UK and has the highest level of child poverty with 52% of all children, (increased from 43% in 2014) living in poverty. Over 50% of over 60s live in poverty which is amongst the highest levels of elderly poverty in the country.
- Overcrowding in Tower Hamlets is twice as high as the rest of London at 16% of households.
- The borough has one of the lowest levels of green space per head of the population in the country.
- 16% of the adult population hold no formal qualifications.
- Tower Hamlets has the highest acute mental health admission rate in London.
- The suicide rate in the borough is 20% higher than the London average.
- There are 10,000 employable people who don't have jobs (despite there being 60,000 more jobs in Tower Hamlets than employable people).
- 72% of Bromley by Bow residents are estimated to be in need of financial advice.
- Over 130 languages are spoken in Tower Hamlets schools.
- The borough has the highest number of opiate or crack cocaine users in London.
- Approximately 1 in 5 households live on less than £15,000 a year and over 50% of households live on less than £30,000.
- The growing number of minimum wage, temporary and zero hours jobs in London (27% of our employed population earn less than the London Living Wage) and the reductions in welfare provision mean the level of child poverty is expected to continue to rise over the next 5 years.

These grim facts underpin the need for the Bromley by Bow Centre's work and are the driver for its charitable purposes. Over the years the Centre has focused its attention on shifting the negative aspects of the community by focusing on its strengths and capacities, rather than its deficits. It has also recognised that needs are not defined by municipal boundaries or lines on a map and it has therefore significantly expanded its operation from its base in Bromley by Bow and now delivers services in 25 different venues in East London. All of its services and activities are a tight fit against the charity's purposes and objectives.

2. Model of Delivery and Theory of Change

The Bromley by Bow Centre's principal focus is on vulnerable people, who are often hard to reach through conventional public sector channels or services. We recognise that we need to work hard to make contact with those who need our services most and that they will often have a complex range of problems. Invariably, this means they will require different types of services and that we need to work with them over an extended period of time to enable them to bring about positive transformation in their lives. Our strategy is therefore based on three key features:

- **Accessibility:** an emphasis on making it easy for people to access the support that they need. We remove barriers by bringing projects and services together and by being friendly, open and accessible.
- **Integrated Services:** an ability to offer a very broad range of projects and services, so that users can find help for both their most immediate and pressing problems, and also for other related or underlying issues.
- **Long Journeys:** a recognition that people will often need to undertake a long and slow journey with the Centre in order to gradually build up the skills and self-confidence they need to overcome challenges and that our support and forward strategies as an organisation need to be configured to encourage this.

These three features make the Bromley by Bow Centre an unusually effective community hub operating in a deprived area.

The Theory of Change that underlies our work recognises five basic steps in bringing about the transformation we seek, although not everyone passes through each step.

i. Making Connections

If we are unable to engage with people, they will remain housebound, lonely, lacking in skills, depressed, unemployed and won't have the confidence required to fundamentally improve their situation. So the first step is to make connections with the people who need our support most. This is where accessibility is vital. We work hard to make the Centre accessible and enjoy a strong local reputation built up over 30 years. All of our projects deliver outreach support and we also provide a specially designed Connection Zone and cafe which are natural drop-in spaces, encouraging informal and friendly encounters with the Centre's skilled and trained team.

ii. Initial Support

The second step is to address the immediate needs and problems that people face and which are causing serious difficulties or distress for them and their families. This can be in the form of emergency interventions or simply practical and intensive one-to-one support over a period of time. Thus we have a GP practice and health trainers to address health problems; welfare, benefits and debt advice to address financial problems; legal and housing advice services; family support services for parents; and a range of services for vulnerable adults, including people with disabilities, those with long-term mental health needs and our elders. All of these services are available in one place.

iii. Skills and Confidence

The third step is more distinctive and challenging. We want our clients to be able to do more than find a quick fix for their immediate problems. So we support them to address other more fundamental challenges they face and which initially may not be so obvious. For example, chronic health problems can be linked to financial difficulties and a referral from the GPs to our welfare benefits team is easily made through our 'social prescribing' projects. There are hundreds of similar 'prescriptions' delivered every year. Even more fundamentally, problems can stem from a lack of skills or supportive relationships that undermine confidence and create a vicious circle for people. Sometimes an English language course or basic numeracy and literacy support is the first step towards building both the skills and the personal relationships needed to start afresh. Central to our theory of change is the belief that boosting self-confidence, raising aspirations and empowering people to take control of their lives are vital ingredients. Inevitably this can often be a long process, with periods of progress interspersed with knock-backs. But this aspect of our work is essential to what we are trying to achieve and vital to the approach is the use of the creative arts and designing positive and life-enhancing buildings. This is also why we offer a holistic range of services, many of which, directly or indirectly, contribute to longer-term building of skills and strong relationships, alongside self-esteem and self-confidence.

iv. Preparing for work

The fourth step is a further evolution of the third step. It recognises that people's personal journeys will move on from basic skills and self-confidence building to more advanced capabilities. This may be about getting qualifications that will be recognised in the workplace, undertaking volunteering opportunities to gain experience and seeking and finding employment. At the Centre, we offer vocational learning courses and volunteering opportunities that prepare our clients for work. We also train people in how to get a job, from CV writing skills through to interview preparation and help in knowing how to survive in the workplace. We also provide a job search facility and full employment service. Some people prefer to move on with the Centre in these areas but we also provide advice and signposts to external providers of these services as appropriate. Finally, the Centre incubates new social businesses and thus creates more opportunities for work experience and highly accessible long-term jobs.

v. Moving on

The final step in our Theory of Change is that our users will be empowered to transform their circumstances and will be healthier and feel that the quality of their lives has measurably improved. They will feel better – physically, mentally and economically - this will have knock-on benefits for their families and friends. Different users will make more and less progress in these terms but this is what we are setting out to achieve.

Throughout its existence the Bromley by Bow Centre has had a focus on social entrepreneurship and, whilst we recognise the negative statistics associated with our community and the high level of needs, our real focus is on the inherent abilities, often untapped, of everyone. We are constantly excited at how resilient and entrepreneurial people are when they are empowered and given meaningful opportunities. Indeed, it is our belief that if poverty is going to disappear from our estates, then we fundamentally need to focus on peoples' capabilities and not their problems.

3. Strategic Plan

The Bromley by Bow Centre's five year plan, 'Seizing the Future', was launched in July 2014, refreshed in 2017 and extended to 2020. The plan sets out a vision to expand the Centre's range of services significantly and to operate across an increasing number of venues. It recommitments the charity to the task of providing a rich variety of new health, educational, advice, employment and enterprise opportunities for local people.

This strategic plan is in the process of being supplemented by an organisational change plan that will provide the opportunity to renew and expand the Centre's delivery model and to restructure the organisation in a way that ensures that the maximum focus is on supporting the delivery of frontline services to our community. This will happen in the spring and summer of 2019.

In addition, the Board and management have been working on Project 2020, an ambitious capital redevelopment project focused on part of the Bromley by Bow site, and discussions are ongoing with partners around the feasibility of these plans. The intention is to undertake the development in the period 2020-22 and to support the expansion of delivery against our objectives and generate sustainable revenues for the charity. As these plans take shape, intense efforts are underway to ensure that the Centre continues to thrive in a challenging funding environment.

4. Summary of Activities

The following section reports on the key areas of Bromley by Bow Centre project delivery in 2017-18.

2017-18 has been a period of change and challenge for the service delivery teams but we ended the year with more clarity about how we need to adapt to the changing environment. The continued reduction in public sector funding and increase in payments by results contracts has continued to be testing for our delivery teams, as has the markedly increased demand across all delivery areas from people in crisis and those facing significant challenges in their lives.

i. Employment & Skills

Over the years, the employment and skills directorate has provided a range of employment services, from impartial advice and guidance (IAG) creating a workable action plan for the client and advisor, to a range of interventions and support programmes tailored to assist local people to move closer to work or training through the delivery of employability programmes and weekly sessions. This approach has had positive success in leading clients to move into paid sustainable employment, enterprise development or complete training. We continue to have strong employer engagement support which works both on a client-led remit and vacancy management matching. Our English as a second language (ESOL) delivery has started to increase with work and job search as a focus. In this financial year we made the decision to phase out our apprenticeship delivery after careful consideration of the new Apprenticeship Levy changes.

This year we have four main employability and skills programmes – Create Your Futures, Aim 4 work, Two Way Street and Basic English for the unemployed. This work was designed to support specific client groups and address their individual barriers to employment and focused on improving their confidence, emotional resilience, language and social skills, as well as the hard skills needed to find and sustain work. We have also continued with multiple year payment by results contracts, which are designed to move clients into set outcomes, which are time bound. These contracts are reflective of the current funding landscape.

The service provision this year has been based around a broad range of contracts and projects, which often overlap, but have distinct KPIs and measures. In 2017-18, these have included:

- **National Careers Service**
Careers guidance to local people aged 18+, using bespoke toolkits and resources. This model is used as a funnel into the wider services of the Employment & Skills directorate. We have delivered over 1,200 x one-to-one Information, Advice and Guidance (IAG) sessions to clients and supported 354 clients into jobs or further education.
- **My Career**
Similar to National Careers Service, progressing young people not in employment, education or training (NEET's) aged 16 - 18 into employment, education, apprenticeships or traineeships. We provided advice to 175 clients of which 129 had a career management session, 12 secured employment, 20 moved into education, 14 secured apprenticeships and 15 clients started traineeships.
- **Housing Associations' Careers Advice & English as a Second Language (ESOL) classes**
One-to-one employment and training support for local residents feeding into the Centre's wider services. Plus ESOL classes within a housing association community centre for local residents seeking to improve language skills and integration. We have supported 110 local people to receive careers guidance of which 6 started employment, 33 completed work placements or further education. In addition, we delivered one ESOL course with seven learners completing an accredited qualification and five completing non-accredited ESOL outcomes.
- **Create Your Future**
Supporting unemployed Black and Minority Ethnic (BME) women living in Tower Hamlets with employability support and ESOL provision. Working with clients to become job ready and find work through one-to-one advice and guidance, tailored employability courses, confidence building, empowerment networking and information sessions developed with participants. The ESOL strand focuses on women who require language support with the view to transitioning onto the employability programme. The programmes supported 90 women across employability and ESOL, 11 starting employment, one enrolled onto further education and 12 completing ESOL qualifications. There has been a significant increase in confidence and access to services for those reporting issues with social isolation.
- **Apprenticeships**
As a training provider of childcare and business administration for young people of intermediate and advanced programmes offered across east London, we placed 22 young people within apprenticeship opportunities, mainly in the business administration sectors, with a success rate of 73% over a nine month period while phasing out our apprenticeship offer.
- **Two Way Street**
Employability programme focused on the health and social care sector, working with over-25 year olds and having a particular focus on men. We also work with care agencies and other organisations and businesses in the sector to support best practice and bring awareness to the challenge of sector practices when employing staff and hosted successful 'insight' events bringing together professionals within the field to learn from the programme findings. We successfully delivered six cohorts: engaging 91 people and supporting 64 people into work and training. 100 health care professionals attended three 'learn and share' workshops/ visits to the Centre, with visitors coming from abroad and a variety of settings such as Alaska Primary Care, Dutch Nurses, Bradford Well North and Mulberry UTC School in Tower Hamlets.
- **Aim Higher**
Support for long term unemployed and economically inactive residents of Hackney and Tower Hamlets, aged 19+ into work, education or training. With 61 engaged, three work placements, four starting employment.

- **WorkRoutes50+**
Supporting people aged 50+ who are long-term unemployed and economically inactive into sustainable work. Through focused one-to-one engagement, we have had 103 clients join the programme, 41 clients start employment, 27 sustained three months and 18 sustained six months employment.
- **Aim4Work**
Support for people aged 25+ who are unemployed and living with a common mental health condition (e.g., anxiety, stress or panic disorder) into work and training with up to nine months support and in-work support of a further six months. We have supported 94 clients with careers and general advice, 20 into employment, 15 into learning, two Economically Inactive clients into job searching and three into volunteering.
- **Employer Engagement (embedded within our other contracts)**
This is the recruitment arm of our employment and apprenticeship team. It works on matching clients and prospective employers and supports all Employment and Skills projects. The team have built and maintained effective working relationships with more than 90 different organisations across a variety of sectors ranging from healthcare and hospitality to security and childcare. We work with organisations to understand their recruitment needs and use a client focused approach to transition our clients to sustainable employment.
- **Digital Inclusion**
This includes Future Digital Inclusion (FDI) – Learn My Way, Google Garage and Charis Grants - which aims to help digitally and socially excluded people to improve their digital skills through using the online platforms. Google Garage, focuses on business online support such as online marketing. Charis Grants support clients to learn a bespoke online training course. Learn My Way teaches basic online support from using a mouse to booking GP appointments. These projects work with corporate volunteers who act as Digital Champions and who host teams and small groups to support our sessional delivery. We embed digital skills across Centre service delivery and offer class based sessions in our Information and Communications Technology (ICT) Suite and drop-in sessions within the Connection Zone. We work with a range of local community organisations. The demand for our digital inclusion services has increased dramatically, in particular Universal Credit support. We have engaged over 1,000 clients which is 67% more than expected. Clients also have an opportunity to take an online basics exam and receive an accredited qualification.
- **Basic English for the Unemployed**
English as a second language (ESOL) provision, targeted specifically at people who are looking for employment and are at the pre-entry stage of their language learning journey. Our delivery has engaged a total of 131 learners of whom: 57 progressed onto Job-search, 74 progressed onto further Education, 61 learners gained an accredited qualification and 70 gained non-accredited qualification. We deliver sessions both on- and off-site.
- **Gwyneth Forester**
Employability delivery for young people aged 24 – 26 who are not in education, employment or training (NEET). We have delivered three employability cohorts with nine starting employment/apprenticeships in industries such as the NHS and the private sector.
- **Garfield Western**
Has supported Employment and Skills core cost which has allowed the service to increase its careers support by 9% and meet the increasingly demanding administration requirements for contracts.

During 2017-18 the key achievements within the Employment and Skills directorate have included:

- Delivery of over 1,200 x one-to-one Information, Advice and Guidance (IAG) sessions 9% increase on last year
- Supported over 350 clients into jobs or further education
- Increased delivery to second location within housing associations
- Expanded ESOL provision, targeted specifically at people who are looking for employment and are at the pre-entry stage of their learning journey.
- Created strong connections with local businesses for vacancy opportunities for our clients.
- Successfully completed our health care focused programme Two Way Street with overachieved outcomes which further illustrate the need for flexible funding to deliver employability with the client's needs at the heart of delivery.
- Successfully sustained and extended hard targeted contracts with positive results for clients
- Engaged 70% (400) additional clients to be aware of the digital support we offer

Challenges which have been highlighted include:

- The funding climate continues to be challenging, stretching capacity to meet the needs of individuals who are furthest from employment and most in need. It continues to be difficult to find funding which could be applied more flexibly, in particular for our 'Routeways' delivery model.
- We are experiencing higher volumes of clients who are showing signs of mental health concerns. However, clients are not always able to disclose this or feel that it is a taboo subject, impacting on their ability to manage areas such as appointments, sustaining work or training and day to day routine.
- Having a high number of Payment by Results contracts with changing paperwork and system processes, in particular My Career and Aim Higher, has had a negative effect on income drawdown.
- Fixed timelines to support clients into work and training with no flexibility to provide longer support for clients who are further from the labour market.

Looking to the future, we are:

- Now planning a new project which aims to increase capacity in our Connection Zone area. This will be using a 'triage' model we have trialled with success based in the Connection Zone area.
- Using a newly developed 'well-being' assessment tool within employability delivery to map a client 'wider determinates of health' and support their career path.
- Reviewing how we deliver digital skills across the service, wider teams and health partnership, creating a better process to ensure clients and patients are equipped to use online platforms for day-to-day activities.
- Internally working closer with the GP practises to bring awareness of the Employment and Skills offer to increase Social Prescribing referrals.

ii. Communities, Health & Wellbeing

Programme Overview - the overall aim of the directorate is to improve the health and wellbeing of people locally and across East London. We particularly focus on people who face barriers; significantly people with physical, mental, sensory, learning and complex disabilities and health conditions. The directorate provides a range of services under six broad themes of social care, health, social prescribing, inclusive sport, community connections and advice.

Integrated health provision remains an important theme across the Centre's delivery. We have worked more closely this year with our Health Centre partners, including through joint planning and delivery (Communities Driving Change, EastXchange, Health Champions, Social Prescribing and Personalised Care Programme), the development of a shared Health and Wellbeing Strategy and through joint appointments. However, it continues to be important for us to bring together primary care provision, public health programmes, social care and a comprehensive range of non-clinical services to improve the health of our local community.

- Social Care

A flexible, personalised programme supporting people with a range of learning, physical and complex needs to live as part of the community and as independently as possible. Individuals are funded through local authority social care funding whereby personal budgets are used to spot purchase support. The programme has continued to grow in income, number of staff, workshop leaders and volunteers. A broader range of workshops has been delivered and a more skilled and experienced team has been established resulting in improved quality of the service. We have 37 clients and they are accessing a total of 289 support hours per week. Since 2017, we have been working alongside Tower Hamlets CCG, Council and local disability organisation Real, as one of ten 'demonstration sites' for the NHS England Personalised Care Programme (PCP). PCP focuses on empowering individuals to have greater choice and control over the way their health and care is delivered via a personalised care and support planning process and access to a Personal Health or integrated Health and Social Care budget. The number of people with a personal health budget (PHB) in Tower Hamlets has risen to 375, the highest in London and 169 more than the next highest borough. PHBs are an innovative approach to giving people with long-term health conditions and disabilities more choice and control over how money is spent on meeting their health and wellbeing needs.

- Health

This year we have delivered two services funded by Tower Hamlets Public Health. The team provides specialist weight management services (Fit for Life), supporting over 1,100 people per year through one-to-one and group activities. In October 2017 we started delivering Communities Driving Change (CDC) - a three year flagship project aimed at empowering communities to take action on local issues. The core principles of the project relate to the wider determinants of health, health creation and social movements for health. It signals a move away from traditional models of service delivery to a model of community empowerment.

- Social Prescribing

Social Prescribing works across three projects – CCG and Network-funded Social Prescribing, Macmillan Cancer Support and Morgan Stanley Healthy Cities (Health Champions). Adults referred via primary and secondary care are supported to access a range of non-medical services within the community (Social Prescribing and Macmillan Cancer Support). We also work with local stakeholders to support parents and children to address social issues affecting their health (Health Champions). Demand for and interest in these services continues to grow with 679 and 713 people being referred to the Social Prescribing and Macmillan services respectively. The Centre is a leading member of the national social prescribing network and is funded by NHS England and the John Ellerman Foundation for its knowledge share. Commissioned pieces of work have developed through the uptake of social prescribing by the NHS, CCGs and GP Federations across the UK, and calls from both the NHS and frontline delivery teams for the development of training, standards of best practice and job descriptions. The social prescribing team continues to support knowledge share visits to the Centre and position the Centre and Health Partnership as practitioner-experts and thought-leaders in this space.

- Inclusive Sports

The Centre's inclusive sports programme supports disabled and non-disabled people to participate in sport and physical activity across East London. It delivers a 12-week training and disability volunteer programme (Motivate East), part of a £1m project funded by the London Legacy Development Corporation (LLDC) and Sport England as well as a volunteer programme for residents aged 50 years+ (Fit for All). We have been successful in

a number of funding applications, including Sport England, Home Office and ACT Foundation, ensuring growth in our delivery of sport training and volunteering provision to local disabled people in 2018/19.

iii. Community Connections

Programme Overview - the overall aim of Community Connections is to promote the cohesion and integration of the local community. We do this by bringing together individuals and families to access a range of activities and services. Typically, we are engaging with those who have multiple and complex needs or are on a longer journey of support, or are becoming involved with the Centre for the first time. The focus is on informal learning, volunteering and encouraging people to come together and use the Centre's facilities. The key themes are:

- Family Learning

Our family learning activities include two key projects: Top Tots and Watt's Grove. Top Tots is a three-year programme supporting children under five who have communication difficulties. It is a targeted service using creative activities to help under-fives and their families to play, explore and create - improving their engagement with learning and helping them to develop. It is delivered in partnership with Artburst and referrals come from GPs, Health Visitors, Children's Centres and local outreach. We have worked intensively with 28 children this year. The Watts Grove project is delivered in partnership with Tower Hamlets Homes and works to support families in a new social housing development.

- Connection Zone

The Connection Zone and its staff act as a vital gateway into the Centre and its services. It operates as the Centre's 'front door' – providing a welcome to all visitors and acts as the first port of call for all enquiries. We recognise that connections are a crucial part of the life of individuals and communities, so we provide a space where people can connect - to their sense of purpose, each other and their community. A key element of the work is to support the advice drop-in sessions and refer clients to our services as and when required. The triage for the Advice Centre takes place in the Connection Zone and the team offers a safe space for clients to carry out job searches and access other advice online. We welcome, on average, 1,500 unique visitors a year and make 900 onward referrals per year. 30% of clients access the Connection Zone 3 or more times a month. In March 2018 the Power to Change building project was launched to create better connectivity between the Health Centre and the Bromley by Bow Centre and make it easier for people to engage with and access the many services available. Changes to the Connection Zone played a big part of the project including the extension of the Connection Zone through the café with an entrance and windows facing into the courtyard so it is more visible, improving the overall welcome and visitor experience. It has provided the Centre with increased usable ground floor space and new one to one spaces. The distinction between the café and Connection Zone areas has been reduced. The Health Centre reception and waiting area have been redesigned to mirror the Connection Zone, further enhancing the 'welcome' across the integrated 'hub'.

- Horticultural Therapy

We have employed a part-time Horticulture Project Manager despite limited funding. The sessions continue to be successful in the engagement and support of people with a range of needs including social isolation and mental health issues. We work with 15 people per week. The sessions are a point of referral for the social prescribing and social care teams and also provide much needed gardening resources to help maintain the park. Discussions continue with the Royal Horticultural Society (RHS) to develop a partnership around health and horticulture and we sit on the RHS health and horticulture steering group - the only community-based organisation to do so.

- Arts

Focusing on the Centre's founding principles of believing in the benefits of creativity for people's general wellbeing, we have continued to develop our arts programme and build our relationships with the National Theatre, English National Opera, East London Arts and Music Academy and Bow Arts.

During the course of the year, 14 staff and clients from the Centre have been participating in the National Theatre's production of Shakespeare's Pericles. It was the first production in the National Theatre's PublicActs initiative, inspired by the PublicWorks programme in New York. The cast of 200 actors performed on the Olivier stage at the National Theatre in August 2018. It was made up of people from across London, representing eight specially chosen community organisations – it was the biggest and most diverse cast ever to appear on a National Theatre stage in its whole history. It is the beginning of the Centre's ongoing partnership with the National Theatre.

- EastXChange (Timebanking)

The project focuses on three broad groups within our community: migrant communities; people with mental health challenges and people aged 50+. We have 30 local people engaged in English conversation classes, 30 people enrolled in ESOL classes and have delivered six training sessions including accredited first aid, food hygiene and walk leader training. During the course of the year we have facilitated nine trips, supporting people to explore the local area and beyond. 151 people took part in the visits to Kew Gardens, Docklands Museum and Canary Wharf Roof Gardens. We have supported members to deliver weekly activities including walking groups, jewellery making, knitting and crochet, soft furnishing, mental health support groups, homework clubs and physical activity sessions. Approximately 120 people per week attend EastXchange activities across the borough.

iv. Beyond Business

The Centre has a long-established commitment and expertise in incubating Social Enterprises. In 2017-18, five more businesses were established taking the total number founded over the years to 74. The success rate of these enterprises continues to far outstrip what would be expected with commercial start-ups and the whole hub has generated over 350 jobs in East London and these businesses have a combined turnover in excess of £6 million.

It continues to be generously supported by our corporate partner, Investec, and the aim is for continued growth against the current model of delivery in future years. The longevity and success rate of Beyond Business makes it one of the pre-eminent enterprise start-up programmes in the country which has been recognised by the winning, in 2017, three prestigious awards, including the Lord Mayor of London's Dragon Award.

For the year 2018-19, we are able to launch six businesses, one more than usual, due to the efforts of Investec staff who have personally undertaken a number of fundraising events, including the Three Peaks Challenge, and raised £17,000 for this purpose.

v. Advice Centre

Programme overview - the Advice Centre provides a range of services under three broad themes of social welfare advice, financial health and energy advice.

- Social Welfare Advice

The Centre's social welfare advice service provides support with debt, housing and welfare benefits both at the Centre and in 12 local venues. It is funded through statutory contracts including LAP 6 Generalist Advice, Tower Hamlets Health and Advice Links (THHAL), Information Advice and Advocacy (IAA) as well as local housing providers. The Centre works in partnership with advice services locally to provide support to specific groups

including those with disabilities and long term conditions (IAA). Between 2017 and 2018 social welfare advice raised income of £1.5m for clients, and £709k of backdated awards. £142k of debt has been written off, consisting of benefit overpayment, utility arrears, council tax arrears, rent arrears, penalties and fines etc. In September 2018, the Advice Centre passed the Advice Quality Standard (AQS) including to casework level. This is part of the Centre's commitment to providing clients with the best advice.

- **Financial Health**

The Getting on with Money (GOWM) project supports individuals in financial crisis including debt, switching to Universal Credit, managing money effectively and taking control of their finances through one-to-one sessions located across the borough. It also provides workshops in the community to build financial capability and resilience in a preventative way. A network of volunteers has developed a programme of community activities aimed at improving financial resilience. Activities include cooking on a budget, swap shops and a money-saving campaign focussed on weddings. During the year 115 local residents attended one-to-one sessions and 167 attended workshops. We also provide one-to-one money management sessions for new EastendHomes tenants.

- **Energy Advice**

The Centre's energy advice service provides specialist debt and fuel advice aimed at reducing and managing debt, maximising income, reducing fuel poverty and improving energy efficiency (East End Energy Fit). Over the year we saw 531 clients who were supported to manage £178k of utility debt and gain over £290k in annual income. The service also works with social housing tenants as part of a behavioural research study with national, academic, and corporate partners involving smart meters, energy efficiency devices and Time of Use tariffs/rebates (Energywise).

vi. **Insights (formerly School of Integrated Solutions)**

Four years ago, the Bromley by Bow Centre launched Bromley by Bow Insights (previously the School of Integrated Solutions). Bromley by Bow Insights, which delivers research and evaluation, support for on-going innovation in our model, knowledge share and innovation programmes, has continued to expand its work in 2017-18.

- **Research and Evaluation**

The Unleashing Healthy Communities research and evaluation programme, which is sponsored by Public Health England, the Wellcome Trust, the Health Foundation and others, concluded its second year. At the end of the year, June 2018, the research team completed the initial two-year phase, which culminated with the publication of a report. The initial phase developed three interlined research pieces, being a historic research enquiry into the history of the Centre that supports an understanding of the key successes, enablers and barriers to the development and sustainment of the model. Organisational research that sought to understand the model as it is currently delivered, focusing particularly on practitioner knowledge and understanding from across the Bromley by Bow Centre and Health Partnership. The third area of focus was an innovative Citizen Science project, which trained local people to become community researchers to gain an in depth understanding of what local people value in terms of outcomes and aspiration for what a good life consists of. The final months of the year included a number of internal and sharing events to share the findings of the initial stage of the research.

- **Knowledge Share**

Through the year the Knowledge Share programme continued to expand delivering 108 events, a 25% increase on the previous year, which attracted over 1,400 participants from the UK and 23 other countries, these included monthly Insight Tours, Seminars on Social Prescribing and numerous bespoke group study workshops. With the support of the Health Foundation funding we have developed new approaches to the knowledge share events, incorporating learning from the research programme, as well as producing a range of practical

and creative resources to support others seeking to embed or spread community asset-based approaches to improve health and wellbeing in their communities. The Bromley by Bow Insights programme has continued to develop its longer term support for communities, in particular supporting the Well North programme which seeks to catalyse transformative change in ten of the north's most deprived communities, including through the translation of ideas developed at the Bromley by Bow Centre.

- Innovation

Both the research and Knowledge Share programmes contributed to innovation within the Centre's programmes and projects, including, developing new approaches to social welfare advice in health settings and supporting the development of the Centre's Customer Resource Management system (CRM).

Forward Plans in Service Delivery

There is scope to grow the existing areas of service delivery and sufficient demand from our clients to justify it. There are specific service areas where there is both concern and need, relating closely to our current service offer, that we would emphasise as being of particular importance, i.e., areas that we would not regard as new or as gaps, but very much within our current delivery.

- Advice – reviewing and expanding our social welfare advice and legal advice, of which there is a lack of free and affordable services in Tower Hamlets.
- Social Prescribing – there is a demand for increased provision of our generalist service as well as specialist social prescribing services to meet the needs of people with specific conditions. We aim to embed the principles of social prescribing across service delivery including trained professional staff working in a person-centred, holistic way, connecting people to wider support in the community. Funding for the Macmillan Social Prescribing service ends in June 2019 and will be a focus for fundraising in 2018/19.
- Weight management – ensuring funding post February 2019 to be able to continue delivering a weight management service to improve the health outcomes and the quality of life for obese adults through sustainable improvements to their diet, physical activity levels and weight.
- Integrated Health and Social Care – building on the Personalised Care Programme to empower individuals to have greater choice and control over the way their health and care is delivered via a personalised care and support planning process and access to a Personal Health or integrated Health and Social Care budget.
- Connection Zone – reviewing our Connection Zone function and introducing new activities to ensure the service reflects the needs and preferences of the local community.

We have also identified broad areas of need in our community. Moving forward, we will explore how we can increase our provision in these areas, either through increased funding or partnerships with local organisations. These are:

- Mental Health - there is a growing, and increasingly un-met demand for provision for those with mental health needs. Those with mental health issues form a significant proportion of people accessing a wider range of our service provision. Demand for mental health services far outstrips the available provision and there is minimal community-based provision.
- Family and Children's Services - there has been a considerable reduction in local authority funded children's services, including children's centres. As a result there is substantial un-met need, especially in supporting families with complex needs, including support for children at risk of child poverty, after school clubs and holiday provision and childhood obesity. There is also a huge need for increased support for carers.
- Arts and Culture – increasing the amount of art/culture and horticulture services could have benefits not only for those with mental health and social isolation needs, but also allow our local community to engage and celebrate our diversity and cohesion.

People Strategy

The Bromley by Bow Centre entered the Sunday Times Best Companies framework in 2013 and has done remarkably well. The Centre has now been in the 'Top 100' for a sixth year running. This is a measure of how good the Centre is as an employer, which we believe, drives the quality of the services we provide to our clients. We have implemented some key initiatives from our people strategy - Everyone Matters – that was launched in March 2017. The initiatives have largely been driven by the work undertaken by the 'People' workstream group that was established last year as part of our approach to empowering project managers at a strategic level within the organisation. Initiatives include:

- Appointment of a Wellbeing Manager who has been tasked to launch a Workforce Wellbeing package of support for staff including an Employee Assistance Programme
- Review and improvement of maternity pay and parental support
- A review of our volunteering programme, policies and procedures with the aim of achieving Investors in Volunteers (iV) status by the end of 2018
- Launch of a number of new HR policies including flexible working

Create a New Funding Model for Future Growth

The Bromley by Bow Centre has ambitious plans to grow and plans to undertake a major redevelopment of its core site in East London. We are innovating at a new pace and have much to inspire our funders with.

With the obvious challenges presented by the external economy, no-one is saying growing income over the next period is going to be easy. Whilst we have helped more people than ever over the past three years, our work is not done. The issues faced by thousands of people motivate us to do more. We need to persuade others that together we can help give people in East London the future they deserve. Our cause could not be more relevant or our programmes better placed to appeal to funders.

We have set out an income growth plan over the next three years to increase and diversify our income. However, to release the potential of our brave and ambitious plans for growth we need to bring a new creativity to the way we raise money. The step change in income levels will require us to work differently: be more ambitious, more efficient and more agile with the opportunities we pursue. We have already put in place the building blocks for growth but will need to invest further in our fundraising operation and our systems to give us a strong and confident platform to reach many more people. We would like to invest in a new Fundraising CRM and a new role to lead our Philanthropy campaign. We also have to ensure that we have the right skills within the team to realise our ambitions as we do not use external fundraisers or commercial participators to carry out fundraising on our behalf. During the reporting period, no complaints were received by the charity with regard to its fundraising activities and data on members of the public are only held with their explicit written consent.

In 2018-19, we believe change in the scale of income will be achieved through the strength of our current funding streams, e.g., statutory, strengthening our long and significant partnerships and by diversifying into new areas.

We need a stronger balance between programme specific funding, payment by results contracts and unrestricted income. We need to raise unrestricted funds whenever we can and emphasise the value of long-term support in reaching our goals. The fundraising effort should prioritise maximising funds for planned delivery and capitalise on strong interest from businesses, public sector and trusts, and building partnerships, which support our growth ambitions. We will raise the bar in stewardship and cultivation of all our supporters to maximise their long-term value.

A broader range of income streams will improve stability and security, a priority as we grow.

It is our task now to go out to all our stakeholders and prospects and communicate our vision for growth. We will engage the whole organisation in the fundraising challenge, creating a powerful, fundraising force of the senior leadership team and the wider organisation to play an active role in key fundraising opportunities.

No funder should be under the impression that we are not challenging ourselves to fulfil the utmost ambition. If we do this with passion, confidence and energy, together we will change more lives.

C STRUCTURE, GOVERNANCE AND MANAGEMENT

The Bromley by Bow Centre is a registered charity (number 1041653) and is constituted as a company registered in England & Wales (number 2942840) and limited by guarantee. Its objects and powers are set out in its Memorandum and Articles of Association which were adopted in 1994. The Articles of Association were updated during the year ended 30 June 2018.

We have continued to develop our policies and practices and this year's annual report takes us further down the road of good practice in terms of reporting and disclosure. The Board and its sub-committees continue to review overall effectiveness in line with good practice.

Public Benefit

We have referred to the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees have considered how the planned activities of the organisation will contribute to the aims and objectives that have been established for the charity.

Objectives

The Bromley by Bow Centre is a pioneering community regeneration charity operating from a location between the Olympic Park and Canary Wharf in the London Borough of Tower Hamlets, one of the most deprived parts of the country. The charity's aim is to remove the label 'deprived' from its community and its holistic approach recognises that deprivation is often rooted in a series of interconnected personal and/or family issues that require integrated and holistic solutions.

The Objects of the charity, as set out in the Articles of Association, state that "The Centre's objects are to promote the benefit of the inhabitants of East London and surrounding areas either alone or by associating together the inhabitants and the local authorities, voluntary and other organisations to advance education, protect and preserve health, relieve poverty, sickness and distress and provide recreational facilities and any such charitable purposes as the trustees shall from time to time decide."

Trustees and their responsibilities

The governing body is the Board of Management ("Board") whose members are elected by the charity's membership at the Annual General Meeting and are directors for the purpose of company law and trustees for the purpose of charity law; in this report, they are referred to as trustees, to distinguish them from Senior Management Team ("SMT") members who are also referred to as directors on page 22 as they are not Directors as defined in Company Law. The Board met five times during the year. All Board meetings were attended by the Chief Executive and SMT members attended the annual general meeting, the budget meeting plus other selected meetings as required by agenda items.

The Board comprises a minimum of six and maximum of 15 Trustees and is currently at a level which the Board feels adequately represents the needs of the charity. The number of seats on the Board available to Nominees (i.e. Trustees nominated by partner organisations) is four. There are currently 11 members of the Board. Trustees serve an initial term of three years and can be elected for a maximum of 12 years.

The principal responsibilities of the trustees, as set out in the Statement of Reserved Powers and Delegated Authorities policy, are:

- Oversight of the charity, including control and accountability systems
- Appointing and removing the Chief Executive and establishing his/her remuneration package
- Contributing to and final approval of vision, mission and values statements
- Contributing to and final approval of the budget and business plan and associated performance objectives
- Contributing to and final approval of the Strategic Plan and associated performance measures
- Implementation of strategy and ensuring appropriate resources are available
- Reviewing and ratifying policies for reserves, risk management and investment
- Reviewing and ratifying leases and matters relating to property holdings
- Monitoring risk management and internal compliance and control systems and assessments
- Monitoring the performance of the Chief Executive and the Senior Management Team
- Approving the authorisation structure applicable to capital expenditure and operational commitments
- Approving and monitoring the progress of high risk projects
- Overall governance of the charity
- Approving and monitoring financial and other reporting
- Appointment of bankers and auditors
- Mergers and acquisitions along with major external collaborations
- Legal claims

The Board has developed a skills and diversity matrix which analyses the Board's composition and also helps identify prospective future trustees. The key areas of skill and diversity which have been identified include:

- Sector experience (private, public, third or multiple sectors)
- Gender / ethnicity / culture
- Skills / experience:
 - Legal
 - Service delivery
 - Marketing and communications
 - Fundraising
 - Third sector and social enterprise
 - Finance
 - General management and business
 - HR management and coaching
 - Health
 - Local knowledge and partnerships
 - Technology
 - Youth
 - Education
 - Creative sector
 - Insurance
 - Property
 - The arts
 - Church-related and faith-related matters

The Board considers that it currently has an appropriate mix of skills, background experience and diversity of gender and ethnic backgrounds. The current Board has 11 Trustees and includes 18% female members; 45% of members are from BME communities; and 18% of members live within the local community.

Trustee Training

A structured induction programme is in place for new trustees supplemented by ad hoc support from the Chair, Vice-Chair and the SMT with external training opportunities provided if appropriate. The Trustee Induction programme is reviewed, renewed and improved annually.

In addition, the Board arranges Back to the Floor days for trustees. The purpose of these sessions is to give trustees hands on experience of the Centre's work, covering a range of the programmes. All trustees are regularly invited to events held at the Centre for the local community and are also encouraged to arrange individual one-to-one sessions in areas that particularly interest them, with the key objective being that trustees will be able to get a feel for the day-to-day operation of the Centre and build stronger relationships with the SMT and the wider staff team.

Trustee Biographies

Details of the backgrounds of the Trustees who currently hold office are provided below.

Monjur Ali grew up and has lived in Bromley by Bow all his life, having studied in local schools and tertiary college in Tower Hamlets. He has been involved in diverse local projects and organisations (e.g. Poplar HARCA Estate Board member for more than 10 years, member of Patient Forum of St. Andrew's Health Centre and one of the founding members of Bromley By Bow Community Organisation, Coventry Cross youth club). Monjur has deep knowledge and understanding of the diverse cultures, local issues and needs of the community that helps the Bromley By Bow Centre ensure its projects are relevant and effective. He became a Trustee on 25 September 2013.

Simon Bevan is a Partner in Grant Thornton UK LLP and is a member of its Partnership Oversight Board. Simon is a qualified coach and has over 30 years' experience of auditing, and working with the stakeholders of, successful high growth businesses, especially in the professional services sector. He has been both Managing Partner and Senior Partner of a large accounting firm and therefore brings finance, leadership and governance experience to his role as Treasurer with the Board. Simon became a Trustee on 30 November 2011. Simon chairs the Finance Sub-Committee and is a member of the Board Effectiveness and Nomination Sub-Committee.

Paul Brickell trained as a scientist and was Professor of Molecular Hematology at the Institute of Child Health at Great Ormond Street Hospital, University College London, where he ran a childhood cancer research department. He changed career to contribute to regeneration in his "home town" of east London, first as Director of Regeneration and Chief Executive of the Bromley by Bow Centre and then as Chief Executive of Leaside Regeneration. Paul now works for the London Legacy Development Corporation, which leads the development of Queen Elizabeth Olympic Park, and is Chair of Poplar HARCA.

Michael Gould, retired as a Lloyd's insurance broker in 2000, since which time he has been a volunteer for Thames North Synod of the United Reformed Church. His main involvement on their behalf has been in respect of property and finance and he brings this knowledge, along with governance and insurance experience, to the Centre. Mike is a Nominee of the United Reformed Church, became a Trustee on 29 March 2012, and is a member of the Property Sub-Committee.

Professor Ajit Lalvani is Head of Respiratory Infections at Imperial College London, Director of the National Institute for Health Research Health Protection Research Unit, Founding Director of the Tuberculosis Research Centre and Consultant Physician at Imperial College Healthcare NHS Trust. His research addresses the world's most serious respiratory infections, and spans the pathway from basic and translational science to public health and societal impact. His governance experience includes roles on academic and funding committees at the Wellcome Trust, India

The Bromley by Bow Centre

Trustees' annual report

For the year ended 30 June 2018

Alliance, Medical Research Council, Royal College of Physicians and Royal Society of Medicine. Ajit founded a University of Oxford biotech company based on his innovations which have transformed TB screening and policy internationally. He shares the Centre's mission to improve public health and reverse health inequalities through tackling their social determinants and empowering underprivileged communities. He became a Trustee on 11 March 2014 and Chairs the Board.

Marcia Maximin is a lifelong resident of Bromley by Bow and has been a keen user and supporter of the charity's work over many years. Her first connection was as a teenager when she and her family engaged in a broad range of the Centre's projects. When Marcia left school she began her working life with McDonalds UK and she has remained with them ever since, now working in finance in the company's UK headquarters in the City of London. She lives on Bow Bridge Estate and was recently elected Chair of Poplar Harca's residents' Estate Board.

Dr Savitha Pushparajah is a GP Partner in the Bromley by Bow Health Partnership, which has a close working relationship with the Bromley by Bow Centre and operates three GP surgeries and a Walk-in Centre in Tower Hamlets. She has 15 years' experience of providing healthcare to local patients and works closely with the communities living in Tower Hamlets. Savitha has a good understanding of the health inequalities and social needs of this community and brings this knowledge to the Board, which she joined as a Trustee on 26 March 2009. Savitha is a member of the Board Effectiveness and Nomination Sub-Committee and joined the Finance Sub-Committee during the year.

Obafemi Shokoya was born and brought up in the area surrounding the Bromley-by-Bow Centre. He has worked as an NHS hospital pharmacist for more than twenty years, during which time he studied for an MBA. Working as a Chief Pharmacist for over a decade in the latter part of his NHS career, he has implemented transformational change and 'turned around' three progressively larger and more complex acute provider hospital pharmacy departments. Undertaking a variety of senior roles in a number of NHS trusts around the country has afforded him the opportunity of being directly involved in and exposed to, many complex cultures across different sectors of the health and care system. Obafemi collaborates closely with the King's Fund in developing his personal 'collective leadership' and 'systems leadership' practices. For many years he has been interested in digital healthcare delivery and how technology can be used as a tool to leverage innovation and transformational change across health and care systems to improve outcomes.

David Smeed is an executive level businessman with extensive experience of Strategic Business Development, throughout Europe, in Healthcare, Property and Property Services. He is bilingual in French and English. He is currently a Director at a Public Health Consultancy, PHAST CIC, with a focus on business development and operations. In the past, his roles have included Director of Development at UME Investment Ltd, a specialized Healthcare PFI investor, Managing Director at Bank of America Corporate Finance London and Managing Director of SCIC UK Ltd a French State-owned property services group. David's key competencies are in Finance, Business Development, and Management and he became a Trustee on 8 June 2016. David is a member of the Property, Finance and Board Effectiveness Sub-Committees and became Vice Chair on Chris Elliott's retirement from the Board in March 2018.

Neil Smith has spent a large part of his professional life outside the UK working for first, Unilever in France, Holland, the Ivory Coast and the USA following which he joined the Yoplait in France, participating in the private equity buyout of the Group. His wife is French and they have four children who seem to be following their parents and creating international careers. Neil is a finance professional, now retired, and is trustee of a group of academies in Thanet and non-executive director of a company in the Health and Wellbeing sector. He lives in Islington and enjoys golf, skiing, walking and history.

Peter Thorne is a qualified solicitor with over 33 years of experience of advising clients developing, investing and occupying real estate, including major high profile developments in central London. Prior to this he was a partner in

The Bromley by Bow Centre

Trustees' annual report

For the year ended 30 June 2018

Wragge & Co where he developed and was an elected member of the firm's management board for a period of five years. In 2003, he moved to Wragge's London office to head up and develop its real estate team and following its mergers with Lawrence Graham and subsequently Gowling, continued as partner until April 2018 when he retired as a partner and has remained as a consultant to the firm.

Trustees during the period

During the year, there were five Board meetings, all of which were quorate. The membership of the Board from 1 July 2017 to the date of this Trustees' Report is listed below.

Monjur Ali	
Simon Bevan	
Paul Brickell	appointed 12/12/18
Sarah Burton	resigned 18/07/18
Chris Elliott	resigned 26/03/18
Michael Gould	
Ajit Lalvani	
Marcia Maximin	
Savitha Pushparajah	
Rachael Saunders	resigned 12/06/18
Penny Shimmin	resigned 18/09/17
Obafemi Shokoya	appointed 12/12/18
David Smeed	
Neil Smith	appointed 12/12/18
Peter Thorne	appointed 21/09/17
Sophie Timson	resigned 18/09/18
Chris Wilson	resigned 12/06/18

Trustee Insurance

The charity's insurance cover includes Indemnity Insurance for Trustees.

Board Sub-Committees

There are three Board sub-committees, which are important for the effectiveness of the Board as a whole. The Board makes every effort to ensure all sub-committees comprise the right balance of appropriately skilled Trustees and Senior Management Team members (see below) and in order to ensure there is a consistency of approach across the sub-committees the Vice-Chair attends all the meetings. The sub-committees are:

- Finance - provides important guidance concerning the financial management of the Centre and monitors risk management and the production and audit of the financial statements
- Property - manages property issues, which are becoming increasingly important for the Centre as expansion plans are reviewed and discussed
- Board Effectiveness and Other Governance Matters - its role is to review the recruitment of Trustees, succession planning for the Board, Board effectiveness and CEO's remuneration and appraisal

The Board continues to monitor the effectiveness of these sub-committees as part of its annual effectiveness review. All current sub-committees will continue in their current form for a further 12 months.

Whilst the Trustees are responsible for all the charity's actions, day-to-day operations and decision-making continue to be delegated to Rob Trimble, the Chief Executive, who reports directly to the Board. Rob, now in his seventeenth year as Chief Executive, leads the organisation and chairs the SMT. The members of the SMT are: Dr Julia Davis (Assistant Chief Executive), Dan Hopewell (Director of Knowledge & Innovation), Zoe Portlock (Director of Partnerships), Helal Uddin (Senior Strategic Advisor), Ruth Roberts (Director of Communities, Health & Wellbeing), Genefer Chitolie (Director of Employment & Skills), Amanda Jones (Director of Fundraising) and Michael Barnett (Finance Director).

The Board has established appropriate controls and reporting mechanisms to ensure that the SMT operates within the scope of the powers delegated to it. The Board has determined Reserved Powers (as listed above) which only it can ultimately exercise.

All matters not specifically reserved to the Board and necessary for the day-to-day operations of the charity are delegated to management. Specifically, the responsibilities of management are:

Operate within delegated authority limits set by the Board

- Reporting to the Board in a timely manner and against agreed criteria
- Formulating and recommending the strategic direction of the charity
- Translating the approved strategic plan into annual operating and financial plans
- Managing the human, physical and financial resources
- Compliance of the charity with relevant laws and regulations
- Deliver agreed performance measures
- Develop, implement and manage the risk management and internal compliance and control systems
- Develop, implement and update policies and procedures

The members of the SMT are not directors for the purposes of company law.

Diversity and Disability

The charity has a strong commitment to developing the diversity of its staff and volunteers through equal opportunity policies, training, targets and practical action. This includes encouraging applications from people with disabilities, developing their skills, and taking every reasonable measure to adapt our premises and working conditions to enable them to work or volunteer. The Bromley by Bow Centre is a very diverse organisation. We pride ourselves that our delivery and support teams comprise many backgrounds and cultures and represent over 30 different nationalities and between us we speak more than 20 different languages and dialects.

Remuneration Policy

Salaries for all posts are banded within a range commensurate with the job role and pay increases are awarded on promotion and in line with cost of living increases. We are a London Living Wage employer.

In addition, the CEO's performance appraisal and subsequent review of remuneration is managed by the Board sub-committee for CEO Remuneration. The sub-committee makes recommendations on setting the salary of the CEO to the Board for approval.

D. PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

As part of its ongoing responsibility for ensuring the identification and management of risk, the Board adopts a rolling assessment of strategic and operational risk at three levels, i.e., Core, Project and Support.

This process of risk assessment is reviewed on a regular basis by the Finance Sub-Committee which in turn reports into the Board. On an annual basis, the SMT report to the Board on the highest level risks and their mitigating actions. The severity of a risk is assessed in two ways:

- Current Assessment - based on the perceived severity and probability of occurrence which when multiplied together results in a raw risk factor
- Assessment after Action - based on identified mitigation being taken and reducing the probability of occurrence resulting in a revised risk factor

The Board is particularly interested in:

- New areas of risk which carry a high raw risk assessment
- Areas of risk for which the identified mitigating action has not been implemented
- Risks that after mitigation carry a high retained risk factor
- Risks that appear but which have not been identified on the risk matrix

Key Risks

Risks at a Centre level are grouped under the following five headings: impact, financial sustainability, compliance, reputation and major operational. The key risks after mitigation that the Board is currently focusing on are:

- Financial – the challenge of securing sufficient unrestricted funds and having a strong pipeline of restricted income against the needs of the budget and forecast
- Central and Local Government – direction of material changes in national policy or local statutory implementation of policy
- Organisational change and HR – the potential impact arising from the need to renew our structures and the ability to attract and retain talented staff
- Growth – failure to take opportunities when they arise, the uncertainty caused by payments by results contracts and capacity of the Centre's infrastructure to support an increase in service delivery
- Cyber security and data protection – failure to adequately protect the Centre's data in a sector which is constantly evolving and changing with increasingly stringent cyber security obligations through legislation

Key risks, and their potential impact on income and the use of the charity's services, are monitored continually and reviewed regularly by SMT, and reviewed at every Finance Sub-Committee meeting.

E REVIEW OF FINANCIAL POSITION

The Centre's business model

The Bromley by Bow Centre derives its income from a number of sources. Almost all our restricted income results from the delivery of services from our different programmes (see "Income from Charitable Activities" in the SOFA) and comes from a range of sources, i.e., statutory bodies, corporates, housing associations & social landlords and trusts. In addition, the Centre generates unrestricted income principally from fundraising, from the support of local community partners and from its property assets.

Results for the year

The year to June 2018 was a difficult one, with a number of setbacks in the external funding climate, the Centre's ability to deliver an acceptable contribution on some of its contracts and a period during which it was not possible to recruit a strong fundraising director. Certain projects came to an end and it was necessary to make some redundancies in both service delivery and centre support.

Total income fell 14% from the previous year (7% increase in 2017) to £3.8m (£4.4m in 2017) as income from donations, charitable activities and other trading activities all declined due to the difficult funding environment. Expenditure increased 6% from the previous year to £4.7m (£4.4m in 2017) as the Centre invested in marketing, financial, development and communication. This resulted in a deficit for the year of £925k (£57k in 2017) exacerbated by lower margins on some contracts.

The broad sources of the Centre's funding in recent years are shown below.

Nature	Source	2017-18	2016-17	2015-16
Restricted	Statutory	46%	42%	40%
	Corporate	19%	18%	21%
	Housing Associations & Social Landlords	2%	2%	2%
	Trusts	11%	12%	9%
	Total		78%	74%
Unrestricted	Property & other contractual activities	22%	26%	28%
	Total	22%	26%	28%

Reserves

Previously the majority of the charity's fixed assets were held within a restricted capital fund of approximately £2m. The restriction was the result of earmarking income for capital works and not as a result of restricting the use of the fixed assets. As such, the restriction should have been extinguished once the fixed assets were completed and it has been decided to hold the fixed assets in unrestricted reserves.

At 30 June 2018, the charity's unrestricted funds were in surplus by £1,862k (2017: £329k) of which £2,854k represents the Centre's fixed assets. Restricted funds at 30 June 2018 stood at £83k (2017: £2,541k) representing unspent funds from Power to Change. Total reserves decreased to £1,945k (2017: £2,870k), mainly represented by tangible assets with a net book value of £2,854k (2017: £2,710k).

The charity's Reserves Policy seeks to protect its staff and services by ensuring that there are adequate unrestricted cash flows to provide working capital for day-to-day operations as well as to respond to any short-term demands.

In establishing an appropriate level of reserves, the Board takes into account the demands of financing key projects and the need to fund growth along with other strategic initiatives.

The Board has reviewed the Reserves policy and simplified the Free Reserves definition to Undesignated Net Current Assets, which is effectively working capital available. The new policy seeks to maintain Free Reserves within a range currently set at no lower than £650k and no higher than £850k. Maintaining the charity's Free Reserves within this range is one of the Board's priorities. Under the revised definition, Free Reserves at 30 June 2018 were in deficit by £395k (2017: £502k surplus) and can be seen in note 18. As previously indicated, the Centre has faced financial difficulties in recent years as it has invested resources into improving efficiencies and organisational effectiveness in the local community with mixed success.

Trustees and management are clear on the need to redress the deficit in unrestricted reserves and this is the highest priority in the new financial year. The agreed budget for the new financial year showed a breakeven position and the Trustees and management are committed to delivering this. Steps that have been taken include the appointment of a fundraising director; focused efforts on increasing unrestricted income; service delivery project management and funding margin improvement; and the appointment of an interim Finance Director to ensure financial control. The latter has been succeeded by a permanent Finance Director who started in January 2019.

Cash and Cash Flow

Cash, which has become tighter this year, remains adequate with funds held with Barclays Bank plc totalling £271k (2017: £612k) as at 30 June 2018. As some of the charity's income is received in large, irregular amounts, the funds held by the charity can fluctuate quite widely during the year. To ensure that these fluctuations do not cause short term cash flow difficulties, short-term funding facilities at zero interest have been obtained since the year end.

The charity's Cash Investment Policy seeks to produce the best financial return for uncommitted funds within an acceptable level of risk.

After 6 months of the 2018-19 financial year, the charity has secured 89% of the forecast income for the year and holds numerous contracts that extend into the 2019-20 financial year. It also holds significant assets, some of which have not been revalued for Balance Sheet purposes. In light of the good start to the new financial year, and in consideration of the value that could be realised from the fixed assets the charity holds, the trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

F STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of The Bromley by Bow Centre for the purposes of company law) are responsible for preparing the trustees' annual report, including the strategic report, and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditor

Sayer Vincent LLP acted as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report which includes the strategic report has been approved by the trustees on 19 February 2019 and signed on their behalf by

Ajit Lalvani
Chair

Independent auditor's report

To the members of

The Bromley by Bow Centre

Opinion

We have audited the financial statements of The Bromley by Bow Centre (the 'charitable company') for the year ended 30 June 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 30 June 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
- 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 charitable 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees 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

Independent auditor's report

To the members of

The Bromley by Bow Centre

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 trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic 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; 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable 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.

Independent auditor's report

To the members of

The Bromley by Bow Centre

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

To the members of

The Bromley by Bow Centre

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

28 February 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Bromley by Bow Centre

Statement of financial activities

For the year ended 30 June 2018

	Note	2018 Unrestricted £'000	2018 Restricted £'000	2018 Total £'000	2017 Unrestricted £'000	2017 Restricted £'000	2017 Total £'000
Income from:							
Donations and legacies	2	294	84	378	305	296	601
Charitable activities	4						
Employment & Skills		-	687	687	-	830	830
Communities, Health & Wellbeing		-	1,261	1,261	3	1,362	1,365
Community Connections		-	172	172	-	173	173
Beyond Business		-	122	122	-	126	126
Advice Centre		-	495	495	-	639	639
Insights (formerly School of Integrated Solutions)		112	211	323	153	-	153
Other trading activities	3	314	-	314	485	-	485
Investment income		1	-	1	1	-	1
Total income		721	3,032	3,753	947	3,426	4,373
Expenditure on:							
Raising funds		356	84	440	281	-	281
Charitable activities							
Employment & Skills		-	979	979	-	1,066	1,066
Communities, Health & Wellbeing		-	1,522	1,522	-	1,556	1,556
Community Connections		-	313	313	-	296	296
Beyond Business		-	147	147	-	156	156
Advice Centre		-	702	702	-	783	783
Insights (formerly School of Integrated Solutions)		143	264	407	182	-	182
Other trading activities		168	-	168	110	-	110
Total expenditure	5	667	4,011	4,678	573	3,857	4,430
Net income / (expenditure) for the year	6	54	(979)	(925)	374	(431)	(57)
Transfers between funds		1,479	(1,479)	-	(727)	727	-
Net movement in funds		1,533	(2,458)	(925)	(353)	296	(57)
Reconciliation of funds:							
Total funds brought forward		329	2,541	2,870	682	2,245	2,927
Total funds carried forward		1,862	83	1,945	329	2,541	2,870

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

The Bromley by Bow Centre

Balance sheet

Company no. 2942840

As at 30 June 2018

	Note	£'000	2018 £'000	£'000	2017 £'000
Fixed assets:					
Tangible assets	11		<u>2,854</u>		<u>2,710</u>
			2,854		2,710
Current assets:					
Debtors	13	805		1,427	
Cash at bank and in hand		<u>270</u>		<u>612</u>	
		1,075		2,039	
Liabilities:					
Creditors: amounts falling due within one year	14	<u>(1,387)</u>		<u>(1,241)</u>	
Net current (liabilities)/assets			<u>(312)</u>		<u>798</u>
Total assets less current liabilities			<u>2,542</u>		<u>3,508</u>
Creditors: amounts falling due after one year	16		<u>(597)</u>		<u>(638)</u>
Total net assets			<u><u>1,945</u></u>		<u><u>2,870</u></u>
The funds of the charity:					
Restricted income funds	19		83		2,541
Unrestricted income funds:					
Designated funds		15		16	
General funds		<u>1,847</u>		<u>313</u>	
Total unrestricted funds			<u>1,862</u>		<u>329</u>
Total charity funds			<u><u>1,945</u></u>		<u><u>2,870</u></u>

Approved by the trustees on 19th February 2019 and signed on their behalf by

Ajit Lalvani
Chair

The Bromley by Bow Centre

Statement of cash flows

For the year ended 30 June 2018

	Note	2018	2017
		£'000	£'000
Cash flows from operating activities	20		
Net cash provided by / (used in) operating activities		(2)	(772)
Cash flows from investing activities:			
Bank interest received		1	1
Interest paid		(53)	(56)
Purchase of fixed assets		(247)	(31)
Net cash provided by / (used in) investing activities		(299)	(86)
Cash flows from financing activities:			
Repayments of borrowing		(41)	(44)
Net cash provided by / (used in) financing activities		(41)	(44)
Change in cash and cash equivalents in the year		(342)	(902)
Cash and cash equivalents at the beginning of the year		612	1,514
Cash and cash equivalents at the end of the year		270	612

1 Accounting policies

a) Statutory information

The Bromley by Bow Centre is a charitable company limited by guarantee and is incorporated in the UK. The registered office address is St Leonards Street, Bromley by Bow, London, E3 3BT.

b) Basis of preparation

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) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

During the year the charity had net outgoing funds of £925k. At year end there was a deficit on free reserves of £395k and is the result of the charity investing in finance, marketing, communication and fund raising activities. At the balance sheet date the charity had a bank balance of £270k and net current liabilities of £312k.

After 6 months of the 2018–19 financial year, the charity has secured 89% of the forecast income for the year and holds numerous contracts that extend into the 2019–20 financial year. It also holds significant assets, some of which have not been revalued for Balance Sheet purposes. In light of the good start to the new financial year, and in consideration of the value that could be realised from the fixed assets the charity holds, the trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred; else the income is deferred until the above criteria is fulfilled, normally as per the funder's written conditions.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

f) Donations of cash, gifts, services and facilities

Cash donations are recognised as income upon entitlement.

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation 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), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure 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:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services and other activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

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

j) Allocation of support costs

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Other costs, which are attributable to more than one activity, are apportioned across cost categories. The basis of allocation reflects the staff resources absorbed by that activity.

Charitable expenditure comprises those costs incurred by the charity in the delivery of services to its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

1 Accounting policies (continued)

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Land is not depreciated. The depreciation rates in use are as follows:

- Freehold Buildings 2% of cost per year
- Computer Equipment 25% of cost per year
- Other Equipment 20% of cost per year
- Fixtures and Fittings 10–20% of cost per year

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) 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.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

Contributions payable to employees' private defined contribution pension plans are charged to the Statement of Financial Activities in the period to which they relate.

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2018 Total £'000	2017 Total £'000
Donations	212	84	296	519
Other Income	82	–	82	82
	294	84	378	601

Donated goods and services received in the year include: training, legal support, IT equipment and office furniture with a value of £Nil. (2017: £7,048) These have not been included in the Statement of Financial Activities as they are not material to the financial statements. Donated staff time for two researchers of £100,000 (2017: Nil) is included in note 4 under Insights (formerly School of Integrated Solutions).

The Bromley by Bow Centre

Notes to the financial statements

For the year ended 30 June 2018

3 Other Trading Income

	Unrestricted £'000	Restricted £'000	2018 Total £'000	2017 Total £'000
Income from hire of space	303	-	303	351
Fundraising activities	11	-	11	67
Others	-	-	-	67
Total Other Trading Income	314	-	314	485

4 Income from charitable activities

Total funding from Government sources is £1.5M (2017: £1.1M)

	Unrestricted £'000	Restricted £'000	2018 Total £'000	2017 Total £'000
Charitable Activities				
<u>Employment & Skills</u>				
Aim4Work	-	104	104	12
Capital Talent	-	-	-	193
Create Your Future	-	97	97	42
ELATT – Apprenticeship Programme	-	44	44	99
ESOL for Work	-	77	77	114
National Careers Service	-	94	94	90
Two Way Street	-	50	50	100
Work routes 50+	-	89	89	20
Others	-	132	132	160
	-	687	687	830
<u>Communities, Health & Wellbeing</u>				
Cancer Prescribing	-	166	166	122
Communities Driving Change	-	108	108	-
Fit 4 Life Centre	-	286	286	277
Fit 4 Life Group	-	180	180	249
Healthy Cities	-	70	70	66
Motivate East	-	56	56	43
My Support	-	243	243	235
Social Prescriber	-	65	65	48
Others	-	87	87	325
	-	1,261	1,261	1,365
<u>Community Connections</u>				
Connection Zone	-	-	-	19
ESOL Health and Humour	-	-	-	6
Time Bank	-	104	104	91
Top Tots Family Learning	-	25	25	43
Others	-	43	43	14
	-	172	172	173
<u>Beyond Business</u>				
Investec	-	119	119	118
Others	-	3	3	8
	-	122	122	126
<u>Advice Centre</u>				
East End Energy Fit	-	115	115	125
Eastend Homes	-	47	47	54
Empower: Healthy Homes	-	-	-	128
Getting on with money	-	97	97	42
LAP6 Generalist Advice Services	-	50	50	51
UK Power Networks	-	111	111	136
Others	-	75	75	103
	-	495	495	639
<u>Insights (formerly School of Integrated Solutions)</u>				
Action for Bow	9	-	9	41
Tours	55	-	55	48
Consultancy	28	-	28	41
Research and Evaluation	20	211	231	23
	112	211	323	153
Total Charitable activities	112	2,948	3,060	3,286

The Bromley by Bow Centre

Notes to the financial statements

For the year ended 30 June 2018

5 Analysis of expenditure

	Charitable activities									2018 Total £'000	2017 Total £'000	
	Raising funds £'000	Other trading activities £'000	Employment & Skills £'000	Communities, Health & Wellbeing £'000	Community Connections £'000	Beyond Business £'000	Advice Centre £'000	Insights (formerly School of Integrated Solutions) £'000	Governance costs £'000			Support costs £'000
Staff costs (Note 7)	227	85	621	765	156	88	435	182	-	700	3,259	2,924
Service Delivery Costs	114	-	30	353	75	12	37	145	-	-	766	782
Centre Delivery Costs												
Facilities, Property, Health and Safety	-	45	-	-	-	-	-	-	-	74	119	158
Finance and Accounting	-	-	-	-	-	-	-	-	16	208	224	248
General Management, SOIS, Other	-	-	-	-	-	-	-	-	-	241	241	250
Human Resources and Hospitality	-	-	-	-	-	-	-	-	-	29	29	28
Information and Communications	-	-	-	-	-	-	-	-	-	40	40	41
	341	130	651	1,118	231	100	472	327	16	1,292	4,678	4,430
Governance costs	1	1	4	4	1	1	3	1	(16)	-	-	-
Support costs	98	37	324	400	81	46	227	79	-	(1,292)	-	-
Total expenditure 2018	440	168	979	1,522	313	147	702	407	-	-	4,678	4,430
Total expenditure 2017	281	110	1,066	1,556	296	156	783	182	-	-	4,430	

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2018 £'000	2017 £'000
Depreciation	102	108
Operating lease rentals: Property	17	17
Auditors' remuneration (excluding VAT):		
Audit	13	13
Under accrual from prior year	3	2
	135	140

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

Staff costs were as follows:

	2018 £'000	2017 £'000
Salaries and wages	2,889	2,661
Redundancy and termination costs	78	1
Social security costs	253	228
Employer's contribution to defined contribution pension schemes	39	34
	3,259	2,924

The following number of employees received employee benefits during the year between:

	2018 No.	2017 No.
£60,000 – £69,999	–	1
£70,000 – £79,999	1	–
£80,000 – £89,999	1	1
	2	2

The total employee benefits including pension contributions and employer's NIC of the key management personnel were £176,968 (2017: £170,778). One of the two key management personnel left during the year.

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £470 (2017: £Nil) incurred by 1 (2017: 0) member relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2018 No.	2017 No.
Costs of raising funds	4	4
Other trading activities	1	1
Employment & Skills	21	21
Communities, Health & Wellbeing	33	38
Community Connections	13	12
Beyond Business	2	2
Advice Centre	17	18
School of Integrated Solutions	7	2
Support	29	26
	127	124

9 Related party transactions

The charity encourages each of its major local partnership organisations, i.e., the Bromley by Bow Health Partnership, the London Borough of Tower Hamlets, Poplar HARCA and the United Reformed Church, to nominate a representative as a Trustee. In the normal course of its operation, the charity transacts financially, on an arms' length basis, with all four of these organisations; however their representative on the Board of Trustees (see Biographies of the Trustees in the Trustees' Report) has no direct interest in any of these transactions.

There are no related party transactions to disclose for 2018 (2017: none). There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

After the year end, the charity received a £50,000 donation from Vitabiotics Limited and a £100,000 interest free loan from the Vitabiotics Foundation. The charity's chair, Ajit Lalvani is a non-executive director of Vitabiotics Limited. None of this donation or this loan has been disclosed in the results of the charity to June 2018.

After the year end, the charity received a £100,000 interest free loan from the Bromley by Bow Health Partnership. One of the charity's Trustees, Dr Savitha Pushparajah, is a Partner of Bromley by Bow Health Partnership. None of this loan has been disclosed in the results of the charity to June 2018.

10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Land and Buildings £'000	Plant and Machinery £'000	Fixtures and fittings £'000	Computer Equipment £'000	Total £'000	
Cost or valuation						
At the start of the year	3,844	124	57	161	4,186	
Additions in year	1	-	213	33	247	
At the end of the year	3,845	124	270	194	4,433	
Depreciation						
At the start of the year	1,211	119	53	93	1,476	
Charge for the year	75	4	1	23	103	
At the end of the year	1,286	123	54	116	1,579	
Net book value						
At the end of the year	2,559	1	216	78	2,854	
At the start of the year	2,633	5	4	68	2,710	
Land and Buildings						
	Land £'000	Park Development £'000	Mary Buss House £'000	Health Centre £'000	Enterprise Barn £'000	Total £'000
Cost or valuation						
At the start of the year	235	212	24	2,950	423	3,844
Additions in year	-	-	-	1	-	1
At the end of the year	235	212	24	2,951	423	3,845
Depreciation						
At the start of the year	-	50	8	1,053	100	1,211
Charge for the year	-	4	1	62	8	75
At the end of the year	-	54	9	1,115	108	1,286
Net book value						
At the end of the year	235	158	15	1,836	315	2,559
At the start of the year	235	162	16	1,897	323	2,633

All fixed assets held are for the use of the charity, with the exception of Mary Buss House which is occupied by another charity on a long term lease; this property was gifted to the charity and was valued by the Trustees at that time. The Health Centre is subject to a charge as security for the loan from AVIVA which is shown in note 16.

Land with a value of £235,000 (2017: £235,000) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

12 Investments

Through the charity's Beyond Business programme, which identifies potential new social enterprises and then guides and supports their launch, BbBC currently has a 5% shareholding in Grassroot Workshop CIC, Fat Macy's Ltd, The Hard Yard Ltd, Appt Ltd and Juta Shoes Ltd. It has not been possible to arrive at a market value of these shareholdings at 30 June 2018, which in any event is not judged to be material.

13 Debtors

	2018 £'000	2017 £'000
Trade debtors	314	747
Other debtors	17	4
Prepayments	11	41
Accrued income	463	635
	<u>805</u>	<u>1,427</u>

14 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
AVIVA loan	50	44
Trade creditors	294	71
Taxation and social security	184	94
Other creditors	205	210
Accruals	140	231
Deferred income (note 15)	514	591
	<u>1,387</u>	<u>1,241</u>

15 Deferred income

Deferred income comprises grants and other funding to be used in future accounting periods together with rent and other contractual income received in advance.

	2018 £'000	2017 £'000
Balance at the beginning of the year	591	1,204
Amount released to income in the year	(591)	(1,982)
Amount deferred in the year	514	1,369
	<u>514</u>	<u>591</u>

16 Creditors: amounts falling due after one year

	2018 £'000	2017 £'000
AVIVA Loan secured	597	638
	<u>597</u>	<u>638</u>

The AVIVA loan is secured by a first legal charge on the freehold land and buildings registered at HM Land Registry under the Title Number EGL332867. The original loan of £600,000 is repayable by amortised instalments of capital and interest over a thirty year period from September 1997; interest is repayable at 9.75%. An additional loan of £500,000 is repayable by amortised instalments of capital and interest over a twenty two year period from September 2005; interest is repayable at 5.73%. The remaining term of the loan is 9 years (June 2027).

17 Pension scheme

On 1 August 2014, and in compliance with workplace pension legislation, the company introduced a Group Personal Pension Plan arranged through Scottish Widows. The company contributes up to 6% of gross pay for all entitled employees depending on seniority, service and the employee's own contribution. At 30 June 2018 there were 79 (2017:79) employees who chose to take advantage of this benefit. During the period the amount payable by the charity in respect of these post-retirement benefits amounted to £39,000 (2017: £34,000).

18a Analysis of net assets between funds (current year)

	Fixed Assets £'000	Net Current Assets £'000	Long Term Liabilities £'000	Total funds £'000
Restricted Funds				
Capital Programme	-	83	-	83
Unrestricted Funds				
General Fund	2,839	(395)	(597)	1,847
Designated Fund	15	-	-	15
Net assets at the end of the year	2,854	(312)	(597)	1,945

18b Analysis of net assets between funds (prior year)

	Fixed Assets £'000	Net Current Assets £'000	Long Term Liabilities £'000	Total funds £'000
Restricted Funds				
Capital Programme	2,245	296	-	2,541
Unrestricted Funds				
General Fund	449	502	(638)	313
Designated Fund	16	-	-	16
Net assets at the end of the year	2,710	798	(638)	2,870

19a Movements in funds (current year)

	At the start of the year £'000	Income £'000	Expenditure £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Care and Community Activities					
Employment & Skills	-	687	(923)	236	-
Communities, Health & Wellbeing	-	1,261	(1,453)	192	-
Community Connections	-	172	(299)	127	-
Beyond Business	-	122	(139)	17	-
Advice Centre	-	495	(663)	168	-
Insights	-	211	(264)	53	-
Business Development					
Power to Change	296	-	-	(213)	83
Other Business Development	-	84	(84)	-	-
Other					
Capital Programme	2,245	-	(186)	(2,059)	-
Total restricted funds	2,541	3,032	(4,011)	(1,479)	83
Unrestricted funds:					
Designated funds:					
Mary Buss House	16	-	(1)	-	15
Total designated funds	16	-	(1)	-	15
General funds	313	721	(666)	1,479	1,847
Total unrestricted funds	329	721	(667)	1,479	1,862
Total funds	2,870	3,753	(4,678)	-	1,945

19b Movements in funds (prior year)

	At the start of the year £'000	Income £'000	Expenditure £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Care and Community Activities					
Employment & Skills	-	830	(1,066)	236	-
Communities, Health & Wellbeing	-	1,362	(1,556)	194	-
Community Connections	-	173	(296)	123	-
Beyond Business	-	126	(156)	30	-
Advice Centre	-	639	(783)	144	-
Power to Change ("Business Development")	-	296	-	-	296
Other					
Capital Programme	2,245	-	-	-	2,245
Total restricted funds	2,245	3,426	(3,857)	727	2,541
Unrestricted funds:					
Designated funds:					
Mary Buss House	16	-	-	-	16
Total designated funds	16	-	-	-	16
General funds	666	947	(573)	(727)	313
Total unrestricted funds	682	947	(573)	(727)	329
Total funds	2,927	4,373	(4,430)	-	2,870

Purposes of restricted funds

Care and Community Activities reflects the company's core objective to provide holistic care services to the local community tailored to individual needs. All expenditure is carefully monitored and matched to the specific restricted funding from which it is secured. At 30 June 2018 there was no unexpended income balances relating to the fund.

During the previous financial year the charity secured £296k from Power to Change to redevelop the Connection Zone, Café and the surgery. At balance sheet date, £213k had been spent of this with the remainder being spent by August 2018.

Purposes of designated funds

The Charity was gifted the property Mary Buss House. After a review it was determined that fixed assets previously held as restricted assets were not restricted and it was decided to transfer both restricted and unrestricted assets to general funds.

20 Reconciliation of net income to net cash flow from operating activities

	2018 £'000	2017 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(925)	(57)
Depreciation charges	103	108
Investment Income	(1)	(1)
Interest Paid	53	56
Decrease/(increase) in debtors	622	(484)
Increase/(decrease) in creditors	146	(394)
Net cash provided by / (used in) operating activities	(2)	(772)

21 Operating lease commitments

At 30 June 2018 the Charity had annual commitments under operating leases as follows:

	Land and Buildings	
	2018 £'000	2017 £'000
Expiry Date:		
Less than one year	17	17
One to five years	66	85
Over five years	12	17
	<hr/>	<hr/>
	95	119
	<hr/>	<hr/>

The company occupies part of the premises of Bromley by Bow United Reformed Church at 1 Bruce Road, Bromley by Bow, London, E3 3HN. The rent charged for the period was £16,500.

22 Capital commitments

The Charity does not have any capital commitments to report at the balance sheet date.

23 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.