



COMPANY REGISTRATION NUMBER 03359861
REGISTERED CHARITY NUMBER 1093668



R.H.W.E. LIMITED
(KNOWN AS REVIVING THE HEART OF THE WEST END)
(A COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

31ST MARCH 2021

BELL TINDLE WILLIAMSON LLP

Chartered Accountants
and Registered Auditors
The Old Post Office
63 Saville Street
North Shields
Tyne & Wear
NE30 1AY

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS - YEAR ENDED 31ST MARCH 2021

CONTENTS

	<u>Page</u>
Report of the Trustees	1 - 16
Independent Examiner's Report to the Trustees	17
Statement of Financial Activities	18
Balance Sheet	19
Notes to the Financial Statements	20 - 29
 <i>The following pages do not form part of the financial statements</i>	
Reconciliation of Income and Expenditure to Movement in Funds	30
Detailed Analysis of Income and Expenditure	31 - 32

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

The Trustees are pleased to present their annual Directors' Report together with the financial statements of the Charity for the year ending 31 March 2021 which are also prepared to meet the requirements for a Directors' Report and financial statements for Companies Act purposes.

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

Summary of the Year

It is fair to describe this year as one of the most challenging years faced with the emergence of the Covid 19 global pandemic and whilst there has been significant impact on operational management, service delivery, and income streams, this should not detract from the good work and the positivity throughout that has been delivered to our beneficiaries and tenants in our managed workspace buildings.

We continued to work throughout the period and early in 2020, the Trustees and CEO regularly convened to consider and risk plan for the potential impact. With health and safety concerns about the spread of the virus impacting on participation in our Explore Start Grow employability and self-employment support programme, people were worried and whilst health and safety measures and new operating procedures were put in place within our buildings, many participants have school-age children, their own health conditions and caring responsibilities of others to consider. With local restrictions and lockdown, public buildings were no longer open leaving those with limited or no access to internet services and IT equipment feeling even more isolated. This was a risk to our programme and we responded swiftly re-developing workshops and material that could be accessed on-line, we sought and secured funding and devices that could be loaned with training to participants and the staff team engaged with participants virtually and remotely to continue providing personal development, emotional and welfare support.

We monitor expenditure stringently and scaled back expenditure to reduce overheads during periods of reduced occupancy because of lockdown restrictions when income from office and workshop units was most at risk as all tenants immediately moved to working from home. Yet whilst the financial situation deteriorated rapidly for some types of business eg wedding caterer, recruitment agency, design company; we also observed a number of tenants experiencing growth eg on-line takeaway ordering service; insurance agent, supported living care providers. The buildings could not be closed down given the ratio of tenants still needing access to their rented spaces and the legal and compliance duties incumbent on us. During the period, a small number of tenants were unable to return to renting space and moved to home-based models; yet we attracted new tenants and supported existing ones to grow within the buildings.

Meeting room hire halted abruptly with all bookings cancelled due to lockdown and social distancing restrictions which could not be recouped for the period; however, a slow return to bookings from the Summer as a result of marketing activity and essential industries requiring training space.

We successfully secured emergency funding through national grant funds to support the charity's loss of trading income and have obtained further grants to support our community-based activities because in spite of the pandemic, enquiries and referrals have continued to increase with more people needing our services. The staff team created and innovated on-line material and re-created workshops so people could participate via Zoom. Devices and data packages were put together with two funders enabling us to offer a digital device loan scheme for digitally excluded participants who did not have technology or internet access.

From mid-Summer the majority of our business centre tenants had returned to the workplace and during this time, we secured new tenants and conference clients in need of larger spaces and access to high-speed, reliable broadband internet.

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

Summary of the Year *(continued)*

We continue in a year of uncertainty post-lockdown but with resolve and determination to adapt, deliver and respond to the emerging needs of our beneficiaries we are delighted to report funded projects on or above target as well as stable occupancy in our managed workspace buildings.

The Charity has always embraced change and our planned strategic review for 2020/21 was delayed but has been re-visited by the Trustees and CEO and work is underway with advisers and staff to re-visit the corporate vision and values and re-shaping of our services based on an extraordinary year of achievements made possible by the dedication and hard work of the staff team and the Trustees.

Our Purpose and Activities

Purpose

The Charity's purposes as set out in the objects contained in the company's Memorandum of Association are to benefit the public, particularly those living in disadvantaged areas, through social and economic programmes to improve the welfare, resilience and lives of people and communities on their journey to get into work, self-employment, training or education.

The aims of the charity are to raise aspiration and confidence by enabling people to see the potential in themselves, identify a goal and build resilience to navigate their way to success.

People need support to be able to make more informed choices and feel empowered to take the steps towards getting the job they really want, exploring a self-employment idea or consider training or education opportunities; whatever the pathway they decide.

Ensuring Our Work Delivers Our Aims

When setting our aims, objectives and planning for activities, we reflect on the outcomes of our work and the benefits brought to the people we are here to help. We consider what has worked well, what we have learned and what could be done even better. Where we identify gaps, our staff team is excellent at working with stakeholders and partners to seek out services we can access or provide influence where a need is not being met; or, even where we can design a solution ourselves.

In setting objectives and planning activities, consideration is given to the general guidance published by the Charity Commission relating to the public benefit.

We understand that everyone has a unique story and a series of events, experiences and influences either now or in their past that has impacted on them personally. Many people have complex and busy lives and can lack the confidence, motivation and resilience to take a step forward to start feeling in control; and, often as a consequence of those unexpected events, lives can be transformed and it can feel impossible to get back on track.

Our EXPLORE START GROW framework has been developed in response to this providing personalised and strengths-based support to help people work through challenges and move on to brighter futures.

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

Our Purpose and Activities *(continued)*

The Focus Of Our Work - Objectives, Strategies and Activities

People are at the heart of our Charity. Unlocking the capacity within each individual to aspire to their passion and dream and support them on journeys to sustainable lives, whatever the background or circumstances, our support and guidance is multi-dimensional and responsive, recognising that the journey into a job, career and/or self-employment is unique to the individual and at every stage of the journey support needs to adjust and flex to overcome any personal and professional obstacles along the way.

EXPLORE START GROW is a blended mix of learning experiences with personal coaching to keep people energised and encouraged on their journey. Life is complex and there's often competing factors, situations, systems and back-stories that limit and curtail the ambition to aspire. In a welcoming and caring environment, we build trust and respect by taking the time to get to know people. We explore talents and abilities, and hopes and dreams, peeling back the layers bit by bit. We see people grow as they become more empowered and confident about their futures.

Our relationships with existing and new partners and stakeholders continue to be strengthened with colleagues across local organisations feeding back positively about the impact we are making. As a direct result we have grown a very strong network through which cross referrals provide more cohesive and joined up offers of support to local people. Organisations we are working collaboratively with include: Jobcentre Plus; local Schools; social housing providers; Moving on Tyne and Wear; local charities and voluntary organisations; the local authority and Newcastle Futures.

How Our Activities Deliver Public Benefit

The Trustees have considered the guidance published by the Charity Commission on the provision of public benefit and confirm that public benefit has been provided by the range of activities described, as follows:

EXPLORE

EXPLORE activities are creative and engaging and use a variety of themes as the inspiration to support those furthest away from the jobs market to take steps towards feeling confident, resilient and ready for work. Activities are delivered flexibly through a combination of experience-based learning and workshops and we develop people's confidence towards becoming economically independent through increasing personal capacity, aspiration and motivation with goal setting and empowering people to be in control of their choices.

Explore Workshops explore skills, barriers, employment, careers and action planning. This is the starting point for the journey unlocking mindset challenges to think more positively about setting a goal and action plan.

STEPS course (accredited by The Pacific Institute) uses cognitive theory and behavioural psychology to develop positive mind-set, behaviours and beliefs that strengthens resilience and feeling of control of your own decision-making.

RHWE Mentors is our volunteering course for mentors to reach out to communities and provide support for people needing encouragement and help on their journey.

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

How Our Activities Deliver Public Benefit *(continued)*

EXPLORE *(continued)*

Lights Camera Take Action course co-designed with a local casting agency partner using TV and film techniques as the catalyst for honing work-place skills. Participants gain an understanding of the sector, what it's like to work on set, learn to pitch confidently to an audience and work effectively in a team environment. Participants are supported to produce their own CV – an on-line profile and many have gone on to secure paid work as Supporting Artists on locally produced TV shows and films, found jobs in other industries, received 1:2:1 business support to explore self-employment ideas and registered self-employed.

Financial Wellbeing workshops support people facing money management challenges in relation to benefits, work and debt. Breaking down the barriers faced, guiding and supporting people with ways to make positive changes to the way they manage their finances we offer 1:2:1 specialist advice relevant to the personal situation so options can be considered and people can make considered and informed decisions.

START

START activities support people into work or self-employment. Arming people with practical knowledge they can act upon helps improve self-belief, confidence and understanding of how to apply this to job applications or starting a business or setting up a social enterprise. People can access a combination of experience-based learning, workshops, 1:2:1 coaching and business mentoring and access to funding.

HOW2 Workshops are an introduction to working for yourself or running an enterprise with key topics relating to self-employment and running an enterprise with the opportunity to share knowledge and peer support with others exploring a similar pathway.

Self-Employment and Universal Credit workshops are co-designed with a local welfare rights specialist is for people concerned about benefits and the potential impact on their self-employment journey. The session provides practical information about self-employment and navigating a Universal Credit account.

Business Advice 1:1's with an experienced business adviser helping explore business ideas, developing from a plan into reality and practical steps to take to get started.

Industry Taster Workshops are co-delivered with local employer partners who provide inspiration and a reality check on what it's really like to work in their industry from Care to Coding, Fashion to Digital Design. The employer partner shares an understanding of what the work is like, job roles available, any training or education requirements, and how to catch the eye of the employer through your application, all ran at the employer's venue so participants can see the workplace in action. RHWE Coaches provide the wrap around support to then help people explore, prepare and apply for job roles.

Creative Action workshops use creative techniques and ideas to generate social action and enterprise ideas and support the development of social action and enterprise ideas into a registered social enterprise or community-based business.

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

How Our Activities Deliver Public Benefit *(continued)*

GROW

Our Grow activities support business owners and those already self-employed to review and take practical steps toward managing, sustaining and growing a business in a fast-paced and rapidly changing enterprise landscape with a combination of workshops and 1:1 specialist support.

Business Master Classes provide access to specialist experts focussing on topics from Social Media, GDPR, Employment and HR, Leadership and Management.

TP5 Leadership and Management course (accredited by The Pacific Institute) designed to help owners and managers to be more aspirational and able to unlock personal mindset barriers that may be holding them back. Using powerful techniques and tools to develop better understanding of managing dynamic change, set and achieve transformational goals and develop growth strategies.

COMMUNITY SUPPORT

Our Trustees and Staff are passionate about grass roots support direct to local people and families. Our EXPLORE START GROW programme provides multiple pathways helping local people move closer to jobs or enterprise. Reviving the Heart of the West End also designates reserves to fund the following projects:

Scholarship Fund is a three-year Scholarship providing financial support for a course of higher education as well as technical and practical assistance during and after a Degree course. Applicants must reside in Newcastle's west end to be eligible.

School Uniform Grant is a discretionary grant awarded each year to 13 local west end primary and secondary schools to assist with the purchase of school uniforms for families often hit the hardest by changes in welfare benefits or for those who are new to our community.

Managed Workspace buildings at John Buddle Work Village and Buddle House provide office and workshop units for new and young start-up businesses to rent or virtual office services to support the start-up of new enterprises who are not able to make their first steps into premises.

Achievements and Performance

We have witnessed again an increase in demand for our support particularly through referrals from local organisations and agencies working with a diverse range of people. Through strong networks and with ideas for innovative services, we have engaged with more partners collaboratively to provide influence and expertise to develop effective solutions.

During the period, we are delighted to report on successes through our activities and collaborations together with new projects and initiatives that demonstrates how we respond to need and adapt to relevant opportunities that further support the needs of our beneficiaries.

Late in 2019, the launch of our EXPLORE START GROW framework brought exciting opportunities with new funding streams secured and evidence of impact gathered from pilot activity and evaluations that has informed the development of new activities. We secured two year's of match funding contribution from 2019 to 2022 for the programme. Over the period:

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

Achievements and Performance *(continued)*

175 people accessed business advice and guidance support to explore working for themselves, starting up their own enterprise.

131 business owners were supported to sustain or grow an existing business.

291 people have engaged with our Explore support for personal development to pursue next steps towards work.

British Council selected RHWE as an Active Citizens programme partner for our 5th year delivering social action and cultural engagement in Newcastle. 17 people participated in Active Citizens and four social action projects were developed during the training. We supported our Romanian Group to host a community open day and welcomed guests to a cultural diversity celebration event including Newcastle's Lord Mayor, local councillors, community members and the Romanian Consulate.

Our Managed Workspace buildings, John Buddle Work Village and Buddle House achieved an average occupancy of 94% and we supported 45 tenants over the period.

Kickstart . In October 2020, RHWE successfully applied to be a Gateway on the Government's Kickstart scheme of paid work placements for 16-24 year olds. 34 organisations collectively offering 102 placements have been supported to apply and been approved for the scheme.

CityLife Business Support . As a Business and IP Centre (BIPC) Expert in Residence, RHWE's advisers provided support to pre-start and existing businesses. Funding secured for the BIPC services enabled RHWE to engage from May 20 – March 21 with 34 existing businesses offering 8 hours of funded business support.

Theory of Change . The development of our very first Theory of Change model is underway working with impact specialist GoodLabs who has lead interactive sessions with the Trustees and the staff team and is working closely with the CEO to finalise a model to help shape our programme, report on impact on our beneficiaries, explain the relationship between the problems we address, the resources we deploy, the actions we take and the outcomes we achieve and demonstrate the effectiveness of our work.

Impact Measurement . Capacity building LA6 funding enabled us during the period to purchase and implement the impact measurement tool Signal and embed this as part of our engagement and registration process for beneficiaries. Signal brings a unique insight into individuals with a temperature check on their life taking a holistic 360 perspective across a range of indicators. Coaches take the participant through a picture-based survey and together set goals and an action plan. People are able to reflect on different parts of their life and this helps build and develop the trusted relationship with their Coach putting each person in control of their decision-making. During the period, 150 people took part in Signal as part of their journey with RHWE and we have been able to regularly analyse the responses to identify trends and issues that are emerging within our cohort across geography, areas of interest, ethnicity, gender for example.

CRM

We applied through a Charities scheme and secured a free version of the Salesforce CRM system and embarked on the design and implementation planning to introduce the system to track and record enquiries and caseload management to integrate with activity tracking. This has been a significant move for the charity to also incorporate how we capture output and outcome evidence, how we integrate activity engagement management through customer journals and where our impact measurement and evaluation tools.

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

Achievements and Performance *(continued)*

RHWE Website

During the period, we re-wrote and re-launched the website to bring together an overview of EXPLORE START GROW, news and events, links to our social media as well as showcasing good news stories.

Local Links

Our staff are actively encouraged to engage and support other charities, community and voluntary organisations and regularly volunteer their time for local good causes.

Community Led Local Development (CLLD) Local Action Group

Our CEO is an active member of the CLLD. CLLD is the Newcastle and North Tyneside programme of ERDF/ESF funding to help local people into jobs or starting businesses across the most disadvantaged areas in Newcastle and Wallsend, North Tyneside.

She also holds Trusteeships at Footsteps Children's Services (2016) and St Cuthbert's Care (2020).

School Governor Volunteer

Our Development Officer serves as a Community Governor for St John's Primary School, Benwell (2018) close to our charity's offices in Elswick, Newcastle.

Newcastle Food Bank

We continue to support our local food bank with regular donations from RHWE staff, tenants and visitors to a Food Bank Collection Point based at our offices at the John Buddle Work Village.

Financial Review

As expected, the total income against total expenditure has returned a small surplus in funds with an overall surplus for 2020/21 of £28,296. RHWE's investment in the period in infrastructure and staffing resource was planned in line with our strategic review.

During the year, we delivered activities and services which resulted in increased expenditure on salaries; however, with grant funding secured, opportunities for commissioned work and partnership bids were also seized to protect the charity and manage the growth in demand for our services in response to the pandemic. The Trustees must balance competing priorities when investing the Charity's assets; to use the assets to generate a reasonable income; whilst investing them safely and in such a way that they are accessible to support cash-flow.

The Trustees have considered the results of our financial performance for the year and are assessing the actions required to deliver robust management strategies to protect the Charity in light of the ever-changing, socio-economic and political environment.

Our project planning scrutinises all aspects of the delivery process with a high level of detail, and to accompany this our project budgeting is based on a bottom-up costing method with all budgets calculated to cover direct costs and make a contribution to core costs and overhead.

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

Financial Review *(continued)*

Financial Risk Management

The Charity manages its cash resources, including sufficient working capital, so that operating needs are met without the need for short term borrowing.

Principal Funding Sources

Aside from income generated by our managed workspace buildings, the majority of our funding comes through grants, contracts and small donations.

We continue to pursue new grants and contracts through commissioning to provide a mix of income streams into the Charity.

In 2020/21, the Charity was extremely grateful to be awarded the following funds. The amounts received during the year are recognised in note 5 of the financial statements.

Newcastle and North of Tyne CLLD ESF fund to support the Routes to Work project helping local people with personal development and employability support into jobs, training, education and volunteering.

Newcastle and North of Tyne CLLD ERDF fund to support the HOW2 Start and Grow Your Business project of pre-start, start-up and existing business support with business advice appointments, workshops and resources.

Community Foundation grant to support core costs during Covid-19 to support beneficiaries with engagement and welfare support.

British Council to run Active Citizens training for 12 local people to develop social action projects.

British Council for a Digital Device and Data Loan Scheme.

Bernicia Foundation for an Action to Enterprise project for local residents using enterprise and social action as a catalyst for personal development.

The Rank Foundation Covid 19 Recovery Fund to support core costs for the charity during the Covid-19 pandemic.

Power to Change Loss of Trading Income Support Fund to support core costs following the loss of trading income during Covid-19.

LA6 Learning Skills Gateshead for Next Steps project of employability and self-employment support.

Government Essentials Business Grants – discretionary relief grants during Covid-19 distributed by Newcastle City Council.

Cost Analysis

Wages and salaries, office costs and repairs and maintenance continue to be the main costs incurred by the Charity to enable it to deliver its charitable activities. As in prior years, expenditure has been tightly controlled and as a consequence has remained well within budget.

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

Financial Review *(continued)*

Fundraising and Income Generation

We have a clear strategy for fundraising and income generation.

Our EXPLORE START GROW programme will be delivered through a mix of grant, charitable support, commissions and contracts. This operates in conjunction with earned income through trading from our managed workspace buildings.

The strategy responds to the challenges across funding and commissioning with availability of large- scale grants becoming more limited and commissioned work highly competitive.

As we continue to evidence positive performance through EXPLORE START GROW, our development plans relating to potential sources of funding are coming to fruition with grants secured and new funding sources being proactively sought and responded to. We have identified opportunities for partner bids to develop with trusted partners where services complement and support the individuals we are here to serve.

We have had to consider the essential investment required in time and resources to secure the sustainable future of our Charity in line with our mission. Considerable efforts have been made by the staff team to ensure continuous improvement into quality management systems, impact measurement, project planning and management and budgeting and finance.

The team has delivered excellent work in support of the financial and operational plans contributing to the Charity's success.

Investment Powers and Policy

Under the Memorandum and Articles of Association, the Charity has the power to invest in any way the Trustees wish and the Trustees must balance competing priorities when investing on behalf of the Charity. They must use the assets to generate a reasonable income; whilst investing safely and in such a way that they are easily accessible to support cash flow to make up funding shortfalls.

The investment objective is to provide a balanced return on investments with a low to medium level of risk. Given the nature of the Charity's investment portfolio, coupled with Brexit and Covid-19, it is the Trustees' opinion that the performance on the investment was to be expected.

Reserves Policy and Going Concern

The Trustees have examined the Charity's requirements in line with SORP, to hold reserves to cover up to six months of operational costs. Our policy is reviewed annually and considers the key risks to the Charity. In calculating reserves to meet the operational needs of the Charity, we take account of the potential risks and confirm currently we hold reserves equivalent to 3.9 months of operational costs. The Trustees are mindful of the need to be prudent in respect of our reserves levels and on that basis the Trustees will continue to plan for unrestricted surpluses to fund investment in the strategic development and growth of the Charity. This will be achieved through continued income generation, identifying new unrestricted income sources and robust financial management.

The Trustees have considered the Charity's reserves and whilst they had agreed to a review of the allocation of designated funds in 2020/21, totalling £153,402, this was not possible due to the unprecedented nature of the financial year. The Trustees will carry out this review in 2021/22 so they have a more detailed reflection of short and long-term risks that they need to mitigate which are relative to asset purchase, unfunded essential activity and restructure.

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

Financial Review *(continued)*

Reserves Policy and Going Concern *(continued)*

Our Designated Funds reserve covers:

Property Repair Fund

The Charity has two business centre buildings on a long-term full repairing and insuring lease from Newcastle City Council and the Trustees are aware that all properties will need refurbishment and potential on an ongoing basis. This fund sets aside essential repair works and dilapidations as the buildings age.

Development Fund

The Trustees recognise that in expanding and embedding R.H.W.E. Limited new programmes, a fund is required to cover the development risks associated with designing and piloting new activities.

Restructure Fund

This fund has been established to fund the costs of any future restructuring at R.H.W.E. Limited.

IT Upgrade Fund

This fund has been established to fund the costs of upgrading technology infrastructure including the costs of change IT hardware and software.

Tangible Fixed Asset Fund

This purpose of this fund is to fund future fixed assets.

Plans for Future Periods

The forthcoming year 2021/22 will certainly be challenging for our Charity, in light of the Covid-19 pandemic and the prevailing external economic conditions that are having an immediate impact across our sector and on businesses. The CEO and Trustees have led a strong strategic and operational response to the current economic crisis and are working closely together in their proactive planning for the ongoing management of the Charity strategically and financially through the short and long term. We are mindful of the risks to the voluntary sector of the anticipated reduction in grant funding opportunities from trusts and foundations, the impact on small business survival; however, with our knowledge, expertise and networks in the employability and enterprise sectors we have already been able to secure new funding and have been asked to submit business cases for commissioned opportunities with new pipeline opportunities being addressed.

Our strong and stable relationships with our managed workspace tenants and the business community has reinforced our reputation in the business support arena and we have secured new funded opportunities based on our specialist areas of support for enterprise and employability.

Our EXPLORE START GROW programme has laid the foundations for supporting people through learning, skills development, knowledge and personal capacity building and we have delivered against our programme targets to date and evidenced success through strong project management and impact measurement to demonstrate the power of meaningful and timely interventions.

Working closely to develop strategic relationships and partnerships with a range of organisations and agencies, we are actively working on key pieces of work that will evidence clearly the benefit of our work and the impact we make on our beneficiaries.

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

Plans for Future Periods *(continued)*

New sources of funding

We will continue to seek new income streams to develop the capacity of the organisation and ensure the wider impact of EXPLORE START GROW activities reach more people. Our CEO has been invited to attend DWP Round table events in relation to our work with Kickstart; be part of a VCS focus group at the North of Tyne Combined Authority to represent VCS organisations and ensure a voice is heard in policy and decision making locally and regionally.

Collaboration and Partnerships

We are part of a strong community and voluntary sector in the City and will build on our 19 year reputation to develop opportunities we have identified and are discussing with key strategic charities who share our person-centric grass roots approach.

Accredited Training

R.H.W.E. Limited is a registered centre for SFEDi – the sector skills awards body for enterprise and employability. We have mapped qualifications across a sample of our current activities to be able to offer accredited learning that will open up potential new sources of income following positive conversations about funding with prime contractors, funders and local enterprise agencies. We continue to engage with stakeholders to explore this avenue of potential work and funding for the Charity.

Charity Profile

We have launched a review of our brand and marketing to develop a powerful new identity for the Charity and to refresh and update the marketing of our managed workspace buildings. We have reviewed our marketing and social media platforms internally and improved direct marketing communications; however, we recognise the need for a clear, consistent brand that reflects EXPLORE START GROW as well as the aims of our Charity.

Board Trustees

Strengthening the Board of Trustees has brought positive developments in policy and practice; however, recruitment of new Trustees has been a challenge with many people facing competing priorities and unable to commit to a Trusteeship during the pandemic. We have developed a Trustee Pack and will be carrying out a marketing activity to raise the profile of the organisation to attract new Trustees to bring our membership up to the recommended levels in accordance with good governance.

Advisory Sub-Groups

We will seek to establish sub-groups to support key strategic operations of the Charity to provide essential feedback to the CEO and staff team and are designing a feedback process to enable participants and clients to help shape and improve activities and services to be responsive to need.

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

Reference and Administrative Details

<i>Charity Name:</i>	R.H.W.E. Limited
<i>Charity Known Name:</i>	Reviving the Heart of the West End
<i>Charity Registration Number:</i>	1093668
<i>Company Registration Number:</i>	03359861
<i>Registered Office and Operational Address:</i>	John Buddle Work Village Buddle Road Newcastle upon Tyne NE4 8AW
<i>Bankers:</i>	Lloyds Bank 102 Grey Street Newcastle upon Tyne NE99 1SL
<i>Independent Examiner</i>	E. J. Hartshorne-Ferguson BA FCA Bell Tindle Williamson LLP The Old Post Office 63 Saville Street North Shields Tyne & Wear NE30 1AY
<i>Investment Managers</i>	Heartwood Wealth Management Limited 1 Kings Way London WC2B 6AN
<i>Solicitors:</i>	Sintons LLP The Cube Barrack Road Newcastle upon Tyne NE4 6DB

Directors and Trustees:

The Directors of the charitable company (the Charity) are its Trustees for the purpose of charity law and throughout this report and the financial statements are collectively referred to as the Trustees.

The Trustees who served during the year were as follows:

<i>Chairperson:</i>	M. B. Stoddart
<i>Trustees:</i>	Ms J. Reeve R. G. Webb W. McKay

The key management personnel who served during the year were as follows:

<i>Chief Executive Officer:</i>	Mrs A. Johnson
---------------------------------	----------------

The finance officer and the development officer are also considered to be key management personnel of the charity.

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

Structure, Governance and Management

Governing Document

R.H.W.E. Limited was incorporated as a company limited by guarantee on 25 April 1997 (company number 03359861) and registered as a charity on 3 September 2002 (charity number 1093668). The company was established under a Memorandum of Association which states the objects and the powers of the company and is governed under its Articles of Association. In the event of the company being wound up, the members are required to contribute an amount not exceeding £10.

R.H.W.E. Limited operating as Reviving the Heart of the West End is incorporated as a company limited by guarantee company number 03359861.

The principal object of the charitable company is the promotion for the public benefit of urban regeneration in areas of social and economic deprivation and, in particular, Newcastle upon Tyne.

Appointment of Trustees

The Directors of the company are also Charity Trustees for the purposes of charity law, and under the company's Articles of Association. Trustees are elected and co-opted, under the terms of the Articles of Association, at the Annual General Meeting (AGM) for a period of two years, after which they must seek re-election. All Directors of the charitable company are also Trustees under the Charities Act 2011.

Formal recruitment procedures are in place and are reviewed regularly. Trustees may be nominated on the basis of personal values and motivation consistent with the objectives of the Charity.

Trustees are committed to actively taking part in the governance and strategic development of the organisation outside regular Board Meetings. They give their time voluntarily and receive no benefits from the Charity.

The Trustee Policy is reviewed regularly and the Trustees and Chief Executive Officer work together to recruit new Trustees with expertise aligned to the Charity's vision and area of influence.

Trustee Induction and Training

There is a formal induction process for all new Trustees with the Chair and Chief Executive Officer. A briefing is given together with a detailed information pack, outlining the legal obligations under Charity and Company law, Charity Commission guidance, Memorandum and Articles of Association, a Strategic Plan, accounts and minutes of recent Trustee meetings. Those interested in becoming a Trustee are invited to attend a Board Meeting as a guest before considering applying to be a Trustee.

Organisational Structure and Decision Making

Trustees are responsible for the governance of the charity and meet regularly with the Chief Executive Officer who provides an operational update alongside discussion on strategic matters and the development of policies. Trustees are encouraged to provide support in specific themed areas of the Charity where particular expertise and experience are relevant.

The Chief Executive Officer leads on strategic management and operational matters holding team meetings to inform decision making processes and providing a channel for staff to regularly feedback on observations, ideas and challenges and to share relevant information from clients, partners, stakeholders or impact of external factors. Staff take part in meetings on matters including health and safety, marketing, impact, data, and quality. This supports the continuous review of practice, policy and procedures.

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

Structure, Governance and Management *(continued)*

Related Party Transactions

The Charity has established an excellent reputation for our person-centred, strengths-based approach where personal coaching is wrapped around creative and responsive programmes. We have a strategic voice across local, regional and national forums that are community-based, local authority-led or sector and business specific including NELEP, Jobcentre Plus, NEECC, VONNE, Locality and Small Charities Coalition. This has proved invaluable to the charity with improved organisational links leading to collaboration for designing new services and identifying opportunities for potential funding with key partners. The organisation's strategic presence is additionally reflected through our CEO's involvement with the development and governance model for the Newcastle and North of Tyne CLLD programme of ERDF/ESF funding moving local people furthest away from the jobs market into work or starting a business.

Pay Policy for Key Management Personnel

The Board of Trustees give their time freely and no Trustee received remuneration during the year. The key management personnel (KMP) pay is reviewed annually and is normally increased in line with average earnings. KMP salaries are considered in line with pay levels of other charities and organisations in the sector and the region and with consideration to the complexity of the role, the duties and responsibilities.

Risk Management

The Trustees understand their responsibility for the management of the risks faced by the Charity and work closely with the Chief Executive Officer. Appropriate systems, controls and procedures have been established with a Risk Register to reduce our exposure; and, manage, monitor and mitigate risk and uncertainty.

An annual review of the major risks faced by the Charity is undertaken and the Trustees are satisfied that our procedures are in line with our risk management process.

Risk management is considered at regular Trustee meetings and any changes or new risks identified are considered and responded to.

Currently, the biggest risk the Charity faces is the loss of income from the rental of office space at our two managed workspace properties in the west end of Newcastle and income from grant funded programmes.

The following are considered major risks for the Charity:

- *Financial risks* income loss, exceptional costs, fraud, insurance cover.
- *Governance risks* recruitment of Trustees and management, legislation and compliance.
- *Operational Risks* human resources, management information.
- *Quality Risks* competition risk, charitable objects risk, serious incident, breach of law.
- *External Risks* adverse publicity, government and local authority policy, competitors.

Corporate Governance

The Charity has internal measures and controls in place to manage expenditure and commitments. The Chief Executive Officer works with the staff team to regularly refine these processes to improve efficiency and to ensure effective and consistent monitoring of projects continues to meet the highest performance standards. Policies and procedures are regularly checked and approved by the Board to ensure compliance and good practice.

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

Trustees' Responsibilities in Relation to the Financial Statements

The Trustees (who are also the Directors of R.H.W.E. Limited for the purposes of company law) are responsible for preparing the Trustees' Annual 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 as at the balance sheet date and of its incoming resources and application of resources, including the surplus or deficit for the financial year.

In preparing those 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 judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees have overall responsibility for ensuring that the charitable company has appropriate systems and controls, financial and otherwise. The Trustees are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and for their proper application as required by charity law, and hence for taking reasonable steps to prevent and detect fraud and other irregularities and to provide reasonable assurance that:

- R.H.W.E. Limited is operating efficiently and effectively;
- All assets are safeguarded against unauthorised use or disposition and are properly applied;
- Proper records are maintained, and financial information used within R.H.W.E. Limited is reliable; and
- R.H.W.E. Limited complies with relevant laws and regulations.

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.

Trustees

The Board of Trustees are obliged to seek re-election, every two years, at the Annual General Meeting.

The Trustees who are Directors for the purposes of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report, are set out on page 12.

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

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

Trustees' Responsibilities in Relation to the Financial Statements *(continued)*

Trustees (continued)

- So far as we are aware there is no relevant information of which the company's independent examiner is unaware; and
- As Directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant information and to establish that the Charity's independent examiner is aware of that information.

Independent Examiner

E. J. Hartshorne-Ferguson BA FCA of Bell Tindle Williamson LLP will be appointed as independent examiner for the ensuing year.

This report was approved by the Trustees on 30th November 2021 and is signed on their behalf by:

.....
M. B. STODDART
Chairperson

R.H.W.E. LIMITED
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF R.H.W.E. LIMITED
FOR THE YEAR ENDED 31ST MARCH 2021

I report on the financial statements of R.H.W.E. Limited for the year ended 31st March 2021, which are set out on pages 18 to 28.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The Trustees (who are also the Directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. The Charity's Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The Charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the Charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

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

BASIS OF INDEPENDENT EXAMINER'S REPORT

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

INDEPENDENT EXAMINER'S STATEMENT

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

- which gives me reasonable cause to believe that, in any material respect, the requirements:
 - (a) to keep accounting records in accordance with section 386 of the Companies Act 2006, and
 - (b) to prepare financial statements which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006.
 - (c) to prepare financial statements in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.
 have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

E. J. Hartshorne-Ferguson

E. J. Hartshorne-Ferguson BA FCA
Independent Examiner

Bell Tindle Williamson LLP
Chartered Accountants
The Old Post Office
63 Saville Street
North Shields, Tyne and Wear
NE30 1AY

CHARTERED ACCOUNTANTS AND
REGISTERED AUDITORS
30th November 2021

R.H.W.E LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2021

	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u> <u>£</u>	<u>Designated</u> <u>Funds</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>2021</u> <u>Total</u> <u>£</u>	<u>2020</u> <u>Total</u> <u>£</u>
INCOME:						
Income from Charitable Activities	3	269,756	-	-	269,756	315,333
Investment Income	4	102	-	-	102	232
Donations and Legacies	5	100,464	-	88,318	188,782	94,305
TOTAL INCOMING RESOURCES		370,322	-	88,318	458,640	409,870
EXPENDITURE:						
Expenditure on Charitable Activities	6	365,935	-	88,561	454,496	433,864
TOTAL EXPENDITURE		365,935	-	88,561	454,496	433,864
NET MOVEMENT OF FUNDS IN FINANCIAL YEAR		4,387	-	(243)	4,144	(23,994)
TRANSFERS BETWEEN FUNDS		-	-	-	-	-
Unrealised gain/(loss) on investments	13	24,152	-	-	24,152	(7,670)
TOTAL MOVEMENT OF FUNDS IN FINANCIAL YEAR		28,539	-	(243)	28,296	(31,664)
RECONCILIATION OF FUNDS:						
TOTAL FUNDS AT 1ST APRIL 2020		117,490	153,402	19,011	289,903	321,567
TOTAL MOVEMENT OF FUNDS		28,539	-	(243)	28,296	(31,664)
TOTAL FUNDS AT 31ST MARCH 2021		146,029	153,402	18,768	318,199	289,903

The Statement of Financial Activities includes all gain and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities

The notes on pages 20 to 29 form part of these financial statements.

R.H.W.E LIMITED
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET AS AT 31ST MARCH 2021

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
		<u>£</u>	<u>£</u>
FIXED ASSETS			
Tangible Assets	12	63,283	69,938
Investments	13	114,815	90,663
		<u>178,098</u>	<u>160,601</u>
CURRENT ASSETS			
Debtors	14	34,973	100,582
Bank and Cash Balances		<u>290,480</u>	<u>158,549</u>
		325,453	259,131
CREDITORS - AMOUNTS DUE WITHIN ONE YEAR	15	<u>185,352</u>	<u>129,829</u>
		140,101	129,302
NET ASSETS		<u>318,199</u>	<u>289,903</u>
Unrestricted Funds	16		
General Funds		146,029	117,490
Designated Funds		<u>153,402</u>	<u>153,402</u>
		299,431	270,892
Restricted Funds	16	18,768	19,011
TOTAL FUNDS		<u>318,199</u>	<u>289,903</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 31st March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 30th November 2021 and are signed on behalf of the board by:

.....
M. B. STODDART
Chairperson

Company Number : 03359861

The notes on pages 20 to 29 form part of these financial statements.

R.H.W.E LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST MARCH 2021

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of Preparation

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

R.H.W.E. Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Preparation of the Financial Statements on a Going Concern Basis

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The trustees have considered the impact of Covid-19 and the financial assistance received when reaching this judgement. There are no significant judgments or key sources of estimation uncertainty that affect the financial statements.

c) Cash Flow Statement

The Trustees have taken advantage of the exemption from including a cash flow statement in the financial statements on the grounds that the Charity is small.

d) Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The following specific policies are applied to particular categories of income:

- Voluntary income received by way of grants is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the Charity becomes unconditionally entitled to the grant.
- Rent, tenants overhead charges and room hire is included in full in the period to which it relates.
- Investment income is included when receivable.
- Other income is included when receivable.

e) Fund Accounting

Unrestricted Funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated Funds are unrestricted funds set aside by the trustees for particular purposes. Provision has been made for a property repair fund, a development fund, a restructure fund, an IT upgrade fund and a tangible fixed asset fund.

R.H.W.E LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST MARCH 2021

1 ACCOUNTING POLICIES (continued)

e) Fund Accounting (continued)

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

f) Expenditure and Irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make 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.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include independent examination fees and costs linked to the strategic management of the charity.
- Expenditure on grants is recognised once the trustees have made an unconditional commitment to pay the grant and this is communicated to the beneficiary.

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

g) Support Costs

Support costs are those functions that assist in the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, payroll and governance costs which support the charity's activities. These costs have been included within expenditure on charitable activities.

h) Operating Lease Agreements

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the SoFA as incurred.

i) Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at cost less depreciation.

Depreciation is calculated to write off the cost of fixed assets over the expected useful lives of the assets concerned. The principal annual rates for this purpose, which are consistent with those of the previous year, are:-

	<u>%</u>	
Fixtures and Equipment	10 - 20	on a straight line basis
Solar Energy Equipment	5	on a straight line basis

j) Investments

Fixed asset investments are included at market value at the balance sheet date.

R.H.W.E LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST MARCH 2021

1 ACCOUNTING POLICIES *(continued)*

j) Investments *(continued)*

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

k) 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.

l) Cash at Bank and in Hand

Cash at bank and in hand comprises petty cash and funds held in the charity bank current account and deposit account.

m) Creditors and Provisions

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial Instruments

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

o) Retirement Benefits

The obligations for contributions to defined contribution retirement benefit schemes are recognised as the expense is incurred. The assets of the scheme are held separately from those of the company in an independently administered fund.

p) Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

2 LEGAL STATUS

R.H.W.E. Limited is a company limited by guarantee and as such has no share capital. In the event of the Charity being wound up, the trustees would be required to contribute an amount not exceeding £10.

R.H.W.E LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST MARCH 2021

3 INCOME FROM CHARITABLE ACTIVITIES

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>	<u>Total</u>	<u>Total</u>
			<u>£</u>	<u>£</u>
Rents	211,800	-	211,800	235,844
Tenants Overhead Charge	22,134	-	22,134	24,340
Room Hire and Conferences	11,819	-	11,819	37,098
Education and Training Courses	15,248	-	15,248	6,404
FIT Income	8,755	-	8,755	11,647
	<u>269,756</u>	<u>-</u>	<u>269,756</u>	<u>315,333</u>

4 INVESTMENT INCOME

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>	<u>Total</u>	<u>Total</u>
			<u>£</u>	<u>£</u>
Bank Interest Received	102	-	102	232
	<u>102</u>	<u>-</u>	<u>102</u>	<u>232</u>

5 DONATIONS AND LEGACIES

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>	<u>Total</u>	<u>Total</u>
			<u>£</u>	<u>£</u>
Grants	67,000	88,318	155,318	90,741
HMRC - CJRS Grants	33,243	-	33,243	-
Donations	221	-	221	876
Volunteer Services	-	-	-	2,688
	<u>100,464</u>	<u>88,318</u>	<u>188,782</u>	<u>94,305</u>

R.H.W.E. Limited were extremely grateful to receive the following grants during the financial year :

Newcastle and North of Tyne CLLD ESF fund to support the Routes to Work project helping local people with personal development and employability support into jobs, training, education and volunteering.	34,253
Newcastle and North of Tyne CLLD ERDF fund to support the HOW2 Start and Grow Your Business project of pre-start, start-up and existing business support with business advice appointments, workshops and resources.	15,470
Community Foundation grant to support core costs during Covid-19 to support beneficiaries with engagement and welfare support.	5,000
British Council to run Active Citizens training for 12 local people to develop social action projects. Monies were also received for a digital device and data loan scheme.	7,106
Bernicia Foundation for an Action to Enterprise project for local residents using enterprise and social action as a catalyst for personal development.	9,993
	<u>71,822</u>

R.H.W.E LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST MARCH 2021

5 DONATIONS AND LEGACIES - continued

Brought Forward	71,822
The Rank Foundation Covid 19 Recovery Fund to support core costs for the charity during the Covid-19 pandemic.	25,000
Power to Change Loss of Trading Income Support Fund to support core costs following the loss of trading income during Covid-19.	25,000
LA6 Learning Skills Gateshead for Next Steps project of employability and self-employment support.	12,000
Government Essentials Business Grants – discretionary relief grants during Covid-19 distributed by Newcastle City Council.	9,000
Newcastle City Council grant received to support the Routes to Work project.	7,831
Karbon Homes grant received to support the STEPS and Creative Action programme.	1,665
NELEP grant to help with restart and recovery.	3,000
	155,318

6 EXPENDITURE ON CHARITABLE ACTIVITIES

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>	<u>Total</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Grants Awarded	4,960	869	5,829	5,969
Business Centres				
Repairs, Maintenance and Depreciation	40,384	217	40,601	44,005
Heat and Light	22,776	11,139	33,915	24,932
Rates and Water	15,589	-	15,589	14,789
Insurance	4,555	-	4,555	3,950
Security Costs	4,734	-	4,734	5,141
Cleaning	9,782	-	9,782	16,430
	97,820	11,356	109,176	109,247
Cost of Events and Activities				
Other Events	948	25	973	3,217
Advertising Marketing and Recruitment	7,951	355	8,306	5,368
Business Resources	2,189	2,999	5,188	3,951
Tutoring Costs	9,512	9,026	18,538	28,740
Volunteer Expenses	-	-	-	2,688
Conference Costs	1,258	120	1,378	8,473
	21,858	12,525	34,383	52,437

R.H.W.E LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST MARCH 2021

6 EXPENDITURE ON CHARITABLE ACTIVITIES *(continued)*

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>	<u>Total</u>	<u>Total</u>
			<u>£</u>	<u>£</u>
Management and Administrative Costs				
Staff Costs (Note 8)	145,725	56,814	202,539	185,057
Training	-	-	-	10,131
Office Costs	23,477	1,741	25,218	31,180
Legal and Professional Fees	29,417	5,256	34,673	32,593
Accountancy	5,650	-	5,650	5,170
Bad Debts	35,500	-	35,500	1,025
Governance Costs (Note 7)	950	-	950	950
Bank Charges and Interest	578	-	578	105
	<u>241,297</u>	<u>63,811</u>	<u>305,108</u>	<u>266,211</u>
	<u>365,935</u>	<u>88,561</u>	<u>454,496</u>	<u>433,864</u>

7 GOVERNANCE COSTS

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>	<u>Total</u>	<u>Total</u>
			<u>£</u>	<u>£</u>
Independent Examiners Fees	950	-	950	950
	<u>950</u>	<u>-</u>	<u>950</u>	<u>950</u>

8 ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF MANAGEMENT PERSONNEL

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>	<u>Total</u>	<u>Total</u>
			<u>£</u>	<u>£</u>
Staff Salaries	126,141	56,814	182,955	164,132
Employers NI	13,980	-	13,980	16,101
Pension Cost	5,604	-	5,604	4,824
Other Staff Costs	-	-	-	-
	<u>145,725</u>	<u>56,814</u>	<u>202,539</u>	<u>185,057</u>

No employee received emoluments in excess of £60,000 during the year (2020: £nil).

No Trustees, nor any persons connected with them, have received any remuneration from the Charity during the year (2020: £nil). No Trustees have received any reimbursed expenses or any other benefits from the Charity during the year (2020: £nil).

The key management personnel of the Charity comprise the Trustees, the Chief Executive, the Development Officer and the Finance Officer. The employee benefits, including pension contributions, of the Chief Executive, the Development Officer and the Finance Officer were £114,157 (2020: £98,980).

R.H.W.E LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST MARCH 2021

9 STAFF NUMBERS

The average monthly head count was as follows:

	<u>2021</u> <u>Number</u>	<u>2020</u> <u>Number</u>
Management	3	3
Administrative Staff	3	2
Total	<u>6</u>	<u>5</u>

10 RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102.

11 TAXATION

The company is a registered Charity and accordingly is exempt from tax on its income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

12 TANGIBLE FIXED ASSETS

	<u>Solar</u> <u>Energy</u> <u>Equipment</u> <u>£</u>	<u>Fixtures &</u> <u>Equipment</u> <u>£</u>	<u>Total</u> <u>£</u>
COST			
At 1st April 2020	88,971	136,935	225,906
Additions	-	4,795	4,795
At 31st March 2021	<u>88,971</u>	<u>141,730</u>	<u>230,701</u>
DEPRECIATION			
At 1st April 2020	37,070	118,898	155,968
Charge for year	4,449	7,001	11,450
At 31st March 2021	<u>41,519</u>	<u>125,899</u>	<u>167,418</u>
NET BOOK VALUE			
At 31st March 2021	<u>47,452</u>	<u>15,831</u>	<u>63,283</u>
At 31st March 2020	<u>51,901</u>	<u>18,037</u>	<u>69,938</u>

R.H.W.E LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST MARCH 2021

13 INVESTMENTS

	Managed Investment Portfolio	
	2021	2020
	£	£
Market Value at 1st April 2020	90,663	98,333
Unrealised Gain/(Loss) in Year	24,152	(7,670)
Market Value at 31st March 2020	<u>114,815</u>	<u>90,663</u>

The Charity has an investment portfolio, which includes quoted equities and bonds, managed by Heartwood Investment Management, who have provided the year end valuation.

The market value of the investment portfolio at 13th December 2020 was £112,095.

14 DEBTORS

	2021	2020
	£	£
Trade Debtors	1,865	53,236
Prepayments	6,310	6,698
Other Debtors	26,798	40,648
	<u>34,973</u>	<u>100,582</u>

15 CREDITORS

	2021	2020
	£	£
Amounts due within one year :-		
Trade Creditors	33,807	20,570
Rent Deposits	21,638	24,909
Sundry Creditors and Accruals	108,713	61,293
PAYE	15,384	8,122
Value Added Tax	5,810	14,935
	<u>185,352</u>	<u>129,829</u>

R.H.W.E LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST MARCH 2021

16 STATEMENT OF FUNDS

	Balance 1st April <u>2020</u> £	Income £	Transfers £	Expended £	Unrealised Investment Loss £	Balance 31st March <u>2021</u> £
Unrestricted Funds	117,490	370,322	-	(365,935)	24,152	146,029
Designated Funds	153,402	-	-	-	-	153,402
Restricted Funds	19,011	88,318	-	(88,561)	-	18,768
	289,903	458,640	-	(454,496)	24,152	318,199

Unrestricted Funds

These are funds which the Trustees are free to use in accordance with the Charity's objectives.

Designated Funds

Designated Funds are unrestricted funds set aside by the Trustees for particular purposes. The Trustees consider it prudent to make provision for a property repair fund, a development fund, a restructure fund, an IT upgrade fund and a tangible fixed asset fund, as follows:

Property Repair Fund:

The Charity has two business centre buildings on a long-term full repairing and insuring lease from Newcastle City Council and the Trustees are aware that all properties will need refurbishment and potential on an ongoing basis. This fund sets aside essential repair works and dilapidations as the buildings age.

Development Fund:

The Trustees recognise that in expanding and embedding R.H.W.E. Limited new programmes, a fund is required to cover the risks associated with new work.

Restructure Fund:

This fund has been established to fund the costs of any future restructuring at R.H.W.E. Limited.

IT Upgrade Fund:

This fund has been established to fund the costs of upgrading technology infrastructure including the costs of changing IT hardware and software.

Tangible Fixed Asset Fund:

This purpose of this fund is to fund future fixed assets.

Restricted Funds

These are funds received for specific purposes and projects. Please see note 5 for the funds that were received this year.

R.H.W.E LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST MARCH 2021

17 INDEPENDENT EXAMINER'S FEE

	2021 £	2020 £
Independent Examination	950	950

Management and administrative costs include £5,170 (2019 : £5,310) in respect of accountancy, book keeping and associated services also paid to Bell Tindle Williamson LLP in addition to the independent examination fee.

18 COMMITMENTS UNDER OPERATING LEASES

At the 31st March 2021, the Charity had annual commitments under non cancellable operating leases as set out below:

	2021		2020	
	<u>Land & Buildings</u> £	<u>Other</u> £	<u>Land & Buildings</u> £	<u>Other</u> £
<i>Operating leases which expire:</i>				
Within 1 year	1,240	-	-	1,240
Within 2 to 5 years	-	-	-	1,240
	1,240	-	-	2,480

19 ANALYSIS OF NET ASSETS

	<u>Unrestricted</u> £	<u>Designated</u> £	<u>Restricted</u> £	<u>Total</u> £
Tangible Fixed Assets	63,283	-	-	63,283
Investments	-	114,815	-	114,815
Current Assets	268,098	38,587	18,768	325,453
Current Liabilities	(185,352)	-	-	(185,352)
	146,029	153,402	18,768	318,199

20 ULTIMATE CONTROLLING PARTY

In the opinion of the Trustees, there is no ultimate controlling party of the Charity other than the board itself.

R.H.W.E LIMITED
(A COMPANY LIMITED BY GUARANTEE)
RECONCILIATION OF INCOME AND EXPENDITURE TO MOVEMENT IN FUNDS
FOR THE YEAR ENDED 31ST MARCH 2021

		2021	2020
		<u>£</u>	<u>£</u>
(Deficit)/Surplus of Income over Expenditure in Year	<i>(See overleaf)</i>	4,387	(36,031)
Restricted Grants Received in Year	<i>(Per note 5)</i>	88,318	93,429
Restricted Expenditure in Year	<i>(Per note 6)</i>	(88,561)	(81,392)
Net Movement of Funds in Year	<i>(Per SoFA)</i>	<u>4,144</u>	<u>(23,994)</u>

R.H.W.E LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DETAILED ANALYSIS OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31ST MARCH 2021

	<u>Total</u>		<u>2021</u> <u>Property Costs</u>		<u>Development Activities</u>		<u>2020</u> <u>TOTALS</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>INCOME</u>								
Rents		211,800		211,800		-		235,844
Tenants Overhead Charge		22,134		22,134		-		24,340
Room Hire and Conferences		11,819		11,819		-		37,098
Bank Interest Received		102		102		-		232
Donations		221		221		-		876
Volunteer Income		-		-		-		2,688
Education and Training Courses		15,248		-		15,248		6,404
Grants Receivable Restricted		85,561		-		85,561		78,704
Unrestricted		67,000		67,000		-		-
HMRC - JRS Grants		33,243		24,413		8,830		-
Other Income		-		-		-		-
FIT Income		8,755		8,755		-		11,647
		<u>455,883</u>		<u>346,244</u>		<u>109,639</u>		<u>397,833</u>
<u>EXPENDITURE</u>								
<i>Overheads (Detailed Overleaf)</i>		451,496		316,775		134,721		433,864
<u>SURPLUS OF INCOME OVER EXPENDITURE</u>		<u>4,387</u>		<u>29,469</u>		<u>(25,082)</u>		<u>(36,031)</u>

R.H.W.E LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DETAILED ANALYSIS OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31ST MARCH 2021

	<u>Total</u>		<u>2021</u> <u>Property Costs</u>		<u>Development Activities</u>		<u>2020</u> <u>TOTALS</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>OVERHEADS</u>								
Staffing Costs	202,539		106,123		96,416		185,057	
DBS Checks	100		100		-		202	
Repairs and Maintenance	26,987		26,987		-		30,337	
Site Maintenance	2,164		2,164		-		2,398	
Telephone	5,554		5,276		278		4,506	
Broadband Facility	7,000		6,650		350		7,510	
Postage Printing and Stationery	5,330		5,311		19		6,686	
Advertising Marketing and Recruitment	8,306		4,951		3,355		5,368	
Business Resources	5,188		-		5,188		3,951	
Equipment Leasing	-		-		-		1,132	
Other Events	973		973		-		3,217	
Travelling	698		213		485		3,336	
Heating and Lighting	33,915		32,219		1,696		24,932	
Insurance	4,555		4,327		228		3,950	
Rates and Water	15,589		14,810		779		14,789	
Bank Charges	578		578		-		105	
Conference Costs	1,378		1,378		-		8,473	
Security Costs	4,734		4,734		-		5,141	
Refreshments	324		324		-		465	
Subscriptions	2,507		2,507		-		6,117	
Donations	-		-		-		50	
Sundry Expenses	379		351		28		1,176	
Covid 19 Costs	3,326		3,326		-		-	
Cleaning	9,782		9,293		489		16,430	
Accountancy	5,650		5,650		-		5,170	
Independent Examination Fee	950		950		-		950	
Legal and Professional Fees	34,673		24,661		10,012		32,593	
Training	-		-		-		10,131	
Volunteer Expenses	-		-		-		2,688	
Tutoring Costs	18,538		5,969		12,569		28,740	
Bad Debts	35,500		35,500		-		1,025	
Grants Awarded	2,829		-		2,829		5,969	
Depreciation	11,450		11,450		-		11,270	
		<u>451,496</u>		<u>316,775</u>		<u>134,721</u>		<u>433,864</u>