

Financial Statements

for the Year ended 31 March 2023

Newlon Fusion

Company number: 04000022

Charity number: 1119673

Contents

The Board and professional advisors.....3

Trustees’ annual report.....4

Independent auditor’s report..... 9

Statement of financial activities (incorporating an income and expenditure account).....12

Balance sheet.....13

Statement of cash flows14

Notes to the financial statements15

The Board and professional advisors

Company number: 04000022

Charity number: 1119673

Registered office and operational address

Newlon House
4 Daneland Walk
Hale Village
London
N17 9FE

Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Lloyd Gale-Ward	Chair
Matt Champion	Director (resigned December 2022)
Nicola Bastin	Director (resigned December 2022)
Edward Ihejirika	Director (appointed December 2022)
Aman Dalvi	Director (appointed December 2022)

Person with significant control

Newlon Housing Trust

Company Secretary

Tom O'Malley	(Appointed March 2023)
Cristina Jandic	(Resigned March 2023)

Key personnel

Misba Bemath

Bankers

Barclays Bank PLC
Business Service Team
Level 28
1 Churchill Place
London
E14 5HP

Solicitors

Devonshires
30 Finsbury Circus
London
EC2M 7DT

Auditors

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 OPA

The Trustees present their report and the audited financial statements for the year ended 31 March 2023.

Reference and administrative information set out on page 3 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities. SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The Charity's objectives in the context of urban regeneration and socio economic deprivation are:

- To relieve poverty, reduce unemployment, advance education, skills development, work experience.
- To provide advice, assistance or consultancy in order to provide support to existing and new businesses.
- To provide appropriate community buildings.
- To protect or conserve the environment including 'green' initiatives.
- To promote public safety.

The Trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees to ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Newlon Fusion operates in a strategic landscape shaped by an increasingly prominent employability and skills agenda, concerns for rising poverty and the wider impact of Welfare Reform. Our vision to address individual hardship and nurture communities translates into 2 clear objectives which provided focus and direction for activities undertaken in 2022-23:

- To grow the impact of our work, reaching more people, helping them out of hardship, out of debt and into employment.
- To strengthen the London communities in which Newlon works, in particular through effective and financially viable community hubs and activities that reduces poverty, isolation and digital exclusion.

The following strategies were adopted over the course of the year to drive activity and help us achieve these primary objectives:

1. Supporting residents in hardship

Secure and deliver the resident hardship fund, achieving longer term impact and benefit, including reduced rent arrears, incidence of possession proceedings and tenancy sustainment.

2. Community facilities

The goals are to enhance and expand service delivery in Tower Hamlets in response to changing local need through a range of wellbeing, welfare and inclusion initiatives, and improve longer-term sustainability of Newlon Fusion community venues through cost-effective partnership delivery and external income generation.

Achievements

Newlon residents receive support to help sustain their tenancies and to help them avoid the risk of becoming over-indebted through furnishing their homes. The funding supports residents in need, whether they are moving into Newlon properties, or facing emergency situations, including extreme poverty and debt.

The goal of the Hardship Fund is to distribute funding to Newlon residents in hardship. The need for support has increased nearly 5-fold as a result of the pandemic and the emerging cost of living crisis. In response to these challenges, this past year we distributed over £72,000 in hardship support to 229 households.

Our community venue in Tower Hamlets (Lascar Wharf) continued to promote social inclusion, bringing local people together through activities that provide opportunity for personal and social development.

Beneficiaries of our services

Newlon Fusion works with residents of Newlon Housing Trust and community members across our target boroughs of Hackney, Tower Hamlets, Haringey, Islington, Camden, Enfield, Waltham Forest and Redbridge. Recipients of Newlon Fusion's services include young people and adults who require support with finances, health and wellbeing, training, employment and other community engagement opportunities.

Our work helps hundreds of Newlon residents and community members to improve their skills and their lives and to create vibrant communities.

Financial review

A net expenditure budget was set for 2022-23, due to the challenges of securing external funding and the use of reserves in supporting Newlon Fusion's objectives. The net movement in funds was a deficit of £13,241 (2021-22: £16,758 deficit) on income of £63,430 (2021-22: £61,133). During 22-23 Fusion aimed to provide financial assistance of the value of £65K to residents facing hardship or poverty. This target was exceeded by £7K reflecting the significant demand from residents for assistance. The funds were used to provide items of furniture including white goods, as well as provide assistance with resident's energy bills.

In addition, Newlon Fusion aimed to secure donations income from third parties of £30K during the 22-23 financial year. This target was exceeded by £13.5K, Newlon Fusion would like to extend its gratitude to all donors that contributed towards the hardship fund.

The new financial year will see service delivery and funding distribution levels increase, with additional reserves funding accessed and match funding approved, alongside new external funding secured.

Reserves policy

The Trustees acknowledge their ability to designate all or some of the unrestricted accumulated surpluses. Should sufficient accumulated surpluses arise in the future, designations will be considered for contingent risk areas and/or key development areas. In particular the Trustees' policy is to consider six months expenditure to be a prudent amount to hold in reserves. Based on current levels of spend, this would target reserves to be in the range of £40,000. Newlon Fusion's unrestricted reserves at the end of the year were £129K. Fusion will continue to utilise unrestricted reserves to match donations from third parties and increase the reach of the hardship fund, which will reduce the gap between existing reserves and target reserves.

Principal risks and uncertainties

The majority of Newlon Fusion's income arises from charitable donations from third parties, all of which may face financial uncertainty due to current economic pressures, including inflation and rising interest rates. There is a risk that donation income will drop as potential donors retain funds for their own operations. This risk is mitigated as the vast majority of Newlon Fusion's donors are suppliers to Newlon Group companies and are contractually obligated to make donations to Newlon Fusion's hardship fund.

Newlon Fusion also generates income through the rental of a community centre, which would be impacted by a fall in bookings or a major repair requirement. If the community centre income were to fall, Newlon Fusion has significant cash reserves of £209K that could be used to maintain the level of hardship support to residents for the foreseeable future despite the drop in income.

Plans for the future

Newlon Fusion projects are expected to continue, with renewed focus on the needs of Trust residents and communities. Future business planning and activity will continue to reflect our core charitable objectives through tackling individual hardship and need and nurturing local communities in Newlon's operational area.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 18 May 2000 and registered as a charity.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

The day to day operations of Newlon Fusion and administration of the hardship fund is run by the Financial Inclusion Manager of Newlon Housing Trust, the ultimate parent company of Newlon Fusion. The Financial Inclusion Manager is an employee of Newlon Housing Trust and does not receive remuneration from Newlon Fusion.

The Trustees are members of the Board of Newlon Housing Trust and all training requirements are provided by Newlon Housing Trust. All Trustees give their time voluntarily and receive no benefits from the Charity. Any expenses reclaimed from the charity are set out in the accounts.

The charity is a company limited by guarantee and is a subsidiary of Newlon Housing Trust, part of the Newlon Group.

Intra-Group transactions and activity are governed by a formal agreement with Newlon Housing Trust. The charity operates under a memorandum and articles of association drafted widely to give the charity flexibility in delivering its principal objective of supporting and regenerating communities in areas of deprivation.

During the year the Board agreed that staff from Newlon Housing Trust would not deliver services and activities on behalf of Newlon Fusion and no management fee would be paid to the group. Financial services (if provided) are provided by the Group finance function.

Appointment of Trustees

We seek to ensure that Trustees, as far as possible, represent the diversity of the communities we serve and collectively provide the range of experience, technical and professional skills required by Newlon Fusion.

Trustees are appointed by the parent Board and they do not receive remuneration.

Policy for employment of disabled persons

Newlon Fusion is committed to a positive policy of equal opportunities and diversity. We uphold our belief in a society in which every person has a fair and equal place, by seeking to ensure that there is total equality in all of the functions of the organisation and in the delivery of its services, integrating equality of opportunity into all of our activities and actively opposing discrimination and prejudice in all forms. We work to ensure that all members of the community have access to and equal treatment in the provision of our services.

Statement of responsibilities of the Trustees

The Trustees (who are also directors of Newlon Fusion 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 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.

The Trustees are responsible for keeping proper 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 auditors are unaware;
- 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 auditors are 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; and

Trustees' annual report

- members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 2022-23 was 4 (2021-22 was 4). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Going concern

The financial statements are prepared on the basis that Newlon Fusion will continue for the forthcoming 12 months from the date of signing of these financial statements. The annual budget for 2023-24 was issued and approved by the Trustees. The Budget was subjected to various adverse scenarios. This work, along with the consideration of the mitigation plans and good level of liquidity, provides evidence in support of the going concern. For this reason Newlon Fusion continues to adopt the going concern basis in preparation of the financial statements.

Auditors

BDO LLP were reappointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Advantage has been taken of the small company's exemption.

The Trustees' annual report has been approved by the Trustees on 12 July 2023 and signed on their behalf by

Lloyd Gale-Ward, Chair

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Newlon Fusion ("the Charitable Company") for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the cash flow statement 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 1a to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: The Trustees' annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' annual report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which is included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

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 Trustee's 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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 determines 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Charitable Company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and the Charities SORP (FRS 102), and we considered the extent to which non-compliance might have a material effect on the Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Companies Act 2006 and relevant tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence if any.

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in their significant accounting estimates and judgements in relation to income recognition and debtor recoverability.
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted and journals posted after the year end.
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Laurence Elliott, Senior Statutory Auditor

For and on behalf of BDO LLP, Statutory Auditor

Gatwick

United Kingdom

Date:

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Statement of financial activities (incorporating an income and expenditure account)
for the year ended 31 March 2023

				2023			2022
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:							
Donations and legacies	2	2,000	-	2,000	2,000	-	2,000
Charitable activities							
Resident Empowerment	3	-	43,553	43,553	-	44,202	44,202
Community hubs	3	16,412	-	16,412	14,894	-	14,894
Investments	4	1,465	-	1,465	37	-	37
Total income		19,877	43,553	63,430	16,932	44,202	61,133
Expenditure on:							
Charitable activities		-	-	-	-	-	-
Resident empowerment	5	-	71,900	71,900	-	71,952	71,952
Community hubs	5	4,771	-	4,771	5,940	-	5,940
Other		-	-	-	-	-	-
Total expenditure		4,771	71,900	76,671	5,940	71,952	77,891
Net income/(expenditure) for the year	6	15,107	(28,347)	(13,241)	10,992	(27,750)	(16,758)
Net movement in funds		15,107	(28,347)	(13,241)	10,992	(27,750)	(16,758)
Reconciliation of funds:							
Total funds brought forward		260,803	(68,588)	192,215	249,811	(40,838)	208,973
Total funds carried forward		275,910	(96,936)	178,974	260,803	(68,588)	192,215

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 13 to the financial statements.

The notes on pages 15 to 23 form part of these financial statements.

Balance sheet

as at 31 March 2023

Company no. 04000022

			2023	2022
	Note	£	£	£
Current assets:				
Debtors	9	11,556	372	
Cash at bank and in hand		208,947	229,363	
		220,503	229,735	
Liabilities:				
Creditors: amounts falling due within one year	10	41,529	37,520	
Net current assets		178,974	192,215	
Total assets less current liabilities		178,974	192,215	
Total net assets		178,974	192,215	
The funds of the Charity:				
	13			
Unrestricted income funds:				
General funds		128,974	142,215	
Designated funds		50,000	50,000	
Total unrestricted funds		178,974	192,215	
Total Charity funds		178,974	192,215	

Approved by the Trustees on 12 July 2023 and signed on their behalf by

Lloyd Gale-Ward, Chair

Aman Dalvi, Director

The notes on pages 15 to 23 form part of these financial statements.

Statement of cash flows

for the year ended 31 March 2023

	Note	2023	2022
		£	£
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	14	(21,881)	(22,588)
Cash flows from investing activities:			
Interest received		1,465	37
Net cash from investing activities		1,465	37
Change in cash and cash equivalents in the year		(20,416)	(22,551)
Cash at the beginning of the year		229,363	251,914
Cash and cash equivalents at the end of the year	15	208,947	229,363

The notes on pages 15 to 23 form part of these financial statements.

1. Accounting policies

a) Basis of preparation

Newlon Fusion, limited by guarantee is a company incorporated in England & Wales under the Companies Act 2006. The registered office address is Newlon House, 4 Daneland Walk, Hale Village, London, N17 9FE.

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 (FRS102) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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.

b) Public benefit entity

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

c) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. The financial statements are prepared on the basis that Newlon Fusion will continue for the forthcoming 12 months from the date of signing of these financial statements. The annual budget for 2023-24 was issued and approved by the Trustees. The Budget was subjected to various adverse scenarios. This work, along with the consideration of the mitigation plans and good level of liquidity, provides evidence in support of the going concern. For this reason Newlon Fusion continues to adopt the going concern basis in preparation of the financial statements.

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.

d) 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.

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

Donations Income is used to fund Newlon Fusion's annual hardship fund. Donors specify which year's fund they are donating to and the income is recognised during the financial year specified.

e) 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.

f) 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.

g) 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 educational 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.

h) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

- Community hubs 100%

Support and governance costs are reallocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

- Community hubs 100%

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.

i) 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.

j) 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. Cash balances exclude any funds held on behalf of service users.

k) 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.

l) Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, key judgements have been made in respect of the following:

Income is generated from a range of sources, in particular, from grants and within the Newlon Group. Judgement is applied as to income recognition and recoverability on a source by source and/or contract by contract basis.

m) Disclosure exemptions

Disclosures in respect of the charity's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Newlon Group as a whole in the consolidated accounts of the Newlon Group.

2. Income from donations and legacies

	Unrestricted	Restricted	2023 Total	2022 Total
	£	£	£	£
Donations	2,000	-	2,000	2,000
	2,000	-	2,000	2,000

3. Income from charitable activities

	Unrestricted	Restricted	2023 Total	2022 Total
	£	£	£	£
The National Lottery	-	-	-	-
Hill Partnerships	-	-	-	10,000
Smarter Services	-	3,500	3,500	2,500
Mount Anvil	-	10,000	10,000	5,000
Oracle	-	1,500	1,500	1,000
Countryside Properties Plc	-	-	-	10,000
Media People	-	-	-	1,000
Etec	-	1,000	1,000	2,500
London Housing Consortium	-	-	-	3,802
Anglian	-	-	-	2,500
Wates	-	-	-	5,000
PRP Architects	-	2,500	2,500	-
QFSM	-	1,000	1,000	-
Delta Security	-	1,000	1,000	-
Glenman Corp	-	1,500	1,500	-
Mulalley	-	5,000	5,000	-
Oakray	-	4,500	4,500	-
Equans	-	5,000	5,000	-
Martin Arnold	-	2,500	2,500	-
Lightside Limited	-	2,500	2,500	-
EEM Limited	-	1,053	1,053	-
Other donors	-	1,000	1,000	900
Sub-total for resident empowerment	-	43,553	43,553	44,202
Community hall hire income	16,412	-	16,412	14,894
Total income from charitable services	16,412	43,553	59,965	59,096

4. Income from investments

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Interest	1,465	-	1,465	37
	1,465	-	1,465	37

5. Analysis of expenditure

	Resident empowerment £	Support costs £	2023 Total £	2022 Total £
Materials	71,900	-	71,900	71,952
Professional services	-	4,226	4,226	4,096
Other costs	-	150	150	150
Provision for bad debt	-	395	395	1,694
	71,900	4,771	76,671	77,891
Support costs	4,771	(4,771)	-	-
Total expenditure	76,671	-	76,671	77,891

Of the total expenditure, £4,771 was unrestricted (2022: £5,940) and £71,900 was restricted (2022: £71,952).

6. Net incoming resources for the year

This is stated after charging:

	2023 £	2022 £
Donated Services	2,000	2,000
Auditors' remuneration (excluding VAT):		
Audit	3,450	2,850

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

There were no employees during the year.

Trustees consider those staff with material delegations of authority available to them to conduct operational activities as key management personnel. The total employee benefits including pension contributions of the key management personnel, comprising the Chief Executive and the executive team, were Nil (2022: Nil). Within employee benefits, employers pension contributions of Nil were paid on behalf of key management personnel (2022: Nil) into defined contribution schemes including the 'auto enrolment' scheme.

The total employee benefits including pension contributions of the key management personnel were Nil (2022: Nil).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2022: £Nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £Nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling Nil (2022: Nil) incurred by Nil (2022: Nil) members relating to attendance at meetings of the trustees.

8. Taxation

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

9. Debtors

	2023 £	2022 £
Trade debtors	3,645	5,393
Provision for bad debts	(1,996)	(4,928)
Amount owed by Group undertakings	9,907	(93)
	11,556	372

10. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	39	1,199
Accruals	4,140	3,421
Deferred income	37,350	32,900
Other creditors	-	-
	41,529	37,520

11. Deferred income

Deferred income includes grants received in advance of project delivery.

	2023 £	2022 £
Balance at the beginning of the year	32,900	43,952
Amount released to income in the year	(32,900)	(43,952)
Amount deferred in the year	37,350	32,900
Balance at the end of the year	37,350	32,900

12. Analysis of net assets between funds

	General unrestricted 2023 £	Restricted 2023 £	Total funds 2023 £
Net current assets	178,974	-	178,974
Net assets at the end of the year	178,974	-	178,974

	General unrestricted 2022 £	Restricted 2022 £	Total funds 2022 £
Net current assets	192,215	-	192,215
Net assets at the end of the year	192,215	-	192,215

13. Movements in funds

	At 1 April 2022 £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At 31 March 2023 £
General funds	142,215	19,877	(4,771)	(28,347)	128,974
Designated funds	50,000	-	-	-	50,000
Total unrestricted funds	192,215	19,877	(4,771)	(28,347)	178,974
Restricted funds	-	43,553	(71,900)	28,347	-
Total funds	192,215	63,430	(76,671)	-	178,974

	At 1 April 2021 £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At 31 March 2022 £
General funds	158,974	16,931	(5,940)	(27,750)	142,215
Designated funds	50,000	-	-	-	50,000
Total unrestricted funds	208,974	16,931	(5,940)	(27,750)	192,215
Restricted funds	-	44,202	(71,952)	27,750	-
Total funds	208,974	61,133	(77,891)	-	192,215

14. Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the reporting period (as per the statement of financial activities)	(13,241)	(16,758)
Dividends, interest and rent from investments	(1,465)	(37)
(Increase)/Decrease in debtors	(11,185)	4,721
Increase/(Decrease) in creditors	4,010	(10,515)
Net cash flow from operating activities	(21,881)	(22,589)

15. Analysis of cash and cash equivalents

	At 1 April 2022 £	Cash flows £	Other changes £	At 31 March 2023 £
Cash at bank and in hand	229,363	(20,416)	-	208,947
Total cash and cash equivalents	229,363	(22,551)	-	208,947

16. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	Other changes £	At 31 March 2023 £
Cash at bank and in hand	229,363	(20,416)	-	208,947
Loans falling due within one year	-	-	-	-
Loans falling due after more than one year	-	-	-	-
Total cash and cash equivalents	229,363	(20,416)	-	208,947

17. Related party transactions

	2023 £	2022 £
Donations from Newlon Housing Trust	2,000	2,000

Newlon Housing Trust provides Newlon Fusion back office support services including IT and Finance services. The estimated value of the donated services for 2023 were £2K (2022: £2K). There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. Newton Housing Trust is a parent company of Newlon Fusion and Access Homes.

18. 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.

18. Parent entity

The Immediate parent undertaking is Newton Housing Trust.

The ultimate parent undertaking and controlling party is Newlon Housing Trust, a registered premier of social housing In England and Wales. Newlon Housing Trust is the parent undertaking of the smallest and largest group to consolidate these financial statements, Consolidated financial statements for Newlon Housing Trust are available from its registered office at 4 Daneland Walk, Hale Village, London, N17 9FE. Control is exercised by virtue of a 51% golden voting share available as part of reciprocal representation on the Boards of the two entities. Newlon Housing Trust authorises the proposed appointment and removal of Trustees from the board of Newlon Fusion.