

Financial Statements

for the Year ended 31 March 2024

Newlon Fusion

Company number: 04000022

Charity number: 1119673

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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

Edward Ihejirika

Aman Dalvi

Person with significant control

Newlon Housing Trust

Company Secretary

Tom O'Malley

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 0PA

The Trustees present their report and the audited financial statements for the year ended 31 March 2024.

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 during the past financial year in the context of urban regeneration and socio economic deprivation have been:

- 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.

Following a review of the Newlon Group structure, the board of the parent company Newlon Housing Trust approved the closure of Newlon Fusion at the Newlon Housing Trust Board meeting held in September 2023. The closure of Newlon Fusion will be completed during the financial year ending 31 March 2025. It was considered that the purposes and aims of Newlon Fusion can continue to be delivered directly by Newlon Housing Trust and that closing Newlon Fusion will reduce the administrative time and costs of the Newlon Group.

The accumulated funds of Newlon Fusion will be transferred to Newlon Housing Trust and used to continue to deliver Newlon Fusion's purposes and aims. Newlon Fusion does not have any restricted funds that will continue to need to be monitored and used to deliver objectives specifically set by donors. However, these funds will be ringfenced through the use of a separate bank account owned by Newlon Housing Trust and administered by the Financial Inclusion Manager, an employee of Newlon Housing Trust who currently administers the hardship funds within Newlon Fusion. This will ensure that the remaining funds donated by individuals and organisations will continue to be used to pursue Newlon Fusion's charitable aims.

The practical closure of Newlon Fusion will follow legal discussions and approval from the Charity Commission. All assets and liabilities are expected to be transferred to Newlon Housing Trust with the exception of the lease at the Lascar Wharf Community Centre, which is expected to be transferred to Outward, a charity and member of the Newlon Group.

As a result of the planned closure of Newlon Fusion, these accounts have been prepared on a basis other than going concern.

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 remained 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. In particular, the Trustees consider how activities have contributed to the aims and objectives that have been set.

Newlon Fusion operates in a strategic landscape shaped by concerns for rising poverty, the longer-term effects of the cost of living crisis and the ongoing impact of Welfare Reform. Our vision to address individual hardship and nurture communities translates into two clear objectives which provided focus and direction for activities undertaken in 2023-24:

- 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, particularly 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. These strategies will continue to be pursued by Newlon Housing Trust following the planned closure of Newlon Fusion in 2024-2025:

1. Financial Inclusion

Secure and deliver the resident hardship fund, as well as strengthen the long term financial resilience of residents. This includes reducing debt in priority areas such as rent arrears, reducing the incidence of possession proceedings and delivering tenancy sustainment using the provision of information around personal finance.

In addition, we are proactively engaging with residents when they initially contact us and providing information more widely about the help available, both nationally and within their own community. We have been raising awareness about Pension Credit and Universal Credit migration as well as developing schemes targeting members of the community that have been underserved such as care leavers, who would significantly benefit from this type of information.

2. Community facilities

The goals are to enhance and expand service delivery in Hackney, Tower Hamlets, Haringey, Islington, Camden, Enfield, Waltham Forest and Redbridge in response to changing local need through a range of wellbeing, welfare and inclusion initiatives and improve longer-term sustainability of community venues through cost-effective partnership delivery and external income generation.

Achievements

Newlon residents receive help to financially sustain their tenancies, meet their basic needs and avoid the risk of becoming over-indebted through furnishing their homes or addressing emergency situations. The funding supports residents in need, whether they are moving into Newlon properties, or current residents facing unexpected or emergency situations that put extra pressure on their income, including those facing 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 steadily since the pandemic and the current cost of living crisis. In response to these challenges, this past year we distributed over £83,000 in hardship support to 275 households.

In addition, we proactively engaged with residents when they initially contacted us and provided information more widely about the help available, both nationally and within their own community. We have been raising awareness about Pension Credit and Universal Credit migration as well as developing schemes targeting members of the community that have been underserved such as care leavers, who would significantly benefit from this type of information.

By providing information around personal finance our residents can maximise their household income while maintaining their domestic budgets, address their debts and avoid future indebtedness. Our ambition is for residents to become financially resilient.

Our community venue in Tower Hamlets (Lascar Wharf) continues 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 understanding all aspects of domestic finances, health and wellbeing, training employment and other community engagement opportunities.

We have also collaborated with external organisations to support their ongoing work with Newlon residents, including food banks and a homework club.

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

As we face the migration of many residents from general income benefits, including housing benefit, to Universal Credit we have worked to identify the potential problems our residents could face, how they prepare and highlight how we could help address them. As the migration is ongoing the work we are undertaking is not limited to 2023-24 and will be continued by Newlon Housing Trust in 2024-25.

To address the transition, we have provided information to residents explaining what they need to do to limit any potential negative impact. This includes information on welfare changes, regular updates in resident newsletters, and ensuring all colleagues who are engaging with residents are fully briefed and able to offer possible solutions for those negatively impacted.

Financial review

During the previous financial years we saw a significant increase in requests for hardship funding. As a result Newlon Fusion set an ambitious target of increasing the financial assistance delivered through the hardship fund in 2023-24 to £108K from £72K in 2022-23. We aimed to raise £54K from donations from third party donors, while funding the remaining £54K through a combination of revenue generated during the year and Newlon Fusion's reserves. During the year we secured £38K of third party funding and delivered £83K of hardship support. Newlon Fusion would like to extend its gratitude to all donors that contributed towards the hardship fund this year.

The net movement in funds was a deficit of £24,078 (2022-23: £13,241 deficit) on income of £60,182 (2022-23: £63,430). The growth in the deficit was due to Newlon Fusion utilising more reserves for the hardship fund than expected to cover the lower than expected total third party donations.

Plans for the future

Although Newlon Fusion will be closed during the next financial year, the projects will continue to be delivered by Newlon Housing Trust with renewed focus on the needs of Trust residents and communities. Newlon Housing Trust plans to raise £51K of third party contributions to the hardship fund and deliver £101K of financial assistance during the financial year ending 31 March 2025.

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.

Trustees' annual report

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.

Trustees' annual report

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

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
- 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 2023-24 was 4 (2022-23 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

A decision was taken by the Board of the ultimate parent company, Newlon Housing Trust, at a Board meeting held in September 2023 to transfer the trade and assets of Newlon Fusion to Newlon Housing Trust. Newlon Housing Trust will utilise the funds gifted to continue to deliver the purposes and aims of Newlon Fusion. Once the reserves have been transferred to Newlon Housing Trust, it is the directors intention to dissolve the entity. The financial statements are therefore prepared on a basis other than going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

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 10 July 2024 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 2024 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 2024 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.

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.

Independent auditor's report to the members of Newlon Fusion

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.

Emphasis of matter - basis of preparation

We draw attention to Note 1 to the financial statements which explains that the directors intend to dissolve the legal entity and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 1. Our opinion is not modified in respect of this matter.

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:

Independent auditor's report to the members of Newlon Fusion

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.

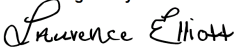
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence if any.

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.

DocuSigned by:

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Laurence Elliott, Senior Statutory Auditor

For and on behalf of BDO LLP, Statutory Auditor

Gatwick

United Kingdom

Date: **16 September 2024**

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 2024

				2024			2023
	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	-	39,450	39,450	-	43,553	43,553
Community hubs	3	16,407	-	16,407	16,412	-	16,412
Investments	4	2,325	-	2,325	1,465	-	1,465
Total income		20,732	39,450	60,182	19,877	43,553	63,430
Expenditure on:							
Charitable activities					-	-	-
Resident empowerment	5	-	78,400	78,400	-	71,900	71,900
Community hubs	5				-	-	-
Other		5,860	-	5,860	4,771	-	4,771
Total expenditure		5,860	78,400	84,260	4,771	71,900	76,671
Net income/(expenditure) for the year	6	14,872	(38,950)	(24,078)	15,107	(28,347)	(13,241)
Net movement in funds		14,872	(38,950)	(24,078)	15,107	(28,347)	(13,241)
Reconciliation of funds:							
Total funds brought forward		275,910	(96,936)	178,974	260,803	(68,588)	192,215
Total funds carried forward		290,782	(135,886)	154,897	275,910	(96,936)	178,974

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 2024

Company no. 04000022

			2024	2023
	Note	£	£	£
Current assets:				
Debtors	9	2,083	11,556	
Cash at bank and in hand		165,322	208,947	
		167,405	220,503	
Liabilities:				
Creditors: amounts falling due within one year	10	12,508	41,529	
Net current assets			154,897	178,974
Total assets less current liabilities			154,897	178,974
Total net assets			154,897	178,974
The funds of the Charity:				
	13			
Unrestricted income funds:				
General funds		104,897	128,974	
Designated funds		50,000	50,000	
Total unrestricted funds			154,897	178,974
Total Charity funds			154,897	178,974

Approved by the Trustees on 10 July 2024 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 2024

	Note	2024	2023
		£	£
Cash flows from operating activities:			
Net cash used in operating activities	14	(45,951)	(21,881)
Cash flows from investing activities:			
Interest received		2,325	1,465
Net cash from investing activities		2,325	1,465
Change in cash and cash equivalents in the year		(43,626)	(20,416)
Cash at the beginning of the year		208,947	229,363
Cash and cash equivalents at the end of the year	15	165,321	208,947

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

A decision was taken by the Board of the ultimate parent company, Newlon Housing Trust, at a Board meeting held in September 2023 to transfer the trade and assets of Newlon Fusion to Newlon Housing Trust. Newlon Housing Trust will utilise the funds gifted to continue to deliver the purposes and aims of Newlon Fusion. Once the reserves have been transferred to Newlon Housing Trust, it is the directors intention to dissolve the entity. The financial statements are therefore prepared on a basis other than going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

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	2024 Total	2023 Total
	£	£	£	£
Donations	2,000	-	2,000	2,000
	2,000	-	2,000	2,000

3. Income from charitable activities

	Unrestricted	Restricted	2024 Total	2023 Total
	£	£	£	£
The National Lottery		-	-	-
Hill Partnerships		-	-	-
Smarter Services		3,450	3,450	3,500
Mount Anvil		-	-	10,000
Oracle		1,000	1,000	1,500
Countryside Properties Plc		-	-	-
Media People		-	-	-
Etec		-	-	1,000
London Housing Consortium		-	-	-
Anglian		-	-	-
Wates		10,000	10,000	-
PRP Architects		-	-	2,500
QFSM		1,100	1,100	1,000
Delta Security		1,150	1,150	1,000
Glenman Corp		-	-	1,500
Mulalley		5,500	5,500	5,000
Oakray		1,900	1,900	4,500
Equans		-	-	5,000
Martin Arnold		2,750	2,750	2,500
Lightside Limited		-	-	2,500
EEM Limited		10,000	10,000	1,053
Other donors		2,600	2,600	1,000
Sub-total for resident empowerment	-	39,450	39,450	43,553
Community hall hire income	16,407		16,407	16,412
Total income from charitable services	16,407	39,450	55,857	59,965

4. Income from investments

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Interest	2,325	-	2,325	1,465
	2,325	-	2,325	1,465

5. Analysis of expenditure

	Resident empowerment £	Support costs £	2024 Total £	2023 Total £
Materials	78,400		78,400	71,900
Professional services		6,617		4,226
Other costs		150		150
Provision for bad debt		(907)		395
	78,400	5,860	84,260	76,671
Support costs	5,860	(5,860)	-	-
Total expenditure			84,260	76,671

Of the total expenditure, £5,860 was unrestricted (2023: £4,771) and £78,400 was restricted (2023: £71,900).

6. Net incoming resources for the year

This is stated after charging:

	2024 £	2023 £
Donated Services	2,000	2,000
Auditors' remuneration (excluding VAT):		
Audit	4,148	3,450

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 (2023: Nil). Within employee benefits, employers pension contributions of Nil were paid on behalf of key management personnel (2023: Nil) into defined contribution schemes including the 'auto enrolment' scheme.

The total employee benefits including pension contributions of the key management personnel were Nil (2023: Nil).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2023: £Nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £Nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totaling Nil (2023: Nil) incurred by Nil (2023: 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

	2024 £	2023 £
Trade debtors	3,265	3,645
Provision for bad debts	(1,182)	(1,996)
Amount owed by Group undertakings	-	9,907
	2,083	11,556

10. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	39	39
Accruals	4,977	4,140
Deferred income	7,292	37,350
Other creditors	200	-
	-	-
	12,508	41,529

11. Deferred income

Deferred income includes grants received in advance of project delivery.

	2024 £	2023 £
Balance at the beginning of the year	37,350	32,900
Amount released to income in the year	(32,900)	(32,900)
Amount deferred in the year	7,292	37,350
Balance at the end of the year	(11,742)	37,350

12. Analysis of net assets between funds

	General unrestricted 2024 £	Restricted 2024 £	Total funds 2024 £
Net current assets	154,897	-	154,897
Net assets at the end of the year	154,897	-	154,897

	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

13. Movements in funds

	At 1 April 2023 £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At 31 March 2024 £
General funds	128,974	20,732	(5,860)	(38,950)	104,897
Designated funds	50,000	-	-	-	50,000
Total unrestricted funds	178,974	20,732	(5,860)	(38,950)	154,897
Restricted funds	-	39,450	(78,400)	38,950	-
Total funds	178,974	60,182	(84,260)	-	154,897

	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	(4,377)	(28,347)	178,974
Restricted funds	-	43,553	(71,900)	28,347	-
Total funds	192,215	63,430	(76,671)	-	178,974

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

	2024 £	2023 £
Net income for the reporting period (as per the statement of financial activities)	(24,078)	(13,241)
Dividends, interest and rent from investments	(2,325)	(1,465)
Decrease/(Increase) in debtors	9,473	(11,185)
(Decrease)/Increase in creditors	(29,021)	4,010
Net cash flow from operating activities	(45,951)	(21,881)

15. Analysis of cash and cash equivalents

	At 1 April 2023 £	Cash flows £	Other changes £	At 31 March 2024 £
Cash at bank and in hand	208,947	(43,625)	-	165,322
Total cash and cash equivalents	208,947	(43,625)	-	165,322

16. Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	Other changes £	At 31 March 2024 £
Cash at bank and in hand	208,947	(43,625)	-	165,322
Loans falling due within one year	-	-	-	-
Loans falling due after more than one year	-	-	-	-
Total cash and cash equivalents	208,947	(43,625)	-	165,322

17. Related party transactions

	2024 £	2023 £
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 2024 were £2K (2023: £2K). There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. Newlon 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 Newlon 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.