BUILDING FUTURES EAST LIMITED

England & Wales · Charity number 1125555

Details

Status	Registered
Legal form	Charitable company
Company number	06261491
Registered	2008-08-18
Register	View on the Charity Commission register

Contact

Address	Begbies Traynor (Central) Llp Ground Floor Portland House 54 New Bridge Street West Newcastle Upon Tyne NE1 8AP
Phone	0191 269 9820

Activities

Objects: THE PROMOTION OF THE PUBLIC BENEFIT OF URBAN OR RURAL REGENERATION IN AREAS OF SOCIAL AND ECONOMIC DEPRIVATION (AND IN PARTICULAR THE EAST END OF NEWCASTLE UPON TYNE "THE AREA OF BENEFIT") BY ALL OR ANY OF THE FOLLOWING MEANS:1) THE RELIEF OF POVERTY:2) THE ADVANCEMENT OF EDUCATION, TRAINING OR RE-TRAINING3)_ THE PROVISION IN THE INTERESTS OF SOCIAL WELFARE AND SOCIAL EDUCATION OF OPPORTUNITIES AND FACILITIES FOR RECREATION, LEISURE TIME OCCUPATION AND PERSONAL AND SOCIAL DEVELOPMENT FOR THE COMMUNITIES OF THE TARGET AREA, AND IN PARTICULAR THOSE WHO BY REASON OF THEIR YOUTH, AGE, ABILITY, GENDER, POVERTY OR SOCIAL AND ECONOMIC CIRCUMSTANCES HAVE NEED OF SUCH OPPORTUNITIES AND FACILITIES.4) THE RELIEF OF UNEMPLOYMENT.5) THE PROMOTION OF GOOD HEALTH AND PROVISION OF CHILDCARE.6) THE PROMOTION OF COMMUNITY SAFETY AND PREVENTION OF CRIME.7) SUCH OTHER MEANS AS MAY ARISE FROM TIME TO TIME TO BE DETERMINED SUBJECT TO THE PRIOR CONSENT OF THE CHARITIES COMMISSIONERS FOR ENGLAND AND WALES.

Activities: Our aim is significant social impact through the creation of business that creates local employment opportunities through delivery of appropriate local services. The services we provide being of a tangible benefit to local communities, and more specifically neighbourhoods of need.

Downloaded from opencharities.uk/ew/1125555

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups

Geography

- **Area of benefit:** LOCAL
- Newcastle Upon Tyne City
- North Tyneside
- South Tyneside
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£418,143	£381,738	-	-
2023-09-30	£472,993	£489,708	-	-
2022-09-30	£718,973	£680,050	£-39,028	22
2021-09-30	£948,075	£917,981	£-77,951	29
2020-09-30	£701,293	£676,546	£-108,045	23

Trustees

Name	Role	Appointed
BRUCE STEWART SHEPHERD		
Dr Emma Barron		2023-05-12
Evette Callender		2023-05-12
Kerry Louise Drabble		2023-11-24
Matthew William Webster		2025-03-21
Peter Stoner		2023-03-24

Downloaded from opencharities.uk/ew/1125555

BUILDING FUTURES EAST LIMITED

England & Wales - Charity number 1125555

Accounts

BUILDING FUTURES EAST LIMITED

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
For the year ended 30 September 2024

Charity Number 1125555
Company Number 06261491

BUILDING FUTURES EAST LIMITED
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 30 September 2024

Contents	**Page**
Trustees annual report	1 to 8
Independent examiners report	9
Statement of Financial Activities (including income and expenditure account)	10
Balance sheet	11
Notes to the financial statements	12 to 22

BUILDING FUTURES EAST LIMITED
(A company limited by guarantee)

TRUSTEE ANNUAL REPORT (including Director's report)
For the year ended 30 September 2024

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ended 30 September 2024 which are also prepared to meet the requirements for a trustee's report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2022, 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective October 2019)

1. Objectives and Activities

Objects and aims
In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to the public benefit. A comprehensive and regularly updated set of policies and guidelines supporting the organisations responsibilities as charity, employer, training organisation and social enterprise have been formulated and published.

Delivery activities address the organisations values, objectives and organisational targets and are underpinned by our policy and practice directives. Much of this information is placed in the public domain via our website. The organisation has also increased its use of social media platforms to communicate with its audience on a range of related issues.

The Trustees and Senior Management Team have previously agreed a set of organisational aims and objectives as follows:

Strategies for achieving objectives
We continue to adhere to 3 primary and equally important organisational aims:

1. Within a caring, understanding and tolerant environment, developing people through learning, skills development, personal capacity building and pastoral support.

2. Strive to integrate the marginalised and vulnerable and those at times of transition through programmes that respect and respond to their specific needs and the wider community.

These are underpinned by 3 separate additional aims:

a) To articulate and advance the social and economic case for investment in fragile places through practical programme design and implementation within aims 1-3.
b) To develop the capacity of the organisation and its people to facilitate aims 1-3.
c) To develop Building Futures East as an exemplar organisation in community regeneration.

What is clear is that the work undertaken across our teams operationally and, more specifically, strategically, during the year, provides the foundation for future advancement in:

- Increased Financial Stability
- Partnership Development
- Service Expansion and Diversity
- Augmented Reputational Advantage
- Organisational Influence

This follows a pattern established in our early development around:

• The constant drive for quality improvement and maintaining the highest standards in delivery across all areas of service
• Adherence to Mission, vision and values
• Tuned into opportunity, the reality of need as expressed by our communities and the creative ability to honestly and with integrity, connect the two.

The activities of the organisation undertaken during the year and which are described within this document, evidence our progress against our aims and objectives and those points described above.

2. Public Benefit Statement

The trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The charitable objectives are also set in order to provide a clear and demonstrable public benefit.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

3. Contribution by Volunteers

The charitable company is grateful for the continued unwavering support of our volunteers, without whose energy and commitment, many of our services would be the poorer, or indeed not be sustainable. These volunteers give so freely of their time to assist us in a range of ways, and we have been fortunate over the past year to have further expanded our volunteer base, enabling us to reach more community members in need of our support. Volunteering opportunities are also specifically offered to those who might benefit from a supported experience close to the real working environment.

4. Achievements and Performance

Our delivery during 23-24 has continued to be shaped directly in response to the expressed needs of the communities we serve. Inward referrals remained high with the majority of requests for assistance directly attributable to continued rising costs of living and households facing greater food and fuel poverty crisis. During the financial year, our team worked with individuals facing increasingly complex needs including debt, sub-standard housing, problems accessing the welfare benefits they are entitled to, substance misuse, the detrimental impact of health inequalities, long term health conditions and the effects of social isolation. The number of people citing poor mental health as a significant barrier and daily challenge increased by 22% from the previous year.
Across the year our project interventions had direct and indirect positive impact upon over 5100 residents predominantly in Newcastle and North Tyneside. Of these, 497 benefitted from high quality skills development courses and careers and labour market advice to aid their journey towards and into employment.
Notable successes and achievements throughout the year are:

- Continued delivery as a partner on the UK Shared Prosperity funded (UKSP) 'Relational Mentoring' project with the North East Combined Authority (NECA) as the lead authority. Funded since April 23, this project, led by the Wise Group, has delivered intensive 1-to-1 mentoring support specifically for residents across Newcastle and North Tyneside who are economically inactive and experiencing multiple barriers that prevent them from thriving, meeting essential life goals. Our mentors provide bespoke support across a number of areas including fuel and food poverty, health and wellbeing, communication skills, confidence and basic skills such as English, Maths and digital skills

- 'Talent Pools and Pathways', also funded via UKSP funding via NECA, continues to deliver significant skills development and employment outcomes for Newcastle residents. As a delivery partner, we have been able to provide robust basic skills training, careers advice and employability support across the partnership. Led by Newcastle City Council, the partnership brings together expertise across a number of areas such as ESOL support, life, basic and vocational skills development, volunteering and work placement opportunities, allowing beneficiaries to access a holistic package of advice and support tailored to meet their specific needs
- Our East End Women project, funded by the National Lottery Community Fund 'RC North East and Cumbria Region', saw us work with over 2100 women both directly and indirectly, in the year to end of Sept 24. Whilst not exhaustive, we offered specialist advice, support and therapeutic activities for some of the most marginalised and vulnerable women in our community. 214 women come to us for domestic abuse support notably higher than the previous year and a stark reminder that domestic abuse remains a significant issue faced by so many. Our wellbeing activities expanded to include women's wellbeing and menopause support sessions as well as learn to ride and guided cycle rides aimed at women who had either never cycled before or who hadn't cycled for several years. Our Sew Sisters project ran courses for women to learn new skills in garment making, pattern cutting, clothing upcycling, repair and alteration. We are proud to champion the environmental benefits of recycling and reusing, helping raise awareness of the impact of fast fashion and encouraging participants to get maximum life out of their existing wardrobe. Over 990 of the women we engaged with during the year received support with food and essential hygiene products although the actual total including indirect beneficiaries will be significantly higher
- Delivery of our Lifting Neighbourhoods Together (LNT) project was originally due to end in July 24 however we were granted to opportunity to utilise some pre-existing underspend by the National Lottery in order to extend delivery through to December 24. LNT activity in Walker continues to go from strength to strength with community members engaging well with services offered via the project. Most notably, a group of community members who in previous years had accessed our services and subsequently became regular volunteers for us, came together to set up their own constituted group – Thriving Walker. This is hugely impactful and demonstrates the power and importance of the community feeling empowered to use their voice, to feel listened to and to have the opportunity to shape the services and opportunities they desire for the area they reside in. Thriving Walker members are now being supported to obtain charitable status, and they remain passionate about seeing all residents in Walker thrive. Support groups and sessions, some peer led, continue to provide activities aimed at improving health and wellbeing, aiding substance misuse recovery, facilitating therapeutic activities to reduce social isolation, increasing basic skills and offering careers and employability support

Food insecurity remains a prominent factor in Walker and Byker. Our emergency foodbank continues to take referrals for households in crisis in Walker and Byker. We do however continue to struggle to keep shelves stocked and are heavily reliant upon the generosity of the public who either support our crowdfunding campaigns, make donations of food and other essentials and volunteer for us. Without their support we simply could not continue to offer this lifeline for the most vulnerable residents. We remain grateful for the goodwill shown by so many, particularly as the rising costs of living continue to detrimentally affect so much of society.

A number of years ago, the charity was gifted a double decker bus, and it has remained in situ beside our main office ever since. Over the past 12 months we have continued to work on our conversion of it into a large greenhouse – our Secret Garden. Again, we have benefitted from the support of volunteers who share our passion about growing your own and giving local community members the opportunity to gain new skills and take fresh produce home. They have worked to paint the exterior of the bus, remove the seating and convert the interior so that it now has potting benches and a seating area. We continue to work on the top deck to fit the area out and have work still to complete in making the roof fully watertight. In the area around the bus, we have been working to enhance our wider 'Riverside Roots' community garden space. Again, with the support of volunteers, we now have more planters and areas to encourage nature to flourish.

We have seen the diversity of wildlife widen and now regularly see rabbits, squirrels, ducks and even the occasional fox! Our planting seeks to encourage pollinators, and we have further exciting plans to create a pond, instal a summerhouse and provide more areas for community members to sit, reflect and soak in the superb views we have over the River Tyne.

We offered winter warm hub spaces and activities from both of our sites in Walker. Further grant funding from Newcastle City Council has enabled us to continue to provide wellbeing hub activities that focus upon providing Newcastle residents with opportunities to come together in a safe, welcoming space and join in with a range of activities that improve physical and mental health, increase social interactions and provide opportunities to learn new skills.

In June 24 we hosted another Masters student from the Clinton School of Public Service in Little Rock, Arkansas. As Newcastle holds Sister City status with Little Rock, it has continued to be a pleasure to be able to host one of their students and contribute to their studies.

We continue to be an active member sitting on the Newcastle 'Work & Thrive' Employment Partnership Strategy Group, helping to shape the strategic approach across the city that will ensure all residents have access to good work. The group works with key strategic partners such as Jobcentre Plus, Newcastle Housing and transport leads to ensure accessibility for all and take steps to reduce the structural barriers faced by residents when trying to access quality, sustainable employment.

23-24 saw further positive development in terms of our governance and board membership. Much time and effort was invested in recruiting new Trustees and to expanding the diversity of skills and representation. We successfully recruited further members and Trustees engaged in strategic development sessions to enhance their understanding of their responsibilities. The expertise and connections of our current Trustees adds great value to the organisation and has been invaluable particularly in terms of strategic forward planning.

5. Fundraising

We have a clear strategy in relation to the funding of our employability, community regeneration and labour market programmes through a mix of grant aid, charitable support and contract work. During the course of this year, we have increased the volume of our charitable fundraising applications as a result both of the impact of the continuing squeeze on available public funding and the need to increase our levels of unrestricted reserves. We have worked not only to increase internal capacity to enable us to submit greater volumes of bids but also increased our use of social media and varied digital crowdfunding platforms to raise the profile and consequential donations in support of our work. We are working closely with a marketing professional in order to review our current systems and develop approaches that yield maximum rewards for us.

This strategy understands and responds to the fact that large scale grants continue to be limited and highly competitive and our focus therefore, which has demonstrable success, has been to prepare applications on a smaller scale to a larger number of funders.

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised directly from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

6. Financial review

Review of the year
The results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

During the year the Charity had income of £418,143 (2023: £472,995) of which £339,743 was restricted (2023: £359,100) and expenditure of £381,738 (2023: £489,710) of which £353,665 was restricted (2023: £356,071). There was an operating surplus of £34,138 (2023: deficit of £16,715) of which a deficit of £13,922 was restricted (2023: surplus of £3,029).

At 30 September 2024 the Charity had net liabilities of £21,605 (2023: net liabilities of £55,743) of which £nil was restricted (2023: net assets of £13,922).

Policy on reserves
The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charitable company to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. This exercise considered both the normal requirements for working capital and the loss of income of a hypothetical but reasonable reduction in the scale of operations. Resulting from this, the trustees considered it would be appropriate to hold the equivalent of three months' payroll expenditure, which would equate to holding approximately £45,000- £50,000 in free reserves.

The trustees acknowledge that as at 30 September 2024 the charity had no free reserves. The trustees recognise the importance of serving the charity's future by rebuilding unrestricted reserves and free reserves and this is a key priority. The need for the charity's services continue to grow and therefore the demand on future reserves will also be greater, hence the charity continues to require future funding and the support of its funding partners.

Going concern
The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The financial statements show that the charity has made an in-year surplus of £34,138. This has resulted in the continued restoration of the balance sheet, which although still in a deficit position, has improved significantly from the previous years. The charity continues to show a deficient balance sheet of £21,605 which is an improved position from the prior year.

Forecasts provided by the charity show that the entity continues to be able to pay liabilities as they fall due. The entity continues to have an overdraft facility from the bank of £25,000.

On that basis, the going concern basis of preparing the accounts remains appropriate.

7. Risk Management

The trustees have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Board is responsible for the management of the risks to which the Charity is exposed. A risk register is produced which considers financial, governance and delivery risks.

For each risk, the register identifies:

- Initial risk assessment in terms of impact and likelihood
- Initial risk rating
- Counter measures
- Responsibility / ownership
- Timescale
- Amended risk assessment in terms of impact and likelihood
- Amended risk rating

The Board reviews the risk register throughout the year. Through the counter measures put in place in the risk register and the regular reviews and updates, the Board is satisfied that the major risks identified have been adequately mitigated. It is recognised that this approach can only provide reasonable but not absolute assurance that major risks have been adequately managed.

8. Plans for future periods

The team continue to explore opportunities for growth and have great creativity, with ideas aplenty as to how best to respond to the expressed needs of the communities we serve. Efforts made to increasing the levels of unrestricted income has yielded positive results and this work continues on a positive trajectory. With the support of one of our Trustees, our use of social media channels has been consolidated, creating improved brand clarity and much clearer external understanding of the breadth and depth of the entirety of our organisations work.

We remain passionate about tackling social injustice, poverty, marginalisation and providing the best possible life opportunities for all of those we support. We want to see our beneficiaries 'Thrive, not Survive' and will continue to work tirelessly to achieve these aims.

9. Reference and administrative details of the charity, its trustees and advisors

Trustees

B Shepherd OBE
C M Sayers
P J Stoner
D A Turnell
E Callender
Dr E Barron
P Crabtree
K Mcfarlane
A Wright
M W Webster (appointed 21 March 2025)
J Maddison (appointed 5 June 2024)
J Blackie (appointed 20 September 2024)
H Woods-Waters (resigned 2 June 2024)
C M Sayers (resigned 20 September 2024)

Company Registration Number

06261491

Charity Registration Number

1125555

Solicitors:
Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

Independent Examiner:
Doug Maltman FMAAT
Connected Voice Business Services
One strawberry Lane
Newcastle upon Tyne
NE1 4BX

10. Structure, governance and management

Nature of governing document
The charitable company is registered as a charitable company limited by guarantee. The charitable company is constituted under a Memorandum of Association dated 27 May 2007 as amended on 23 June 2008 and is a registered charity number 1125555. The principal object of the charitable company is the promotion of the public benefit of urban or rural regeneration in areas of social and economic deprivation (and in particular in the East end of Newcastle upon Tyne).

Recruitment and appointment of trustees
The management of the charitable company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Articles of Association make provision for "Associate" members who have the entitlement to attendance and representation but without the right to vote.

All directors of the charitable company are also trustees under the Charities Act 2011. Trustees may be nominated on the basis of personal values and a motivation consistent with those of the organisation. Trustees are appointed for a period of three years at which point they must retire or stand for re-appointment as described in the Articles of Association.

Induction and training of trustees
New trustees receive an induction, which includes a briefing on their legal obligations under charity and company law, the Memorandum and Articles of Association, the committee and decision making processes, the business plan, accounts, minutes of recent trustee meetings and a schedule of future dates.

Organisational structure
The organisation operates along conventional lines with management and team meetings at all levels. These then inform the decision making process in addition to the feeding in of external information from partner organisations and service users. There are also thematic meetings of staff and management to support such issues as Health and Safety and Continuous Quality Improvement. These also make important contributions to policy and practice development.

11. Related parties

Shepherd Offshore Group Limited
Shepherd Offshore Group Limited is a related party by virtue of its part owner, Bruce Shepherd who is also a trustee of the charitable company.
During the year the charitable company charged Shepherd Offshore Group Limited £NIL (2023 - £1,404) for environmental maintenance services.

Shepherd Offshore Limited
Shepherd Offshore Limited is a related party by virtue of its part owner, Bruce Shepherd who is also a trustee of the charitable company.
During the year Shepherd Offshore Limited charged the charitable company £3,855 (2023 - £1,744) for rent and service charges.
The charitable company charged Shepherd Offshore Limited £NIL (2023 - £2,812) for environmental maintenance services.

Shepherd Offshore Services Limited
Shepherd Offshore Services Limited is a related party by virtue of its part owner, Bruce Shepherd who is also a trustee of the charitable company.
The charitable company charged Shepherd Offshore Services Limited £NIL (2023 - £400) for environmental maintenance services.

Other
During the year NIL (2023 - £9,000) donation was received from a close relation of one of the trustees. At the year-end £22,500 was owed to trustees and key management personnel (2023 - £22,500).

12. Statement of Trustee Responsibilities

The trustees, who are also directors 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 incoming resources and application of resources, including the income and expenditure of the charitable company for that year. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping 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.

Approved by the Board on 24.06.2025 and signed on their behalf by:

P Crabtree (Treasurer)

BUILDING FUTURES EAST LIMITED

(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 30 September 2024

I report on the financial statements of Building Futures East Limited for the year ended 30 September 2024, which are set out on pages 10 to 22.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2022 ("the Charities 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 Fellow Member of the Association of Accounting Technicians.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

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

Basis of independent examiner's statement

My examination was carried out in accordance with 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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts 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 material matters have come to my attention which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

I have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Doug Maltman FMAAT
Connected Voice Charity Business Services
Fellow member of the association of Accountancy Technicians
One Strawberry Lane
Newcastle upon Tyne
NE1 4BX
Date: 24.06.2025

BUILDING FUTURES EAST LIMITED

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING SUMMARY INCOME & EXPENDITURE ACCOUNT)

For the year ended 30 September 2024

	Notes	Unrestricted Funds £	Restricted Funds £	**Total 2024 £**	Total 2023 £
Income from:					
Donations and legacies	6	49,450	-	**49,450**	34,155
Charitable activities					
Grants and contracts	7	28,950	339,743	**368,693**	403,873
Other trading activities	8	-	-	**-**	34,965
Investments	9	-	-	**-**	2
Total income		78,400	339,743	**418,143**	472,995
Expenditure on:					
Raising funds	10	-	1,357	**1,357**	47,390
Charitable activities					
Operation of the charity	11	28,073	352,308	**380,381**	442,320
Total expenditure		28,073	353,665	**381,738**	489,710
Net income/(expenditure) before investment gains/(losses)		50,327	(13,922)	**36,405**	(16,715)
Net gains/(losses) on investments		(2,267)	-	**(2,267)**	-
Net income/(expenditure)		48,060	(13,922)	**34,138**	(16,715)
Reconciliation of funds					
Total funds brought forward		(69,665)	13,922	**(55,743)**	(39,028)
Total funds carried forward		(21,605)	-	**(21,605)**	(55,743)

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities

The notes on pages 12 to 22 form an integral part of these accounts.

BUILDING FUTURES EAST LIMITED
(A company limited by guarantee)

Charity Number 1125555
Company Number 06261491

BALANCE SHEET
As at 30 September 2024

	Notes	£	Total 2024 £	£	Total 2023 £
Fixed assets					
Tangible assets	18		12,628		27,213
Total fixed assets			**12,628**		**27,213**
Current assets					
Debtors	19	49,855		33,492	
Cash at bank and in hand	20	198		158	
Total current assets		**50,053**		**33,650**	
Creditors: amounts falling due within one year	21	**(84,286)**		**(98,272)**	
Net current assets			**(34,233)**		**(64,622)**
Total assets less current liabilities			**(21,605)**		**(37,409)**
Creditors: amounts falling due after more than one year	22	**-**		**(18,334)**	
Total net assets or liabilities			**(21,605)**		**(55,743)**
Funds of the charity					
Unrestricted income funds			(21,605)		(69,665)
Restricted income funds			-		13,922
Total funds			**(21,605)**		**(55,743)**

The company was entitled to an exemption from audit under s477 of the Companies Act 2006 relating to small companies.
The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with the respect to accounting records and the preparation of accounts.
These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

The notes on pages 12 to 22 form an integral part of these accounts.

These financial statements were approved by the Board on: 24.06.2025

and are signed on its behalf by: P Crabtree
Treasurer

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:

2 Basis of accounting

2.1 Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective October 2019) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2022.

Building Futures East Limited meets the definition of a public benefit entity under FRS 102.

2.2 Preparation of the accounts on a going concern basis

The charity reported total unrestricted funds at the year end of £21,605 deficit.

The financial statements have been prepared on a going concern basis. The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The financial statements show that the charity has made another in-year surplus of £34,138. This has resulted in the continued restoration of the balance sheet, which although still in a deficit position, has improved significantly from the previous years. The charity continues to show a deficient balance sheet of £21,605 which is an improved position from the prior year. Forecasts provided by the charity show that the entity continues to be able to pay liabilities as they fall due with ongoing support being available from Trustee members if required. The entity continues to have an overdraft facility from the bank of £25,000. On that basis, the going concern basis of preparing the accounts remains appropriate.

3 Income

3.1 Recognition of income

Income is recognised when the charity has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is more likely than not that the resources will be received and the monetary value can be measured with sufficient reliability

3.2 Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by FRS102 SORP or FRS102.

3.3 Grants and donations

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 of income recognition are met.

3.4 Volunteer help

The value of volunteer help received is not included in the accounts but is described in the trustees' annual report.

3.5 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.

3.6 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the

4 Expenditure and liabilities

4.1 Liability recognition

Liabilities are recognised when it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

4.2 Charitable activities

Expenditure on charitable activities includes the costs of work and other activities undertaken to further the purposes of the charity and their associated support costs.

4.3 Governance and support costs

Support costs have been allocated between governance cost and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

4.4 Irrecoverable VAT

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

4.5 Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

4.6 Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

5 Assets

5.1 Tangible fixed assets for use by the charity

Individual fixed assets costing £250 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis, the charity does not currently have any tangible fixed assets:

Fixtures and Fittings	Straight line over five years
Plant and Machinery	Straight line over four years
Office and computer equipment	Straight line over four years
Motor vehicles	Straight line over four years

Analysis of income

		Unrestricted Funds £	Restricted Funds £	**Total 2024 £**	Total 2023 £
6	**Donations and legacies**				
	Donations and gifts	45,438	-	**45,438**	29,364
	Gift Aid	3,145	-	**3,145**	3,506
	Other	867	-	**867**	1,285
		49,450	-	**49,450**	34,155
7	**Charitable activities**				
	Income from grants				
	North of Tyne Combuned Authority	-	-	**-**	6,617
	DWP	-	-	**-**	27,950
	North of Tyne CLLD Local Action Group	-	-	**-**	17,092
	The National Lottery Community Fund RC	-	118,939	**118,939**	51,645
	North East and Cumbria Region Community Fund	-	-	**-**	144,095
	Big Lottery Fund and European Social Fund	-	-	**-**	33,441
	Newcastle City Council	-	-	**-**	5,000
	Gateshead Council	-	-	**-**	8,791
	Community Foundation	4,450	-	**4,450**	11,867
	UK Shared Prosperity Fund	-	108,472	**108,472**	28,352
	Virgin Money Foundation	10,000	-	**10,000**	8,000
	Sport England's Together Fund	-	-	**-**	3,575
	Newcastle City Council - Walker Ward	-	657	**657**	3,000
	Other grants	-	-	**-**	54,448
		-	500	**500**	-
	Catherine Cookson - Riverside Roots Garden				
	CAF - Bentley Life Chances	-	485	**485**	-
	Cyclists Club Cycling UK	-	3,500	**3,500**	-
	Newcastle Building Society - Community Fund	-	4,450	**4,450**	-
	Lifting Neighbourhood Together income	-	102,740	**102,740**	-
	Newcastle City Council - Winter Wellbeing	5,000	-	**5,000**	-
	Greggs Foundation	2,000	-	**2,000**	-
	Partnership Initiatives	7,500	-	**7,500**	-
		28,950	339,743	**368,693**	403,873
8	**Other trading activities**				
	Training and employment income	-	-	**-**	34,965
		-	-	**-**	34,965

9 **Income from investments**

Bank interest	-	-	-	2
	-	-	-	2

Income was £418,143 (2023: £472,993) of which £78,400 was unrestricted or designated (2023: £113,893) and £339,743 was restricted (2023: £359,100)

Analysis of expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	**Total 2024 £**	Total 2023 £
10 ***Raising funds***				
Incurred seeking donations	-	582	**582**	-
Staff costs	-	775	**775**	47,390
	-	1,357	**1,357**	47,390
11 ***Charitable activities***				
Direct costs				
Staff costs	-	203,995	**203,995**	228,951
Depreciation	13,808	-	**13,808**	26,298
Training and employment	-	1,100	**1,100**	15,392
Other costs	147	6,508	**6,655**	-
Support costs				
Staffing costs	-	74,090	**74,090**	68,404
Consulting	-	975	**975**	-
Premises	-	5,110	**5,110**	16,781
Communication	-	7,834	**7,834**	14,604
General office	-	16,632	**16,632**	25,482
Finance costs	-	-	**-**	4,367
Travel	-	1,854	**1,854**	316
Subscriptions	5,300	1,797	**7,097**	-
Bank fees	2,180	-	**2,180**	-
Other costs	1,384	4,380	**5,764**	-
Governance costs				
Staffing costs	-	18,523	**18,523**	18,237
Premises	-	1,277	**1,277**	2,288
General office	-	4,158	**4,158**	7,113
Finance costs	-	-	**-**	4,388
Independent examination and accountancy fees	-	4,075	**4,075**	5,175
Legal and Professional	5,254	-	**5,254**	4,524
	28,073	352,308	**380,381**	442,320

Expenditure on charitable activities was £381,738 (2023: £489,708) of which £28,073 was unrestricted or designated (2023: £133,637) and £353,665 was restricted (2023: £356,071)

12 **Fees for examination of the accounts**

	2024	2023
	£	£
Independent examiner's fees for reporting on the accounts	**2,596**	4,050
	2,596	4,050

There were no other fees paid to the examiner (2023: £nil)

13 **Analysis of staff costs and the cost of key management personnel**

	2024	2023
	£	£
Salaries and wages	**260,896**	326,842
Social security costs	**23,518**	29,948
Pension costs (defined contribution pension plan)	**12,194**	6,192
	296,608	362,982

No employee received remuneration above £60,000 (2023: £nil)

The key management personnel of the charity, comprise the trustees and the management . The total employee benefits of the key management personnel of the charity were £100,025 (2023: £138,591).

14 **Staff numbers**

The head count for the year was 17 staff (2023: 14 staff).

15 **Transactions with trustees**

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

Trustees' expenses

No trustee expenses have been incurred in the year.

Transaction(s) with related parties

The following detail the related party transactions in the reporting period.

Shepherd Offshore Group Limited
Shepherd Offshore Group Limited is a related party by virtue of its part owner, Bruce Shepherd who is also a trustee of the charitable company.
During the year the charitable company charged Shepherd Offshore Group Limited £NIL (2023 - £1,404) for environmental maintenance services.

Shepherd Offshore Limited
Shepherd Offshore Limited is a related party by virtue of its part owner, Bruce Shepherd who is also a trustee of the charitable company.
During the year Shepherd Offshore Limited charged the charitable company £3,855 (2023 - £1,744) for rent and service charges.
The charitable company charged Shepherd Offshore Limited £NIL (2023 - £2,812) for environmental maintenance services.

Shepherd Offshore Services Limited
Shepherd Offshore Services Limited is a related party by virtue of its part owner, Bruce Shepherd who is also a trustee of the charitable company.
The charitable company charged Shepherd Offshore Services Limited £NIL (2023 - £400) for environmental maintenance services.

Other
During the year NIL (2023 - £9,000) donation was received from a close relation of one of the trustees.
At the year-end £22,500 was owed to trustees and key management personnel (2023 - £22,500).

16 Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The employer's pension costs represent contributions payable by the charity to the fund and amount to £12,194 (2023: £6,192). There was £0 outstanding as at 30 September 2024 (2023: £0)

17 Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

18 **Tangible fixed assets**

	Fixture, fittings and equipment	Total
	£	£
Cost		
Balance brought forward	176,793	**176,793**
Additions	1,490	**1,490**
Disposals	(3,783)	**(3,783)**
Balance carried forward	174,500	**174,500**
Depreciation		
Balance brought forward	149,580	**149,580**
Depreciation charge for year	13,808	**13,808**
Disposals	(1,516)	**(1,516)**
Balance carried forward	161,872	**161,872**
Net book value		
Brought forward	27,213	**27,213**
Carried forward	12,628	**12,628**

19 **Debtors and prepayments (receivable within 1 year)**

	2024	2023
	£	£
Debtors	**265**	1,744
Prepayments	**49,590**	31,748
	49,855	33,492

20 **Cash at bank and in hand**

	2024	2023
	£	£
Short term deposits	**6**	6
Cash in hand	**192**	152
	198	158

21 **Creditors and accruals (payable within 1 year)**

	2024	2023
	£	£
Trade creditors	**15,913**	12,424
Bank overdraft	**8,640**	17,161
Other borrowings	**22,395**	15,024
Taxation and social security	**4,732**	19,638
Accruals		
Independent examination of accounts	**2,596**	4,580
Other accruals	**1,817**	
Deferred income		
LNT	**18,515**	-
Other creditors	**9,678**	29,445
	84,286	98,272

22 **Creditors and accruals (payable after more than 1 year)**

	2024	2023
	£	£
Taxation and social security	**-**	18,334
	-	18,334

23 **Deferred income**

Deferred income comprises of advance payments from grants that relate to future periods

	2024	2023
	£	£
Balance brought forward	**-**	-
Amount released to income earned from charitable activities	**-**	-
Amount deferred in year	**18,515**	-
Balance carried forward	**18,515**	-

24 **Events after the end of the reporting period**

No events (not requiring adjustment to the accounts) have occurred after the end of the reporting period but before the accounts are authorised which relate to conditions that arose after the end of the reporting period.

25 **Analysis of charitable funds**

Analysis of movements in unrestricted funds

Unrestricted funds	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
General unrestricted fund	(69,665)	78,400	(28,073)	-	**(19,338)**
Totals	(69,665)	78,400	(28,073)	-	**(19,338)**

Purpose of unrestricted funds

General unrestricted fund	The 'free reserves' of the charity

Analysis of movement in restricted funds

Restricted funds	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Virgin Money Foundation	6,735	-	(6,735)	-	-
Community Foundation	7,187	-	(7,187)	-	-
Newcastle Building Society - Community Fund	-	4,450	(4,450)	-	-
Newcastle City Council - Walker Ward	-	657	(657)	-	-
Catherine Cookson Charitable Trust	-	500	(500)	-	-
CAF - Bentley Life Chances	-	485	(485)	-	-
Cyclists Club Cycling UK	-	3,500	(3,500)	-	-
The National Lottery Community Fund RC North East and Cumbria Region	-	118,939	(118,939)	-	-
LNT income	-	102,740	(102,740)	-	-
UKSP (A)	-	31,681	(31,681)	-	-
UKSP (B)	-	76,791	(76,791)	-	-
Totals	13,922	339,743	(353,665)	-	-

Purpose of restricted funds

Restricted funds represent income resources used for a specific purpose within the charity as identified by the donor.

Virgin money Foundation	Power to change Leadership Programme Grant.
Community Foundation	Platten Fund Skills Delivery Grant.
Newcastle Building Society - Community Fund	Community Foundation Grant.

Purpose of restricted funds (continued)

Newcastle City Council - Walker Ward	Walker Ward Funding.
Catherine Cookson Charitable Trust	Grant towards Riverside Roots Garden.e
CAF - Bentley Life Chances	Small Grant towards Bentley Life Chances.
Cyclists Club Cycling UK	To run free cycling classes.
The National Lottery Community Fund RC North East and Cumbria Region	East end Women - Continuation Funding.
LNT income	Lifting Neighbourhoods Together - Uk Portfolio Lottery.
UKSP (A)	Talent Pools and Pathways.
UKSP (B)	Realational Mentoring.

26 **Capital commitments**

As at 30 September 2024, the charity had no capital commitments (2023 -£nil)

27 **Analysis of net assets between funds**

	Unrestricted Funds £	Restricted Funds £	**Total 2024 £**	Total 2023 £
Tangible fixed assets	12,628	-	**12,628**	27,213
Cash at bank and in hand	198	-	**198**	158
Other net current assets/(liabilities)	(34,431)	-	**(34,431)**	(64,780)
Long term assets/(liabilities)	-	-	**-**	(18,334)
	(21,605)	-	**(21,605)**	(55,743)

BUILDING FUTURES EAST LIMITED

England & Wales - Charity number 1125555

Accounts

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 1/30

Charity registration number 1125555

Company registration number 06261491 (England and Wales)

BUILDING FUTURES EAST LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 2/30

BUILDING FUTURES EAST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	B Shepherd OBE	
	C Sayers	
	H Woods-Waters	(Appointed 10 February 2023)
	P Stoner	(Appointed 24 March 2023)
	D Turnell	(Appointed 24 March 2023)
	E Barron	(Appointed 12 May 2023)
	E Callender	(Appointed 12 May 2023)
	P Crabtree	(Appointed 24 November 2023)
	K Mcfarlane	(Appointed 24 November 2023)
	A Wright	(Appointed 9 February 2024)
Secretary	H Holmes	(Appointed 15/02/2023)
	A Woods-Waters	(Resigned 15/02/2023)
Charity number	1125555	
Company number	06261491	
Registered office	Low Yard White Street Walker Newcastle upon Tyne NE6 3PJ	
Independent examiner	Simon Brown BA ACA DChA Azets Audit Services Bulman House Regent Centre Gosforth Newcastle Upon Tyne NE3 3LS	

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 3/30

BUILDING FUTURES EAST LIMITED

CONTENTS

	Page
Trustee's report	1 - 7
Statement of trustee's responsibilities	8
Independent examiner's report	9
Statement of financial activities	10 - 11
Statement of financial position	12
Notes to the financial statements	13 - 27

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 4/30

BUILDING FUTURES EAST LIMITED

TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The trustees present their annual report and financial statements for the year ended 30 September 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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 2019).

Objectives and activities
In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to the public benefit. A comprehensive and regularly updated set of policies and guidelines supporting the organisations responsibilities as charity, employer, training organisation and social enterprise have been formulated and published.

Delivery activities address the organisation's values, objectives and organisational targets and are underpinned by our policy and practice directives. Much of this information is placed in the public domain via our website. The organisation has also increased its use of social media platforms to communicate with its audience on a range of related issues.

The Trustees and Senior Management Team have previously agreed a set of organisational aims and objectives that carry us forward into 2024-25 as follows:

Strategies for achieving objectives

Strategic Aims:
We continue to adhere to the following primary and equally important organisational aims:

1. Within a caring, understanding and tolerant environment, developing people through learning, skills development, personal capacity building and pastoral support.

2. Strive to integrate the marginalised and vulnerable and those at times of transition through programmes that respect and respond to their specific needs and the wider community.

These are underpinned by the following additional aims:

a) To articulate and advance the social and economic case for investment in fragile places through practical programme design and implementation

b) To develop the capacity of the organisation and its people to facilitate the above aims

c) To develop Building Futures East as an exemplar organisation in community regeneration

What is clear is that the work undertaken across our teams operationally and, more specifically, strategically, during the course of this year 2022-23, provides the foundation for future advancement in:

• Increased Financial Stability
• Partnership Development
• Service Expansion and Diversity
• Organisational Influence

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 5/30

This follows a pattern established in our early development around:

• The constant drive for quality improvement and maintaining the highest standards in delivery across all areas of service
• Adherence to mission, vision and values
• Tuned into opportunity, the reality of need as expressed by our communities and the creative ability to honestly and with integrity, connect the two.

The activities of the organisation undertaken during the course of the year and which are described within this document, evidence our progress against our aims and objectives and those points described above.

Fundraising disclosures
We have a clear strategy in relation to the funding of our employability, community regeneration and labour market programmes through a mix of grant aid, charitable support and contract work. During the course of the year, we continued to scope out as many potential new funders whose priority themes align with the work of our organisation. Work has been ongoing to strengthen internal capacity with respect to bid writing, enabling us to seek out and submit higher volumes of applications for new funding.

Our use of social media and varied digital crowdfunding platforms has continued to develop positively, creating opportunities and additional funding for the organisation as a direct result. A significant example of the power of such platforms to lever in funding was the successful crowdfunding campaign to raise funds for the conversion of a double decker bus into a greenhouse.

This strategy understands and responds to the fact that large scale and multi-year grants continue to be limited and highly competitive and our focus therefore, which has demonstrable success, has been to prepare applications on a smaller scale to a larger number of funders.

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance
This year saw further increases in inward referrals across all of our projects, many attributable to the continued rising costs of living which have been relentless and have had a disproportionately adverse effect upon our most deprived communities. Fuel and food poverty remain pivotal factors, however many of those we support face additional challenges including debt, sub-standard housing, problems accessing the welfare benefits they are entitled to, substance misuse, health inequalities and the effects of social isolation. Across the year it is estimated that our varied project interventions had direct and indirect positive impact upon over 5500 residents largely from Newcastle and North Tyneside. Of these, 534 benefitted from high quality careers and labour market advice to aid their journey towards and into employment.

Digital exclusion is also a significant barrier for so many of those we support, further compounding the impact of the challenges they face on a daily basis. With so many essential services operating online now, there are increasing assumptions that everyone in society has access to the IT infrastructure, devices and knowledge to use it in order to be able to independently navigate and access the information and services they require. Therefore, increasingly our specialist advisors work on a 1-to-1 basis with clients, helping them to use the relevant online platforms and often advocating for them to ensure they receive the support and responses they need from service providers.

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 6/30

Notable successes and achievements throughout the year are:

• We are pleased to have been selected as a delivery partner on the 'Relational Mentoring' project. This project, led by the Wise Group, is funded by the UK Government through the UK Shared Prosperity Fund (UKSP) with the North of Tyne Combined Authority (NTCA) as the lead authority. It specifically supports residents across Newcastle and North Tyneside who are economically inactive and experiencing multiple barriers that may be preventing them from gaining employment. Our mentors adopt a longer term holistic approach when working with clients, providing bespoke support on a 1-to-1 basis, supporting across areas including fuel and food poverty, health and wellbeing, communication skills, confidence and basic skills such as English, Maths and digital skills

• Securing renewed support for our East End Women project, funded by the National Lottery Community Fund 'RC North East and Cumbria Region', enabling us to continue to develop and expand a range of interventions for vulnerable women. These include specialist advice and support for women who have been subjected to domestic abuse and other therapeutic activities including confidence and self-esteem building sessions, gardening, walking and menopause support groups. Also operating within the scope of East End Women, our Sew Sisters project runs courses for women to learn new skills in garment making, pattern cutting and clothing upcycling, repair and alteration. We are proud to champion the environmental benefits of recycling and reusing during these sessions, helping raise awareness of the impact of fast fashion and encouraging participants to get maximum life out of their existing wardrobe. During the course of the year we supported well over 2400 women, both directly and indirectly, across all strands of our provision. Over 990 of these received support with food and hygiene products and over 160 received specialist support relating to domestic abuse.

• Our Lifting Neighbourhoods Together (LNT) project has continued to thrive as an anchor project within Walker through holding listening conversations on the doorsteps of Walker residents to establish community needs and aspirations and facilitating interventions to help meet these needs. The team and volunteers have established numerous community groups offering a range of support, some peer led, covering areas such as health and wellbeing, exercise, alcohol support, Kinship care and litter picking. In the period August 22 to the end of January 24, Walker residents were supported to maximise household income by £302,332. 3114 residents were supported directly via 1-to-1 casework, community groups and events. We were proud to host a Newcastle conference in October, bringing together over 75 delegates comprising community members, delivery partners, officers from the local authority, statutory bodies and funders to showcase the achievements seen in Walker with the LNT model and to explore how we might be funded in future to replicate and further develop this work within other similar communities. Our LNT team were also pleased to host a student nurse from Newcastle GP Services, enabling them to develop their skills and learn first-hand from community members about the challenges faced in accessing the healthcare services they need.

• We were invited to join a Newcastle based partnership to deliver services on the 'Talent Pools and Pathways' project. This provides coordinated employer-led support to match job seekers to employers' vacancies. The project is led by Newcastle City Council (NCC) and will in the main support Newcastle residents through interventions such as careers advice, ESOL support, life, basic and vocational skills development, volunteering and work placement opportunities commencing delivery from April 24. The project is funded by the UK Government through the UK Shared Prosperity Fund (UKSP) with the North of Tyne Combined Authority (NTCA) as the lead authority.

In December 2022 our environmental maintenance social enterprise ceased operating due to the loss of a significant contract at the end of the 2021 peak season, resulting in the loss of 2 jobs. Throughout the course of the 2023, the remaining vehicles, plant and equipment were sold with some consequential profits and losses noted on items upon disposal.

Food insecurity remains a prominent factor in Walker and Byker. Inward referrals continue to increase, however we have had to balance this with our ability to meet the spiralling costs of sustaining this aspect of our work. We have directly experienced the impact of higher food prices whilst also accommodating a decline in public donations towards our food support programme. We have been fortunate to receive a number of grant awards that have assisted immensely in meeting some of these additional costs and in conjunction with our Christmas crowdfund campaign and generous supporters, they enabled us to distribute over 200 food and toy hampers to households in Walker and Byker wards.

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 7/30

A number of years ago, the charity was gifted a double decker bus and it has remained in situe beside our main office ever since. Early in 2023, the decision was made to try to secure funding in order to convert the bus, which now was not drivable, into a community greenhouse. It's location beside our existing Riverside Roots gardening area meant it would form a natural extension to our growing space, with the aim of enabling us to increase the volume and variety of fresh produce grown and with the ultimate goal of being able to add fresh produce to food parcels. We also aspired to enhance the exterior area surrounding the bus, creating a tranquil and mindful space where community members can sit, forge friendships and experience the benefits of nature and being outdoors. A crowdfunding campaign was launched early in Spring, supported by Spacehive and the North of Tyne Combined Authority (NTCA), to raise funds towards the conversion costs. We received tremendous public support for the initiative and the quirky nature of the project has attracted media attention from a number of outlets, both locally and nationally. We have also been fortunate to benefit from offers of in kind support from willing volunteers. The campaign was a huge success and not only did we exceed our public fundraising target, but we were also awarded a grant from NTCA to enable us to develop some of the exterior garden space. Once fully completed, not only will this allow us to expand our production, but we will also be able to offer more growing sessions for local community members and plan to develop 1-pot cooking courses to equip those experiencing food poverty to get maximum benefit from their produce.

Supported by some grant funding from NCC, we operated as Winter Warm Hubs again this year from both our main and Treetop Village sites in Walker, providing access to warm refreshments, activities and companionship for those most vulnerable in the surrounding area. Residents attending our hubs were also able to access support with debt, benefits, careers and employment advice.

All other strands of project delivery including careers advice and vocational skills development continued dynamically over the course of the year, yielding demonstrable impact for the community, meeting all relevant targets and drawing upon the strengths offered through partnership working. We are currently in early stage conversations with a number of new potential partners with whom we have a shared vision for seeing community based services delivered even more creatively, flexibly and accessibly thereby allowing us to extend our reach to the most marginalised and isolated.

Over a number of years, the charity has been directly involved in the development of Newcastle's Sister City relationship with Little Rock, Arkansas. This year, we were extremely pleased to be asked to host a student studying at the Clinton School of Public Service in Little Rock. As part of their Master's programme, students must undertake an international placement and we were naturally keen to support this initiative. The student worked with us for 8 weeks on a research project, a month of which was based onsite here in Newcastle. The visit was a great success and both parties benefitted from the cultural exchange. We have committed to welcoming and supporting another student this summer and very much look forward to sharing our work, vision and values with them.

We continue to be an active member sitting on the Newcastle Employment Partnership Strategy Group, helping to shape the strategic approach across the city that will ensure all residents have access to 'Good Work'. The group works with key strategic partners such as Jobcentre Plus, YHN and transport leads to ensure accessibility for all and take steps to reduce the structural barriers faced by residents when trying to access Good Work. As part of our commitment to this, we have now committed to paying our team at least the Real Living Wage and have also successfully been awarded the NTCA Good Work Pledge standard.

2023 saw significant positive development to our governance and board membership. Working with the newly appointed Chief Executive, in January 23 Trustees prioritised the need to expand board membership, it's skills, diversity and representation. The organisation undertook an ongoing recruitment process throughout the year and the charity attracted interest from several individuals who are ardent supporters of our work and whose value base clearly resonates with that of the organisation. Currently, the board are energised and wholly committed to supporting the CEO in shaping the strategic priorities and further improving the financial resilience of the organisation. Trustees recognise that this is an ongoing piece of work that will span at least 12-18 months. To aid and inform some of this governance review, the CEO was selected to participate in the 'Leading the Way' programme, a leadership development programme funded by Power to Change and the Virgin Money Foundation. This place came with a grant that has been used to commission support relating to a number of identified strategic and personal leadership objectives and that will have tangible, long term positive impact for the charity.

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 8/30

Plans for Future Period
Looking to the future, the organisation will continue to scope out fresh opportunities for growth, securing new funding that will sustain and enhance existing services as well as creating opportunities for us to respond to the expressed needs of the communities we serve, through the development of new programmes. We hope that extensions may be made to the 2 current UKSP funded projects to enable delivery to continue post March 25. Clearly, decision making will be influenced by the prevailing political landscape, however both partnerships comprise long standing local anchor organisations with a proven track record of supporting the most marginalised in society. We also have exciting plans to further enhance aspects of our wellbeing, exercise and gardening activities as we know they are proven to have significant benefit to mental and physical health and in terms of gardening, have positive impact upon the environment and encouraging bio-diversity.

Public Benefit
The trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The charitable objectives are also set in order to provide a clear and demonstrable public benefit.
The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of Volunteers
The charitable company is grateful for the continued unwavering support of our volunteers, without whose energy and commitment, many of our services would be the poorer, or indeed not be sustainable. These volunteers give so freely of their time to assist us in a range of ways including maintaining our foodbank and delivering packages, supporting clients to make benefit claims and maximise their household income, assist with our bus conversion and community garden development and supporting a number of our peer support groups. We have been fortunate over the past year to have expanded our volunteer base, enabling us to reach more community members in need of our support.

Volunteering opportunities are also specifically offered to those who might benefit from a supported experience close to the real working environment.

Financial review
The trustees have considered the result for the year and are assessing the actions required to secure the charity in the future.

For the year ended 30 September 2023, incoming resources totalled £472,993 (2022: £718,973) and resources expended totalled £489,708 (2022: £680,050) resulting in a deficit for the year of £16,715 (2022: surplus £38,923). Of this defecit the restricted funds increased by £3,029 and unrestricted funds decreased by £19,744.

Policy on reserves
The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charitable company to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. This exercise considered both the normal requirements for working capital and the loss of income of a hypothetical but reasonable reduction in the scale of operations. Resulting from this, the trustees considered it would be appropriate to hold the equivalent of three months' payroll expenditure, which would equate to holding approximately £85,000 to £100,000 in free reserves.

At the year end, free reserves were in deficit by £78,544 (2022 - £47,824), an in year deteriation of £30,720. The trustees will continue to work with funders to budget future surpluses in order to provide improved organisational sustainability.

The trustees acknowledge that as at 30 September 2023 the charity had no free reserves. The trustees recognise the importance of serving the charity's future by rebuilding unrestricted reserves and free reserves and this is a key priority. The need for the charity's services continue to grow and therefore the demand on future reserves will also be greater, hence the charity continues to require future funding and the support of its funding partners.

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 9/30

Going concern
The trustees have prepared forecasts which show that, taking into account reasonable possible changes in trading performance, that the charity has sufficient cashflows to continue as a going concern. See note 2 to the accounts for further details on the assessment made around going concern.

Key Management Personnel
The board, who give their time freely and no trustees received remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity, as noted in the Reference and Administration section. Together with the board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day to day basis. The pay of the KMP is reviewed annually and normally increased in accordance with average earnings. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the charity can afford any proposed increases. The board then agree any uplift to remuneration.

Key Management Personnel during the year are listed as:

Anthony Woods-Waters – CEO until his retirement on 31st December 2022
Helen Holmes – Head of Operations until 31st Dec 22. Appointed CEO as of 1st Jan 23
Ancha Stoodley – Neighbourhood Transformation Team Manager
Fiona Hall – Quality and Performance Manager

Principal funding sources
The majority of the charitable company's funding is through predominantly grant income received from various charitable funders, including some Shared Prosperity funds managed by the North of Tyne Combined Authority. These then relate to the delivery of curriculum activity, community capacity building or the provision of environmental maintenance services.

Structure, governance and management

Nature of governing document
The charitable company is registered as a charitable company limited by guarantee.

The charitable company is constituted under a Memorandum of Association dated 27 May 2007 as amended on 23 June 2008 and is a registered charity number 1125555.

The principal object of the charitable company is the promotion of the public benefit of urban or rural regeneration in areas of social and economic deprivation (and in particular in the East end of Newcastle upon Tyne).

The charitable company is also a member of 'Locality' the UK's leading network for community-led organisations.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

B Shepherd OBE	
J Stokel-Walker	(Resigned 13 February 2023)
C Sayers	
H Woods-Waters	(Appointed 10 February 2023)
P Stoner	(Appointed 24 March 2023)
D Turnell	(Appointed 24 March 2023)
E Barron	(Appointed 12 May 2023)
E Callender	(Appointed 12 May 2023)
P Crabtree	(Appointed 24 November 2023)
K Mcfarlane	(Appointed 24 November 2023)
A Wright	(Appointed 9 February 2024)

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 10/30

Recruitment and appointment of trustees
The management of the charitable company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Articles of Association make provision for "Associate" members who have the entitlement to attendance and representation but without the right to vote.

All directors of the charitable company are also trustees under the Charities Act 2011.

Trustees may be nominated on the basis of personal values and a motivation consistent with those of the organisation.

Trustees are appointed for a period of three years at which point they must retire or stand for re-appointment as described in the Articles of Association.

Induction and training of trustees
New trustees receive an induction, which includes a briefing on their legal obligations under charity and company law, the Memorandum and Articles of Association, the committee and decision making processes, the business plan, accounts, minutes of recent trustee meetings and a schedule of future dates.

Organisational structure
The organisation operates along conventional lines with management and team meetings at all levels. These then inform the decision making process, in addition, to the feeding in of external information from partner organisations and service users.

There are also thematic meetings of staff and management to support such issues as Health and Safety and Continuous Quality Improvement. These also make important contributions to policy and practice development.

Risk Management
The trustees have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Reappointment of Examiners
A resolution for the re-appointment of Simon Brown of Azets Audit Services as independent examiner is to be proposed at the forthcoming Annual General Meeting.

The trustee's report was approved by the Board of Trustees.

Chris Sayers 24 Jun 2024 13:14:54 BST (UTC +1)
.....
C Sayers
Trustee

Date: 24/06/2024 .....

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 11/30

BUILDING FUTURES EAST LIMITED

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The trustees, who are also the directors of Building Futures East Limited for the purpose of company law, are responsible for preparing the Trustee's 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 12/30

BUILDING FUTURES EAST LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF BUILDING FUTURES EAST LIMITED

I report to the trustees on my examination of the financial statements of Building Futures East Limited (the charity) for the year ended 30 September 2023.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or

2 the financial statements do not accord with those records; or

3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or

4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Simon Brown 24 Jun 2024 15:26:36 BST (UTC +1)

Simon Brown BA ACA DChA

Azets Audit Services
Bulman House
Regent Centre
Gosforth
Newcastle Upon Tyne
NE3 3LS

Dated: 24/06/2024

Azets Audit Services

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 13/30

BUILDING FUTURES EAST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Current financial year

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Income and endowments from:					
Donations and legacies	**2**	77,643	359,100	436,743	608,317
Charitable activities	**3**	34,965	-	34,965	110,256
Investments	**4**	2	-	2	-
Other income	**5**	1,283	-	1,283	400
Total income		113,893	359,100	472,993	718,973
Expenditure on:					
Raising funds	**6**	47,390	-	47,390	70,764
Charitable activities	**7**	86,247	356,071	442,318	609,286
Total expenditure		133,637	356,071	489,708	680,050
Net (expenditure)/income for the year/ Net movement in funds		(19,744)	3,029	(16,715)	38,923
Fund balances at 1 October 2022		(49,921)	10,893	(39,028)	(77,951)
Fund balances at 30 September 2023		(69,665)	13,922	(55,743)	(39,028)

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 14/30

BUILDING FUTURES EAST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Prior financial year

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income and endowments from:				
Donations and legacies	**2**	47,215	561,102	608,317
Charitable activities	**3**	110,256	-	110,256
Other income	**5**	400	-	400
Total income		157,871	561,102	718,973
Expenditure on:				
Raising funds	**6**	70,764	-	70,764
Charitable activities	**7**	59,077	550,209	609,286
Total expenditure		129,841	550,209	680,050
Gross transfers between funds		5,560	(5,560)	-
Net (expenditure)/income for the year/ Net movement in funds		33,590	5,333	38,923
Fund balances at 1 October 2021		(83,511)	5,560	(77,951)
Fund balances at 30 September 2022		(49,921)	10,893	(39,028)

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 15/30

BUILDING FUTURES EAST LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	**13**		27,213		73,075
Current assets					
Debtors	**14**	33,492		85,615	
Cash at bank and in hand		158		10,455	
		33,650		96,070	
Creditors: amounts falling due within one year	**15**	(98,272)		(133,001)	
Net current liabilities			(64,622)		(36,931)
Total assets less current liabilities			(37,409)		36,144
Creditors: amounts falling due after more than one year	**16**		(18,334)		(75,172)
Net liabilities			(55,743)		(39,028)
Income funds					
Restricted funds	**20**		13,922		10,893
Unrestricted funds			(69,665)		(49,921)
			(55,743)		(39,028)

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 24 June 2024

Chris Sayers 24 Jun 2024 13:14:54 BST (UTC +1)

C Sayers
Trustee

Company registration number 06261491

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 16/30

1 Accounting policies

Charity information

Building Futures East Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Low Yard, White Street, Walker, Newcastle upon Tyne, NE6 3PJ.

In the event of liquidation, each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the Charities SORP "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 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements show that the charity has made an in-year deficit of £16,715, which follows the surplus made in the prior year of £38,923. The charity continues to show a deficient balance sheet of £55,743. Net current liabilities have increased to £64,662 from £36,931 in the prior year.

Forecasts provided by the charity show that the entity continues to be able to pay liabilities as they fall due with ongoing support being available from Trustee members as required. The entity continues to have an overdraft facility from the bank of £25,000.

On that basis, the going concern basis of preparing the accounts remains appropriate.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 17/30

1 Accounting policies **(Continued)**

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Where items are provided to the charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at it's fair value unless it's fair value cannot be realiably measured, then at the cost to the donor or the resale value of goods that are to be sold.

Where services or facilities are provided to the charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at it's fair value unless it's fair value cannot be realiably measured, then at the cost to the donor or the resale value of goods that are to be sold.

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Income from government, 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.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or

- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset’s use.

All resources expended are inclusive of irrecoverable VAT.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

These include the costs attributable to the charity’s compliance with constitutional and statutory requirements, including audit, strategic management and trustees’s meetings and reimbursed expenses.

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 18/30

1 Accounting policies **(Continued)**

1.6 Tangible fixed assets

Tangible fixed assets costing £100 or more are initially measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	5 years straight line
Motor vehicles	4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 19/30

1 Accounting policies **(Continued)**

1.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 20/30

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	22,589	6,775	29,364	13,220	150,000	163,220
Grants received from other charities	51,548	352,325	403,873	34,113	411,102	445,215
Gift aid reclaimed	3,506	-	3,506	(118)	-	(118)
	77,643	359,100	436,743	47,215	561,102	608,317

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 21/30

3 Charitable activities

	Training and employment 2023 £	Training and employment 2022 £
Training and employment income	34,965	110,256

Charitable activity income in the current and prior years is unrestricted.

4 Investments

	Unrestricted funds 2023 £	Total 2022 £
Interest receivable	2	-

5 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Net gain on disposal of tangible fixed assets	1,043	-
Other income	240	400
	1,283	400

6 Raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising and publicity		
Staff costs	47,390	70,764
	47,390	70,764

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 22/30

7 Charitable activities

	2023	2022
	£	£
Staff costs	228,951	347,207
Depreciation and impairment	26,298	31,614
Training and employment	15,392	36,063
	270,641	414,884
Share of support costs (see note 8)	129,954	149,417
Share of governance costs (see note 8)	41,723	44,985
	442,318	609,286
Analysis by fund		
Unrestricted funds	86,247	59,077
Restricted funds	356,071	550,209
	442,318	609,286

8 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	68,404	18,237	86,641	92,571	27,232	119,803
Premises	16,781	2,288	19,069	14,293	2,135	16,428
Comunication	14,604	-	14,604	18,656	-	18,656
General office	25,482	7,113	32,595	17,613	4,968	22,581
Finance costs	4,367	4,386	8,753	4,448	2,376	6,824
Travel	316	-	316	1,836	-	1,836
Independant examination and accountancy	-	5,175	5,175	-	3,750	3,750
Legal and professional	-	4,524	4,524	-	4,524	4,524
	129,954	41,723	171,677	149,417	44,985	194,402
Analysed between						
Charitable activities	129,954	41,723	171,677	149,417	44,985	194,402

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 23/30

9 Independant examiner's remuneration

Fees payable to the charity's independant examiner:	2023 £	2022 £
Independant examination fee	4,050	3,750

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Training and employment	10	14
Environmental services	1	6
Central services	3	2
Total	14	22

Employment costs	2023 £	2022 £
Wages and salaries	326,842	491,118
Social security costs	29,948	38,195
Other pension costs	6,192	8,461
	362,982	537,774

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£70,001-£80,000	-	1

The total employee benefits of the key management personnel of the charity was £138,591 (2022: £176,983).

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 24/30

13 Tangible fixed assets

	Fixtures and fittings	Motor vehicles	Total
	£	£	£
Cost			
At 1 October 2022	213,129	76,090	289,219
Additions	218	-	218
Disposals	(36,554)	(74,093)	(110,647)
At 30 September 2023	176,793	1,997	178,790
Depreciation and impairment			
At 1 October 2022	166,715	49,429	216,144
Depreciation charged in the year	19,197	7,102	26,299
Eliminated in respect of disposals	(36,332)	(54,534)	(90,866)
At 30 September 2023	149,580	1,997	151,577
Carrying amount			
At 30 September 2023	27,213	-	27,213
At 30 September 2022	46,414	26,661	73,075

14 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	1,744	15,302
Prepayments and accrued income	31,748	70,313
	33,492	85,615

15 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank overdrafts	**17**	17,161	-
Obligations under finance leases	**18**	-	8,901
Other borrowings		15,024	44,776
Other taxation and social security		19,638	25,250
Trade creditors		12,424	16,799
Other creditors		29,445	31,698
Accruals and deferred income		4,580	5,577
		98,272	133,001

A temporary loan was obtained from Newcastle City Council to the value of £60,000. The loan was provided on 28 September 2022 and will be repaid in full by 26 December 2023. The interest rate on the loan is 3.97% per annum. This was repaid in full in January 2024.

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 25/30

16 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Obligations under finance leases	18	-	15,889
Borrowings		-	15,224
Other taxation and social security		18,334	44,059
		18,334	75,172

Other taxation and social security relates to payroll taxes that are considered long term as they are in an agreed time to pay arrangement with HMRC,

17 Loans and overdrafts

	2023 £	2022 £
Bank overdrafts	17,161	-
Other loans	15,024	60,000
	32,185	60,000
Payable within one year	32,185	44,776
Payable after one year	-	15,224

18 Finance lease commitments

Future minimum lease payments due under finance leases:

	2023 £	2022 £
Within one year	-	8,901
Within two and five years	-	15,889
	-	24,790

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £6,192 (2022 - £8,461).

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 26/30

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds		
	Balance at 1 October 2022	Incoming resources	Resources expended	Balance at 30 September 2023
	£	£	£	£
Barbour Foundation Grant - Supporting Freedom Programme	2,000	-	(2,000)	-
Bus Conversion	-	13,392	(13,392)	-
ESF My Future Matters	-	27,950	(27,950)	-
Sew Sisters	-	12,202	(12,202)	-
ESIF - BFE Beat	-	4,890	(4,890)	-
Local Programmes - National Lottery Community Fund	-	51,645	(51,645)	-
Lottery Awards for All	8,893	-	(8,893)	-
Community Fund - Grassroot Fund	-	144,095	(144,095)	-
BBO Wise Steps	-	33,441	(33,441)	-
Newcastle City Council - Multiply	-	5,000	(5,000)	-
Gateshead Council - Onwards Arts Programme	-	8,791	(8,791)	-
Community Foundation - Platten Fund	-	7,187	-	7,187
Community Foundation - P&G Fund	-	4,680	(4,680)	-
Relational Mentoring UKSP	-	28,352	(28,352)	-
Virgin Money Foundation - Power to Change	-	8,000	(1,265)	6,735
Rise North East - Sport England's Together Fund	-	3,575	(3,575)	-
Walker Ward Grant - Sister City Exchange	-	3,000	(3,000)	-
Other - <£1,000	-	2,900	(2,900)	-
	10,893	359,100	(356,071)	13,922

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 27/30

20 Restricted funds **(Continued)**

The charitable company received and applied monies towards the following restricted funds during the year.

Barbour Foundation
Grant made in support of our work providing Freedom Programme delivery and wrap around support for women experiencing or at risk of domestic abuse National Lottery Community Fund 'RC North East and Cumbria.

Bus Conversion – Crowdfunding donations via Spacehive and grant from North of Tyne Combined Authority
Funding was received to enable the conversion of a double decker bus into a greenhouse and to enhance parts of the existing gardening area immediately behind the bus.

ESF My Future Matters
A 3 year DWP funded programme to offer a tailored package of employability and well-being support including personal and vocational skills development. The project activities will be delivered in Newcastle and North Tyneside, with a particular focus in the East side of Newcastle and Wallsend.

Sew Sisters
An ESIF 2 year programme funded by the North of Tyne CLLD Local Action Group. The programme focusses upon developing skills for women in the garment manufacturing sector and the potential for social enterprise.

ESIF - BFE BEaT
An ESIF 2 year programme funded by the North of Tyne CLLD Local Action Group. The programme focusses upon developing skills for women in the garment manufacturing sector and the potential for social enterprise.

The National Lottery Community Fund - RC North East and Cumbria Region - East End Women continuation
A 2 year grant award to support the continued development and delivery of services and support for women via our East End Women project. This grant enables us to maintain a range of services for women including our domestic abuse support interventions, Sew Sisters garment making and upcycling courses, basic skills development, confidence building and therapeutic wellbeing and social isolation focussed activities.

Lottery Awards for All
A grant to support work and develop pathways to employment for the long term unemployed.

BBO Wise Steps
Grant funding provided by the Big Lottery Fund and the European Social Fund to help people in Tyne and Wear to transform their lives. The project provides one to one specialist support to those on the pathway to work.

Newcastle City Council - Multiply
Funding was awarded to facilitate the delivery of Multiply taster sessions across Newcastle in February and March 2023. These sessions were designed to engage North of Tyne residents in maths related activities and to generate referrals on to further maths courses.

Gateshead Council - Onwards Art Programme
To enable delivery of a therapeutic creative arts based project aimed at the most marginalised and vulnerable women in Newcastle. The project used a range of creative arts activities to encourage self-reflection and allowing women to develop longer term life plans that are inclusive of both skills and wellbeing milestones.

Community Foundation - Platten Fund
This funding was awarded to enable us to deliver a number of 'Check Out' employability programmes. These are aimed at supporting adults in the East End of Newcastle to return to the labour market through the development of new skills and access to high quality careers and labour market advice.

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 28/30

20 Restricted funds **(Continued)**

Community Foundation - P&G Fund
Funding to support the purchase of food and hygiene products, as well as assisting in meeting some of the staffing costs associated with running our warm hub spaces and foodbank.

Relational Mentoring UK Shared Prosperity Fund
This project, led by the Wise Group, is funded by the UK Government through the UK Shared Prosperity Fund with the North of Tyne Combined Authority (NTCA) as the lead authority. It specifically supports residents across Newcastle and North Tyneside who are economically inactive and experiencing multiple barriers that may be preventing them from gaining employment.

Virgin Money Foundation - Power to Change
The Leading The Way programme is designed to identify and nurture leaders of community enterprises, supporting them to deliver greater impact for their communities by increasing their confidence, resilience, skills and networks as a leader. The organisation's new Chief Executive was selected to join the programme which came with a grant to be used to commission specific personal and organisational support most relevant to their leadership journey.

Rise North East - Sport England's Together Fund
This project funding was awarded to support the delivery of a range of physical activities requested by the local community and aimed specifically at reducing the health inequalities faced by residents in Walker. It was used to target those with a more sedentary lifestyle, long term health conditions and/or experiencing social isolation to increase their levels of activity.

Walker Ward Grant - Sister City Exchange
Ward funding received to support the costs associated with Sister City delegation visits between Newcastle and Little Rock, Arkansas.

Greggs Foundation - hardship grant for participant
This grant was received to enable the purchase of essential household furnishings for a client on one of our projects.

Hadrian Trust - East End Women
Our East End Women domestic abuse support and recovery interventions received a grant to increase capacity to offer more 1-to-1 specialist support and reach out to more vulnerable women.

Walker Ward grant - Children's Xmas party
This grant was awarded to meet the event delivery costs of a Christmas party to benefit children residing in Walker.

Your Homes Newcastle - Community Fund grant
A grant award to fund a community arts project aimed at engaging with local Walker residents.

Newcastle City Council - Winter Wellbeing Hub grant TTV
Funding was received from NCC specifically to support the running costs and delivery of activities relating to both of our winter warm hubs.

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 29/30

21 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 30 September 2023 are represented by:						
Tangible assets	27,213	-	27,213	73,075	-	73,075
Current assets/(liabilities)	(78,544)	13,922	(64,622)	(47,824)	10,893	(36,931)
Long term liabilities	(18,334)	-	(18,334)	(75,172)	-	(75,172)
	(69,665)	13,922	(55,743)	(49,921)	10,893	(39,028)

22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	2,952	552
Between two and five years	10,332	-
	13,284	552

VirtualSignature Transaction Ref. HZWN-BY63-VDXS 24 Jun 2024 15:26:37 BST (UTC +1) D 2/2 P 30/30

23 Related party transactions

Shepherd Offshore Group Limited
Shepherd Offshore Group Limited is a related party by virtue of its part owner, Bruce Shepherd who is also a trustee of the charitable company.

During the year the charitable company charged Shepherd Offshore Group Limited £1,404 (2022 - £8,269) for environmental maintenance services. The charity also received a donation from Shepherd Offshore Group Limited of £Nil (2022 - £150,000).

The charitable company also received an interest free loan of £Nil (2022- £Nil) during the year. The charitable company made repayments of £Nil (2022- £150,000) during the year. At the balance sheet date the amount due from Shepherd Offshore Group Limited was £Nil (2022 - £2,314).

Shepherd Offshore Limited
Shepherd Offshore Limited is a related party by virtue of its part owner, Bruce Shepherd who is also a trustee of the charitable company.

During the year Shepherd Offshore Limited charged the charitable company £1,744 (2022 - £2,170) for rent and service charges. The charitable company charged Shepherd Offshore Limited £2,812 (2022 - £11,927) for environmental maintenance services. At the balance sheet date the amount due from Shepherd Offshore Limited was £16 (2022 - £3,328).

Shepherd Offshore Services Limited
Shepherd Offshore Services Limited is a related party by virtue of its part owner, Bruce Shepherd who is also a trustee of the charitable company.

The charitable company charged Shepherd Offshore Services Limited £400 (2022 - £2,779) for environmental maintenance services. At the balance sheet date the amount due to/from Shepherd Offshore Services Limited was £Nil (2022 - £800).

St Anthony of Padua Community Association (STAPCA)
STAPCA is a related party by virtue of it's CEO, Helen Woods-Waters who is a trustee of the charitable company.

The charitable company received donations of £4,500 (2022 - £Nil) towards the bus conversion crowdfund.

Other
During the year a £9,000 (2022 - £Nil) donation was received from a close relation of one of the trustees.

During the year £Nil (2022 - £14,000) was loaned to the charity by both a trustee and a member of key management. At the year end £13,000 was owed (2022 - £14,000).

BUILDING FUTURES EAST LIMITED

England & Wales - Charity number 1125555

Accounts

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 1/36

Company registration number: 06261491

Charity registration number: 1125555

BUILDING FUTURES EAST LIMITED

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 September 2022

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 2/36

Building Futures East Limited

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 9
Independent Examiner's Report	10
Statement of Financial Activities	11
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes to the Financial Statements	15 to 34

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 3/36

Building Futures East Limited

Reference and Administrative Details

Trustees	B Shepherd C M Sayers D A Turnell (appointed 24 March 2023) E Callender (appointed 12 May 2023) Dr E Barron (appointed 12 May 2023) P J Stoner (appointed 24 March 2023) H Woods-Waters (appointed 10 February 2023) C T Hewitt (resigned 17 December 2021) C J R Muir (not a director of the charitable company) (resigned 26 September 2022) J D Stokel-Walker (resigned 13 February 2023) R J Butts (appointed 8 April 2022 and resigned 26 September 2022) M I Wood (appointed 8 April 2022 and resigned 23 September 2022)
Registered Office	Low Yard White Street Walker Newcastle upon Tyne NE6 3PJ
Company Registration Number	06261491
Charity Registration Number	1125555
Solicitors:	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX
Independent Examiner	Azets Audit Services Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Key Management Personnel	Anthony Woods-Waters, Chief Executive - Retired 31/12/2022 Helen Holmes, Head of Operations and appointed Chief Executive on 01/01/2023 Fiona Hall, Curriculum Quality & Performance Manager Reemer Bailey, Neighbourhood Transformation Team Manager - resigned 10/12/2021 Claire Brown, Environmental Maintenance Manager - resigned 22/04/2022 Ancha Stoodley, Neighbourhood Transformation Team manager, appointed 16/05/2022

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 4/36

Building Futures East Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 30 September 2022.

Structure, governance and management

Nature of governing document

The charitable company is registered as a charitable company limited by guarantee.

The charitable company is constituted under a Memorandum of Association dated 27 May 2007 as amended on 23 June 2008 and is a registered charity number 1125555.

The principal object of the charitable company is the promotion of the public benefit of urban or rural regeneration in areas of social and economic deprivation (and in particular in the East end of Newcastle upon Tyne).

The charitable company is also a member of 'Locality' the UK's leading network for community-led organisations.

Recruitment and appointment of trustees

The management of the charitable company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Articles of Association make provision for "Associate" members who have the entitlement to attendance and representation but without the right to vote.

All directors of the charitable company are also trustees under the Charities Act 2011.

Trustees may be nominated on the basis of personal values and a motivation consistent with those of the organisation.

Trustees are appointed for a period of three years at which point they must retire or stand for re-appointment as described in the Articles of Association.

Induction and training of trustees

New trustees receive an induction, which includes a briefing on their legal obligations under charity and company law, the Memorandum and Articles of Association, the committee and decision making processes, the business plan, accounts, minutes of recent trustee meetings and a schedule of future dates.

Organisational structure

The organisation operates along conventional lines with management and team meetings at all levels. These then inform the decision making process, in addition, to the feeding in of external information from partner organisations and service users.

There are also thematic meetings of staff and management to support such issues as Health and Safety and Continuous Quality Improvement. These also make important contributions to policy and practice development.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 5/36

Building Futures East Limited

Trustees' Report

Risk Management

The trustees have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Objectives and activities

Objects and aims

In setting objectives and planning for activities, the trustees have given due consideration to the general guidance published by the Charity Commission relating to the public benefit of the charity. A comprehensive and regularly updated set of policies and guidelines supporting the organisation's responsibilities as charity, employer, training organisation and social enterprise have been formulated and published.
Delivery activities address the organisations values, objectives and organisational targets and are underpinned by our policy and practice directives. Much of this information is placed in the public domain via our website. The organisation has also increased its use of social media platforms to communicate with its audience on a range of related issues.

The Trustees and Senior Management Team have previously agreed a set of organisational aims and objectives that carry us forward to 2023-24 as follows:

Strategies for achieving objectives

We continue to adhere to 3 primary and equally important organisational aims:

1. Within a caring, understanding and tolerant environment, developing people through learning, skills development, personal capacity building and pastoral support.

2. To improve the quality of the local physical environment, ensuring that people living in disadvantaged neighbourhoods have attractive places in which to live.

3. Strive to integrate the marginalised and vulnerable and those at times of transition through programmes that respect and respond to their specific needs and the wider community.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 6/36

These are underpinned by 3 separate additional aims:

a) To articulate and advance the social and economic case for investment in fragile places through practical programme design and implementation within aims 1-3.

b) To develop the capacity of the organisation and its people to facilitate aims 1-3.

c) To develop Building Futures East as an exemplar organisation in community regeneration.

What is clear is that the work undertaken across our teams operationally and, more specifically, strategically, during the course of this year 2021-22, provides the foundation for future advancement in:

- Increased Financial Stability
- Partnership Development
- Service Expansion and Diversity
- Augmented Reputational Advantage
- Organisational Influence

This follows a pattern established in our early development around:

- The constant drive for quality improvement and maintaining the highest standards in delivery across all areas of service
- Adherence to Mission, vision and values
- Tuned into opportunity, the reality of need as expressed by our communities and the creative ability to honestly and with integrity, connect the two.

The activities of the organisation undertaken during the course of the year and which are described within this document, evidence our progress against our aims and objectives and those points described above.

Fundraising disclosures

We have a clear strategy in relation to the funding of our employability, community regeneration and labour market programmes through a mix of grant aid, charitable support and contract work. During the course of this year, we have increased the volume of our charitable fundraising applications as a result both of the impact of the continuing squeeze on available public funding and the need to increase our levels of unrestricted reserves. We have worked not only to increase internal capacity to enable us to submit greater volumes of bids, but also increased our use of social media and varied digital crowdfunding platforms in order to raise our profile and consequential donations in support of our work. We are working closely with a marketing professional to review our current systems and develop approaches that yield maximum rewards for us.

This fundraising strategy understands and responds to the fact that large scale grants continue to be limited and highly competitive and our focus therefore, which has demonstrable success, has been to prepare applications on a smaller scale to a larger number of funders.

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follow all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 7/36

Building Futures East Limited

Trustees' Report

Achievements and performance

This year has again witnessed increasing demand for our services and support, as a result of the heightened inequalities evidenced post covid lockdowns, alongside the crippling effects experienced as a direct consequence of increases to the cost of living, both of which have had disproportionate impact upon our most deprived communities.

Throughout the year, the organisation continued to maintain a rigorous approach to infection control measures, particularly once all government and public health restrictions were lifted. This enabled us to ensure safe, continuous service delivery and support throughout the year.
Some Key Points of success are:

• Success in our delivery of the Building Better Opportunities (BBO) Programme, with contract delivery ending in December 22 and our credibility established as one of the highest performing delivery partners on the programme
• Closedown of delivery on our 2 Community Led Local Development (CLLD) funded employability projects - BEaT (Build, Empower and Transform) and Sew Sisters, again with both hitting agreed performance targets and outputs
• Seeing our Lifting Neighbourhoods Together (LNT) project continue to establish itself as an anchor project within Walker through door knocking and listening conversations on the doorstep to establish both individual and community needs and aspirations, thereby facilitating opportunities to help meet these needs
• Successful delivery of targets on our DWP European Social Fund (ESF) funded My Future Matters project, demonstrating both internally and externally to funders that we are able to manage the rigours of a substantial contract directly in our own right
• Completion in April 22 of our 3 year East End Women project, funded by the National Lottery Community Fund 'RC North East and Cumbria Region', where we were able to directly evidence support for over 3650 women during the life of the project

All other programme delivery continued dynamically and effectively throughout the year with our delivery teams consistently meeting or exceeding targeted delivery levels.

Our food support offer continues to be necessary as we strive to respond to the prevailing need expressed by so many within the communities we serve. What was established as a short term intervention during initial covid lockdowns, has become a necessary lifeline for too many residents in Walker and Byker. During the year we also noted increased requests not just for food, but also for personal hygiene products, nappies and pet food. In the 12 months to September 22, we had supported a total of 2413 adults from across the East End of Newcastle and 1719 children with food.

Furthermore, and thanks to the generosity of BAM Construct UK who donated large industrial planters for our Riverside Roots project, we were able to expand our produce growing onsite. The produce generated went to the women accessing this project, helping them to provide healthly nutritious meals for them and their families. On the back of the success of this initiative, further expansion is planned which includes the conversion of our onsite double decker bus into a community greenhouse. This would allow space and scope to scale up production to a point where fresh seasonal vegetable packs can be distributed alongside food parcels.

With the aid of some Newcastle City Council public health funding we established ourselves as Winter Warm Hub sites at both our main and Treetop Village sites in Walker, providing access to warm refreshments, activities and companionship for those most vulnerable in the surrounding area.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 8/36

Trustees' Report

Looking ahead, and as reflected in previous years' reports, the organisation continues to face significant challenges relating to the increased demand for our services in conjunction with the transition of funding away from European Social Funding, in some cases with limited understanding of what form and level the replacement funding will take. Our focus and efforts will be maintained at strategically ensuring we are well positioned to access UK Shared Prosperity funding as and when future calls go live.

We also seek to seize the opportunity to secure devolved adult skills budget funding in order to extend our community based skills delivery. We know that those with low or no prior attainment can struggle to access quality, sustained employment and our previous track record of delivering accredited vocational learning programmes serves to support the need for accessible, flexible learning options.
At the time of writing this report however, there is much to be optimistic about. We know we have secured multi-year funding both directly and as delivery partners across a number of projects. We will continue to horizon scan for further funding opportunities to support the varied strands of our work, alongside using our media platforms to increase corporate and regular giving levels.

Environmental Maintenance Social Enterprise
Since its inception, our environmental maintenance social enterprise provided robust, quality training and development opportunities for local young people via the opportunity to access real work experience with us whilst completing their apprenticeship programmes. Over time, we established a number of commercial contracts to provide maintenance works for businesses along the riverside as well as providing ward grant funded gardening services to vulnerable residents in Walker and Walkergate. In 2012 we were awarded a modest contract with a large social housing provider to provide works to some of their tenants which expanded further over the course of a 3 year period. The contract was renewed annually by the regional management team on a rolling basis and at it's peak was worth over £150k to us each season (April-October). This contract was significant because it enabled us to generate surplus funds to support our charitable activities, but also enabled us to retain some core staff during the leaner winter months in a sector that traditionally has to lay staff off for several months.

In the following years, and as a direct result of cuts to funding for social housing providers, the regional team we had been liaising with dwindled and procurement of services were increasingly centralised. At the end of 2019, we were advised that they would go to tender for a 10 year contract period to provide grounds maintenance works in the region. Despite engaging them in discussion about social value and the importance of the 'local jobs for local people' model we had worked so hard to develop, it was starting to appear as though our opportunity to compete would be limited due to size, ethos and values. The tendering process was placed on hold when the pandemic started, however when it was launched mid 2021 we were unsuccessful at the first stage.

The senior management team met to discuss the impact of this news and explore how the 2022 season might be shaped and delivered. An income generation plan was put in place, surplus vehicles and equipment sold and we pared back significantly on our seasonal recruitment. By summer 22 it became apparent for a number of reasons that the enterprise would be unsustainable beyond the end of the delivery season. It was therefore with regret that the decision was taken to cease all environmental maintenance delivery with effect from December 22, resulting in the loss of 2 jobs.

Public benefit

The trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The charitable objectives are also set in order to provide a clear and demonstrable public benefit.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 9/36

Building Futures East Limited

Trustees' Report

Use of volunteers

The charitable company is grateful for the continued unwavering support of our volunteers, without whose energy and commitment, many of our services would be the poorer, or indeed not be sustainable. Volunteering opportunities are also specifically offered to those who might benefit from a supported experience close to the real working environment.

Financial review

The trustees have considered the result for the year and are assessing the actions required to secure the charity in the future.

For the year ended 30 September 2022, incoming resources totalled £718,973 and resources expended totalled £680,050 resulting in a surplus for the year of £38,923. Of this surplus the restricted funds increased by £5,333 and unrestricted funds increased by £33,590.

Policy on reserves

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charitable company to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. This exercise considered both the normal requirements for working capital and the loss of income of a hypothetical but reasonable reduction in the scale of operations. Resulting from this, the trustees considered it would be appropriate to hold the equivalent of three months' payroll expenditure, which would equate to holding approximately £85,000 to £100,000 in free reserves.

At the year end, free reserves were in deficit by £47,824 (2021 - £162,805), an in year improvement of £114,981. The improvement is largely due to the repayment of the loan with Shepherd Offshore Group as well as receiving a one-off donation in the year, which has been used to repay the loan. The trustees will continue to work with funders to budget future surpluses in order to provide improved organisational sustainability.

The trustees acknowledge that as at 30 September 2022 the charity had no free reserves. The trustees recognise the importance of serving the charity's future by rebuilding unrestricted reserves and free reserves and this is a key priority. The need for the charity's services continue to grow and therefore the demand on future reserves will also be greater, hence the charity continues to require future funding and the support of its funding partners.

Going concern

The trustees have prepared forecasts which show that, taking into account reasonable possible changes in trading performance, that the charity has sufficient cashflows to continue as a going concern. See note 2 to the accounts for further details on the assessment made around going concern.

Key Management Personnel

The board, who give their time freely and no trustees received remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity, as noted in the Reference and Administration section. Together with the board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day to day basis. The pay of the KMP is reviewed annually and normally increased in accordance with average earnings. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the charity can afford any proposed increases. The board then agree any uplift to remuneration.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 10/36

Building Futures East Limited

Trustees' Report

Principal funding sources

The majority of the charitable company's funding is through contracts and grants with local and central government, grant making organisations and registered providers of social housing. These then relate to the delivery of curriculum activity, community capacity building or the provision of environmental maintenance services.

Plans for future periods

Next year will then start where this year ended and indeed continued from the previous year, as:

• An organisation leading the way in creativity in social action around poverty.
• An organisation unafraid of challenging the limitations placed upon our communities by unambitious and siloed thinking and practice that, where growth can be produced, perpetuates the divisive model of the “haves” and the “have nots”.
• A thinking organisation, embedded within the communities it serves and on the basis of what it does.
• An organisation that with honesty, integrity and openness, can evidence what it does.
• An organisation that is ambitious for the success its communities.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Building Futures East Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations. The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 11/36

Building Futures East Limited

Trustees' Report

Reappointment of Examiners
A resolution for the re-appointment of Simon Brown of Azets Audit Services as independent examiner is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 28/06/2023.... and signed on its behalf by:



Chris Sayers 28 Jun 2023 15:07:39 BST (UTC +1)

.....

C M Sayers
Trustee

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 12/36

Building Futures East Limited

Independent Examiner's Report to the trustees of Building Futures East Limited ("the Company")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 September 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of Building Futures East Limited are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Azets, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Building Futures East Limited as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Simon Brown

.....

Simon Brown BA ACA DChA
Chartered Accountants & Statutory Auditor
Azets Audit Services
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

28/6/2023

Date:.....

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 13/36

Building Futures East Limited

Statement of Financial Activities for the Year Ended 30 September 2022
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Income and Endowments from:					
Donations and legacies	3	47,215	561,102	608,317	703,935
Charitable activities	4	110,256	-	110,256	242,077
Investment income	5	-	-	-	1
Other income	6	400	-	400	2,062
Total Income		157,871	561,102	718,973	948,075
Expenditure on:					
Raising funds	7	(70,764)	-	(70,764)	(81,080)
Charitable activities	8	(59,077)	(550,209)	(609,286)	(836,901)
Total Expenditure		(129,841)	(550,209)	(680,050)	(917,981)
Net income		28,030	10,893	38,923	30,094
Transfers between funds		5,560	(5,560)	-	-
Net movement in funds		33,590	5,333	38,923	30,094
Reconciliation of funds					
Total funds brought forward		(83,511)	5,560	(77,951)	(108,045)
Total funds carried forward	23	(49,921)	10,893	(39,028)	(77,951)

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 23.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 14/36

Building Futures East Limited

Comparative Statement of Financial Activities for the Year Ended 30 September 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £
Income and Endowments from:				
Donations and legacies	3	129,475	574,460	703,935
Charitable activities	4	242,077	-	242,077
Investment income	5	1	-	1
Other income	6	2,062	-	2,062
Total income		373,615	574,460	948,075
Expenditure on:				
Raising funds	7	(81,080)	-	(81,080)
Charitable activities	8	(268,001)	(568,900)	(836,901)
Total expenditure		(349,081)	(568,900)	(917,981)
Net income		24,534	5,560	30,094
Net movement in funds		24,534	5,560	30,094
Reconciliation of funds				
Total funds brought forward		(108,045)	-	(108,045)
Total funds carried forward	23	(83,511)	5,560	(77,951)

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 15/36

Building Futures East Limited

(Registration number: 06261491)
Balance Sheet as at 30 September 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	16	73,075	104,084
Current assets			
Debtors	17	85,615	142,816
Cash at bank and in hand	18	10,455	(22,776)
		96,070	120,040
Creditors: Amounts falling due within one year	19	(133,001)	(277,284)
Net current liabilities		(36,931)	(157,244)
Total assets less current liabilities		36,144	(53,160)
Creditors: Amounts falling due after more than one year	20	(75,172)	(24,791)
Net liabilities		(39,028)	(77,951)
Funds of the charity:			
Restricted income funds			
Restricted funds	23	10,893	5,560
Unrestricted income funds			
Unrestricted funds		(49,921)	(83,511)
Total funds	23	(39,028)	(77,951)

For the financial year ending 30 September 2022 the charity 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 charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 11 to 34 were approved by the trustees, and authorised for issue on 28/06/2023... and signed on their behalf by:

Chris Sayers 28 Jun 2023 15:07:39 BST (UTC +1)

C M Sayers
Trustee

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 16/36

Building Futures East Limited

Statement of Cash Flows for the Year Ended 30 September 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash income		38,923	30,094
Adjustments to cash flows from non-cash items			
Depreciation	15	31,614	27,036
Investment income	5	-	(1)
		70,537	57,129
Working capital adjustments			
Decrease/(increase) in debtors	17	57,201	(20,840)
Increase in creditors	19	40,717	36,631
Decrease in deferred income	20	(34,713)	(74,059)
Net cash flows from operating activities		133,742	(1,139)
Cash flows from investing activities			
Interest receivable and similar income	5	-	1
Purchase of tangible fixed assets	16	(2,471)	(80,715)
Sale of tangible fixed assets		1,866	-
Net cash flows from investing activities		(605)	(80,714)
Cash flows from financing activities			
Repayment of loans and borrowings	20	(90,000)	-
Repayment of capital element of finance leases and HP contracts	21	(9,906)	28,300
Net cash flows from financing activities		(99,906)	28,300
Net increase/(decrease) in cash and cash equivalents		33,231	(53,553)
Cash and cash equivalents at 1 October		(22,776)	30,777
Cash and cash equivalents at 30 September		10,455	(22,776)

All of the cash flows are derived from continuing operations during the above two periods.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 17/36

Building Futures East Limited

Notes to the Financial Statements for the Year Ended 30 September 2022

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is: Low Yard, White Street, Walker, Newcastle upon Tyne, NE6 3PJ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation
Building Futures East 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 notes.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern
The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The financial statements show that the charity has made another in-year surplus of £38,923, which follows the surplus made in the prior year of £30,094. This has resulted in the continued restoration of the balance sheet, which although still in a deficit position, has improved significantly from the previous years. The charity continues to show a deficient balance sheet of £39,028 which is an improved position from the prior year. Net current liabilities have also improved to £36,931 from £157,244 in the prior year.

Forecasts provided by the charity show that the entity continues to be able to pay liabilities as they fall due with ongoing support being available from Trustee members as required. The entity continues to have an overdraft facility from the bank of £25,000.

On that basis, the going concern basis of preparing the accounts remains appropriate.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 18/36

Estimation uncertainty and judgements
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators or impairment - In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability.

Key sources of estimation uncertainty
Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Useful economic life of tangible assets
The annual depreciation charge is sensitive to changes in the estimated useful lives of assets. The useful economic lives are re-assessed annually and are amended when necessary to reflect current estimated, future investment and economic utilisation.

Accrued and deferred income
Income is accrued when it meets the criteria to do so and income is deferred over the period as to which it relates to.

Income and endowments
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 the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Government grants

Income from government, 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.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 19/36

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Gifts in kind

Where items are provided to the charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at it's fair value unless it's fair value cannot be realiably measured, then at the cost to the donor or the resale value of goods that are to be sold.

Donated services and facilities

Where services or facilities are provided to the charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at it's fair value unless it's fair value cannot be realiably measured, then at the cost to the donor or the resale value of goods that are to be sold.

Charitable activities

Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 20/36

Governance costs
These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets
Individual fixed assets costing £100.00 or more are initially recorded at cost.

Depreciation and amortisation
Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures & Fittings	20% straight line
Motor Vehicles	25% straight line
Equipment	25% straight line

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 21/36

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure
Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Hire purchase and finance leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are capitalised in the balance sheet as tangible fixed assets and are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments.

These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The capital elements of future obligations under the leases are included as liabilities in the balance sheet.

Lease payments are charged to the Statement of Financial Activities and are apportioned between finance costs and the reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability

The interest element of the rental obligation is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 22/36

Pensions and other post retirement obligations

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and legacies;				
Donations from individuals	13,220	150,000	163,220	30,234
Gift aid reclaimed	(118)	-	(118)	1,036
Grants, including capital grants;				
Grants from other charities	34,113	411,102	445,215	667,193
Gifts in kind	-	-	-	5,472
Total for 2022	47,215	561,102	608,317	703,935
Total for 2021	129,475	574,460	703,935	

Gifts in kind are made up of donated furnishings from SCS Group plc.

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Training and employment	110,256	-	110,256	242,077
Total for 2022	110,256	-	110,256	242,077
Total for 2021	242,077	-	242,077	

5 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Interest receivable and similar income;				
Interest receivable on bank deposits	-	-	-	1
Total for 2021	1	-	1	

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 23/36

Building Futures East Limited

Notes to the Financial Statements for the Year Ended 30 September 2022

6 Other income

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Other income	400	-	400	2,062

Other income relates to course income and proceeds from the sale of scrap metal.

7 Expenditure on raising funds

a) Costs of generating donations and legacies

	Total 2022 £	Total 2021 £
Staff costs	70,764	81,080

8 Expenditure on charitable activities

	Unrestricted General £	Restricted £	Total 2022 £	Total 2021 £
Training and employment	-	414,884	414,884	641,919
Support Costs	59,077	135,325	194,402	194,982
Total for 2022	59,077	550,209	609,286	836,901
Total for 2021	268,001	568,900	836,901	

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 24/36

9 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs	Support costs	Total 2022	Total 2021
	£	£	£	£
Staff costs	27,232	92,571	119,803	138,031
Premises	2,135	14,293	16,428	9,793
Communications	-	18,656	18,656	9,012
General office	4,968	17,613	22,581	22,898
Finance costs	2,376	4,448	6,824	2,738
Travel	-	1,836	1,836	6,133
Audit and Accountancy	3,750	-	3,750	3,813
Legal and professional fees	4,524	-	4,524	2,564
	44,985	149,417	194,402	194,982

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 25/36

10 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	490,398	670,832
Social security costs	38,915	53,198
Pension costs	8,461	12,048
	537,774	736,078

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2022 No	2021 No
Training and employment	14	16
Environmental services	6	8
Central services	2	5
	22	29

The number of employees whose emoluments fell within the following bands was:

	2022 No	2021 No
£70,001 - £80,000	1	1

The total employee benefits of the key management personnel of the charity were £176,983 (2021 - £205,312).

11 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 26/36

Notes to the Financial Statements for the Year Ended 30 September 2022

12 Independent examiner's remuneration

	2022 £	2021 £
Examination of the financial statements	3,750	-

13 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	-	3,750

14 Taxation

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

15 Net incoming/outgoing resources

Net incoming resources for the year include:

	2022 £	2021 £
Audit fees	-	3,750
Examiners Fees	3,750	-
Loss on disposal of fixed assets held for the charity's own use	(1,866)	(2,000)
Depreciation of fixed assets	31,614	27,036

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 27/36

16 Tangible fixed assets

	Furniture and equipment £	Motor vehicles £	Total £
Cost			
At 1 October 2021	211,498	78,890	290,388
Additions	2,471	-	2,471
Disposals	(840)	(2,800)	(3,640)
At 30 September 2022	213,129	76,090	289,219
Depreciation			
At 1 October 2021	146,594	39,710	186,304
Charge for the year	20,670	10,944	31,614
Eliminated on disposals	(549)	(1,225)	(1,774)
At 30 September 2022	166,715	49,429	216,144
Net book value			
At 30 September 2022	46,414	26,661	73,075
At 30 September 2021	64,904	39,180	104,084

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2022 £	2021 £
Motor vehicle	26,181	36,653

17 Debtors

	2022 £	2021 £
Trade debtors	15,302	48,830
Prepayments	13,596	15,888
Accrued income	56,717	78,098
	85,615	142,816

18 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	282	288
Cash at bank	10,169	(23,068)
Short-term deposits	4	4
	10,455	(22,776)

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 28/36

19 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	16,799	20,573
Other loans	44,776	150,000
Hire purchase and finance leases	8,901	9,905
Other taxation and social security	20,513	25,493
VAT repayable	4,737	22,526
Other creditors	31,698	8,843
Accruals	5,577	5,231
Deferred income	-	34,713
	133,001	277,284

During the year, the other loan of £150,000 owed to Shepherd Offshore Group Limited was repaid in full.

A further loan has been obtained from Newcastle City Council to the value of £60,000. The loan was provided on 28 September 2022 and will be repaid in full by 26 December 2023. The interest rate on the loan is 3.97% per annum. £15,224 of the loan has been disclosed in note 20.

	2022	2021
	£	£
Deferred income at 1 October 2021	34,713	108,772
Resources deferred in the period	-	11,631
Amounts released from previous periods	(34,713)	(85,690)
Deferred income at year end	-	34,713

The above deferred income creditor is split between those amounts expected to be released to income in less than and more than one year.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 29/36

20 Creditors: amounts falling due after one year

	2022	2021
	£	£
Other loans	15,224	-
Hire purchase and finance leases	15,889	24,791
Other taxation and social security	44,059	-
	75,172	24,791

Other taxation and social security relates to payroll taxes that are considered long term as they are in an agreed time to pay arrangement with HMRC.

21 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

	2022	2021
	£	£
Within one year	8,902	9,905
In two to five years	15,889	24,791
	24,791	34,696

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Other		
Within one year	552	17,771
In two to five years	-	552
	552	18,323

22 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £8,461 (2021 - £12,048).

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 30/36

Notes to the Financial Statements for the Year Ended 30 September 2022

23 Funds

	Balance at 1 October 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 September 2022 £
Unrestricted funds					
General					
General fund	(83,511)	157,871	(129,841)	5,560	(49,921)
Restricted funds					
Barbour Foundation Grant - Supporting Freedom Programme	-	2,000	-	-	2,000
LNT	-	111,594	(111,594)	-	-
ESF My Future Matters	-	56,497	(56,497)	-	-
Sew Sisters	-	52,162	(52,162)	-	-
ESIF - BFE BEaT	-	13,639	(13,639)	-	-
Local Programmes - National Lottery Community Fund	-	23,081	(23,081)	-	-
Lottery Awards for All	-	9,701	(808)	-	8,893
Northumbria Police & Crime Commissioner Grant	-	1,876	(1,876)	-	-
Newcastle City Council - Food Bank Flooring	-	3,000	(3,000)	-	-
Walkergate Ward - Works in the ward	-	2,000	(2,000)	-	-
Community Fund - Grassroot Fund	-	2,000	(2,000)	-	-
BBO Wise Steps	-	114,106	(114,106)	-	-
Newcastle City Council - CLLD	5,000	7,505	(7,505)	(5,000)	-
Shepherds Offshore	-	150,000	(150,000)	-	-
Gateshead Council - Onwards Arts Programme	-	11,941	(11,941)	-	-
Virgin Media - Neighbourly Together Fund	560	-	-	(560)	-
Total restricted funds	5,560	561,102	(550,209)	(5,560)	10,893
Total funds	(77,951)	718,973	(680,050)	-	(39,028)

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 31/36

Notes to the Financial Statements for the Year Ended 30 September 2022

The charitable company received and applied monies towards the following restricted funds during the year.

LNT (Lifting Neighourhoods Together)
A 5 year National Lottery UK transnational programme to test a community development model catalysing systemic change in local service delivery towards lifting Walker out of the national indices of multiple deprivation

ESF My Future Matters
A 3 year DWP funded programme to offer a tailored package of employability and well-being support including personal and vocational skills development. The project activities will be delivered in Newcastle and North Tyneside, with a particular focus in the East side of Newcastle and Wallsend.

Sew Sisters
An ESIF 2 year programme funded by the North of Tyne CLLD Local Action Group. The programme focusses upon developing skills for women in the garment manufacturing sector and the potential for social enterprise

ESIF - BFE BEaT
A programme funded by the North of Tyne CLLD Local Action Group. 3 year funding was received for the 'BEaT Project', designed to Build, Empower and Transform lives of residents within Newcastle and North Tyneside. The programme offers a tailored package of personal development and financial literacy support aimed at long term unemployed.

Lottery Awards for All
A grant to support work and develop pathways to employment for the long term unemployed.

BBO - Wise Steps
Grant funding provided by the Big Lottery Fund and the European Social Fund to help people in Tyne and Wear to transform their lives. The project provides one to one specialist support to those on the pathway to work.

Barbour Foundation
Grant made in support of our work providing Freedom Programme delivery and wrap around support for women experiencing or at risk of domestic abuse

National Lottery Community Fund 'RC North East and Cumbria Region' Women Together
The final year of grant funded delivery providing a range of specialist interventions for vulnerable women, largely but not exclusively from the East of Newcastle. Services offered included Freedom Programme delivery, confidence building and resilience workshops, sewing and garment making via our Sew Sisters programmes, DIY courses, gardening, walking and other wellbeing groups aimed at reducing social isolation.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 32/36

Notes to the Financial Statements for the Year Ended 30 September 2022

Walkergate Ward Grant
Grant received to provide a range of environmental improvement works across the ward
Community Foundation - Reeds Grassroots Fund
Award made to support the purchase of food and sanity products for the East End Women Foodbank, helping to alleviate poverty in the east of Newcastle

Newcastle City Council
Grant award made to enable the reinstatement of damaged flooring within the foodbank

Northumbria Police & Crime Commissioner
Grant funding support to contribute towards provision of high-quality specialist support for victim-survivors of sexual violence and domestic abuse.

Gateshead Council LA6 ESF Onwards Arts
To enable delivery of a therapeutic creative arts based project aimed at the most marginalised and vulnerable women in Newcastle. The project used a range of creative arts activities to encourage self-reflection and allowing women to develop longer term life plans that are inclusive of both skills and wellbeing milestones.

Unrestricted Grants 2022

A number of grants were awarded to assist the organisation in its activities supporting local communities

Sir James Knott
Year 1 of a 2 year core costs grant to support the running costs and overheads associated with the ongoing delivery of charitable services across the organisation - £10k.

Virgin Money Foundation Community Anchors Grant
Year 2 of a 3 year grant award to support running costs and overheads associated with the ongoing delivery of charitable services across the organisation - £10k.

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 33/36

Building Futures East Limited

Notes to the Financial Statements for the Year Ended 30 September 2022

24 Analysis of net assets between funds

	Unrestricted funds General £	Restricted £	Total funds at 30 September 2022 £
Tangible fixed assets	73,075	-	73,075
Net current assets/(liabilities)	(47,824)	10,893	(36,931)
Creditors over 1 year	(75,172)	-	(75,172)
Total net assets	(49,921)	10,893	(39,028)

	Unrestricted funds General £	Restricted £	Total funds at 30 September 2021 £
Tangible fixed assets	104,084	-	104,084
Net current assets/(liabilities)	(162,805)	5,561	(157,244)
Creditors over 1 year	(24,791)	-	(24,791)
Total net assets	(83,512)	5,561	(77,951)

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 34/36

25 Analysis of net funds

	At 1 October 2021 £	Financing cash flows £	New finance leases £	At 30 September 2022 £
Cash at bank and in hand	-	10,455	-	10,455
Bank overdraft	(22,776)	22,776	-	-
	(22,776)	33,231	-	10,455
Debt due within one year	(150,000)	150,000	(44,776)	(44,776)
Debt due after more than one year	-	-	(15,224)	(15,224)
Finance leases and hire purchase contracts	(34,696)	9,905	-	(24,791)
Net debt	(207,472)	193,136	(60,000)	(74,336)

	At 1 October 2020 £	Financing cash flows £	New finance leases £	At 30 September 2021 £
Cash at bank and in hand	30,777	(30,777)	-	-
Bank overdraft	-	(22,776)	-	(22,776)
	30,777	(53,553)	-	(22,776)
Debt due within one year	-	(150,000)	-	(150,000)
Debt due after more than one year	(150,000)	150,000	-	-
Finance leases and hire purchase contracts	(6,396)	15,684	(43,984)	(34,696)
Net debt	(125,619)	(37,869)	(43,984)	(207,472)

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 35/36

26 Related party transactions

During the year the charity made the following related party transactions:

Shepherd Offshore Group Limited
Shepherd Offshore Group Limited is a related party by virtue of Bruce Shepherd who is also a trustee of the charitable company.

During the year the charitable company charged Shepherd Offshore Group Limited £8,269 (2021 - £9,221) for environmental maintenance services. The charity also received a donation from Shepherd Offshore Group Limited of £150,000.

The charitable company also received an interest free loan of £Nil (2021- £Nil) during the year. The charitable company made repayments of £150,000 (2021- £Nil) during the year. At the balance sheet date the amount due from Shepherd Offshore Group Limited was £2,314 (2021 - £148,542 due to).

Shepherd Offshore Limited
Shepherd Offshore Limited is a related party by virtue of Bruce Shepherd who is also a trustee of the charitable company.

During the year Shepherd Offshore Limited charged the charitable company £2,170 (2021 - £2,346) for rent and service charges. The charitable company charged Shepherd Offshore Limited £11,927 (2021 - £9,961) for environmental maintenance services. At the balance sheet date the amount due from Shepherd Offshore Limited was £3,328 (2021 - £2,710).

Shepherd Offshore Services Limited
Shepherd Offshore Services Limited is a related party by virtue of its part owner, Bruce Shepherd who is also a trustee of the charitable company.

The charitable company charged Shepherd Offshore Services Limited £2,779 (2021- £2,649) for environmental maintenance services. At the balance sheet date the amount due from Shepherd Offshore Services Limited was £800 (2021 - £379).

SCS Group plc
SCS Group plc is a related party by virtue of a director in the company Chris Muir, who is also a trustee of the charitable company who resigned on 26/09/2022.

During the year the charitable company received donated furnishings of £Nil (2021 - £5,472). At the balance sheet date the amount due to/from SCS Group plc was £Nil (2021 - £Nil).

St Anthony of Padua Community Association (STAPCA)
St Anthony of Padua Community Association (STAPCA) is a related party of the charitable company by virtue of its Chief Executive Helen Woods-Waters being the spouse of Anthony Woods-Waters, the charitable company's Chief Executive. Anthony resigned as CEO on 31/12/2022, although Helen was then appointed a trustee on 10/02/2023.

The charitable company charged £Nil (2021 - £2,583) to STAPCA for environmental maintenance services. They also charged for £596 (2021 - £574) for providing joint events. At the balance sheet date the amount due from St Anthony of Padua Community Association (STAPCA) was £121 (2021 - £408).

VirtualSignature Transaction Ref. JSQ6-BLNS-B56C 28 Jun 2023 15:07:42 BST (UTC +1) D 2/3 P 36/36

Ward Hadaway
Ward Hadaway is a related party by virtue of a partner in the firm, Colin Hewitt, who is also a trustee of the charitable company who resgined on 17/12/2021.

During the year Ward Hadaway charged the charitable company £5,250 (2021 - £5,263) for legal services. At the balance sheet date the amount due to/from Ward Hadaway was £Nil (2021 - £Nil).

BUILDING FUTURES EAST LIMITED

England & Wales - Charity number 1125555

Accounts

Company registration number: 06261491

Charity registration number: 1125555

BUILDING FUTURES EAST LIMITED

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 September 2021

Building Futures East Limited

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 9
Independent Auditors' Report	10 to 14
Statement of Financial Activities	15
Statement of Financial Activities	16
Balance Sheet	17
Statement of Cash Flows	18
Notes to the Financial Statements	19 to 37

Building Futures East Limited

Reference and Administrative Details

Trustees	B Shepherd, Company director J D Stokel-Walker, Company director C T Hewitt, Company director (resigned 17 December 2021) C M Sayers, Company director C J R Muir (not a director of the charitable company) (resigned 26 September 2022) R J Butts (appointed 8 April 2022 and resigned 26 September 2022) M I Wood (appointed 8 April 2022 and resigned 23 September 2022)
Company Registration Number	06261491
Charity Registration Number	1125555
Solicitors:	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX
Auditor	Azets Audit Services Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Key Management Personnel	Anthony Woods-Waters, Chief Executive Helen Holmes, Head of Operations Fiona Hall, Curriculum Quality & Performance Manager Reemer Bailey, Neighbourhood Transformation Team Manager Claire Brown, Environmental Maintenance Manager
Secretary	A Woods-Waters

Building Futures East Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 30 September 2021.

Structure, governance and management

Nature of governing document

The charitable company is registered as a charitable company limited by guarantee.

The charitable company is constituted under a Memorandum of Association dated 27 May 2007 as amended on 23 June 2008 and is a registered charity number 1125555.

The principal object of the charitable company is the promotion of the public benefit of urban or rural regeneration in areas of social and economic deprivation (and in particular in the East end of Newcastle upon Tyne).

The charitable company is also a member of 'Locality' the UK's leading network for community-led organisations.

Recruitment and appointment of trustees

The management of the charitable company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Articles of Association make provision for "Associate" members who have the entitlement to attendance and representation but without the right to vote.

All directors of the charitable company are also trustees under the Charities Act 2011.

Trustees may be nominated on the basis of personal values and a motivation consistent with those of the organisation.

Trustees are appointed for a period of three years at which point they must retire or stand for re-appointment as described in the Articles of Association.

Induction and training of trustees

New trustees receive an induction, which includes a briefing on their legal obligations under charity and company law, the Memorandum and Articles of Association, the committee and decision making processes, the business plan, accounts, minutes of recent trustee meetings and a schedule of future dates.

Organisational structure

The organisation operates along conventional lines with management and team meetings at all levels. These then inform the decision making process in addition to the feeding in of external information from partner organisations and service users.

There are also thematic meetings of staff and management to support such issues as Health and Safety and Continuous Quality Improvement. These also make important contributions to policy and practice development.

Building Futures East Limited

Trustees' Report

Risk Management

The trustees have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Objectives and activities

Objects and aims

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to the public benefit. A comprehensive and regularly updated set of policies and guidelines supporting the organisations responsibilities as charity, employer, training organisation and social enterprise have been formulated and published.

Delivery activities address the organisations values, objectives and organisational targets and are underpinned by our policy and practice directives. Much of this information is placed in the public domain via our website. The organisation has also increased its use of social media platforms to communicate with its audience on a range of related issues.

At the time of writing this report, delayed as a consequence of the COVID-19 pandemic, we are in fact rapidly approaching the next date for the preparation of our following set of accounts.

This report therefore will look simultaneously to the past and to the future.

The Trustees and Senior Management Team have previously agreed a set of organisational aims and objectives that carry us forward to 2023 as follows:

Strategies for achieving objectives

We continue to adhere to 3 primary and equally important organisational aims:

1. Within a caring, understanding and tolerant environment, developing people through learning, skills development, personal capacity building and pastoral support.

2. To improve the quality of the local physical environment, ensuring that people living in disadvantaged neighbourhoods have attractive places in which to live.

3. Strive to integrate the marginalised and vulnerable and those at times of transition through programmes that respect and respond to their specific needs and the wider community.

These are underpinned by 3 separate additional aims:

a) To articulate and advance the social and economic case for investment in fragile places through practical programme design and implementation within aims 1-3.

b) To develop the capacity of the organisation and its people to facilitate aims 1-3.

c) To develop Building Futures East as an exemplar organisation in community regeneration.

What is clear is that the work undertaken across our teams operationally and, more specifically, strategically, during the course of this year 2020-21, continue to contribute to:

- Increased Financial Stability
- Partnership Development
- Service Expansion and Diversity
- Augmented Reputational Advantage
- Organisational Influence This follows a pattern established in our early development around:
- The constant drive for quality improvement and maintaining the highest standards in delivery across all areas of service
- Adherence to Mission, vision and values
- Tuned into opportunity, the reality of need as expressed by our communities and the creative ability to honestly and with integrity, connect the two.

The activities of the organisation undertaken during the course of the year and which are described within this document evidence our progress against our aims and objectives and those points described immediately above.

Fundraising disclosures

We have a clear strategy in relation to the funding of our curriculum programme through a mix of grant aid, charitable support and contract work. Additionally, this operates in conjunction with our social enterprise in securing contract work with public, private and third sector clients on a commercial basis. During the course of this year we have increased the level of our charitable fundraising applications as a result both of the impact of the continuing squeeze on available public funding.

This strategy understands and responds to the fact that large scale grants continue to be limited and highly competitive and our focus therefore, which has demonstrable success, had been to prepare applications on a smaller scale to a larger number of funders.

As referred to earlier we continue to be successful in continuing contract delivery across areas of our services, these being predicated on positive performance measurement.

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

Building Futures East Limited

Trustees' Report

Achievements and performance and plans for future activity

This year started where the previous year ended, with further progress across our streams of organisational activity. The organisational establishment continues to grow with the implementation of new and innovative projects that focus upon the issues, needs, challenges and opportunities of the socioeconomic landscape. Our people, place and asset based focus continue both to deliver success and elevate the profile of the organisation and the importance of its' work.

The organisation had adapted to the challenges of successive lockdown in its approach to service delivery and did not at any point close services. The move to a full return to site and community based activity had already been underway through our internal work on health and safety and risk management.

Within this our work around food and welfare support continued although in common with many food banks across the country there is an increasing difficulty in sourcing the range of standard food products to distribute.

An issue for us, like many community development organisations, has been supporting a restoration in community confidence around physical engagement is services. Our Employability and Women's programmes have proven hugely effective and successful in this with numbers of individuals supported increasing from the average of approximately 1400 per year to almost 1700.

We are committed to the continuation of our food programme and from the period of the first covid lockdown to the end of September 2021 had processed around 375k meals to residents across the East End of Newcastle.

Even following the end of formal lockdown restrictions we have maintained a strict regime of continued hygiene at our sites. During the course of the year we opened our second site within the Tree Top Village on Walker Road as the base for our Lifting Neighbourhood Programme. The office will be utilised as a base for the team, a meeting place for members of the community and activities and the point from which outreach work is delivered within the Walker Ward.

Trustees' Report

All other programmes continue with positive momentum. This year we have seen the establishment and early growth of our Sew Sister Programme which has produced an increased level of diversity in the women seeking our support. This has required the translation of learning materials into, for example, Polish, Arabic and Dari.

Whilst focused upon the developing agenda for the City regarding Community Wealth Building, involvement with the City Council around the development of its' Employability Strategy and our continued work around Inclusive Economies we are also preparing strategically and operationally for the developing crisis around energy and the cost of living and more specifically, co-ordination of the local response.

Similarly to the report of last year, there are very clearly significant challenges for our organisation, and indeed our sector, over the coming months. We already know that, socially and economically, fragile communities are, and will continue to be, hardest hit, post pandemic and cost of living. Child Poverty continues to rise with 42.4% of children in Newcastle living in poverty. Within this we know that women are further detrimentally impacted. Newcastle East had the secoThe true extent of the problems caused is yet to be fully understood or quantified. Even the most cursory examination of the response to addressing community need through the continuing public health and economic crisis will acknowledge local action as 'the' critical factor in maintaining resilience. Within this, what has also been made painfully clear is that there are organisations, like ours, where mission is something "lived" and has driven commitment and out output, and there are those where mission is merely a strapline, who have largely disappeared or created an illusion of presence through exaggerated social media. This is a lesson that hopefully will not be wasted on policy makers and funders in terms of both whom they should consult and support. We move forward irrespective, with a level of financial security linked to a number of multi-year funding programmes and with developing future opportunities.

Public benefit

The trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The charitable objectives are also set in order to provide a clear and demonstrable public benefit.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

The charitable company is grateful for the unstinting efforts of its volunteers who are involved in service provision and the care and maintenance of our training facility. Volunteering opportunities are specifically offered to those who might benefit from a supported experience close to the real working environment.

Financial review

The trustees have considered the result for the year and are assessing the actions required to secure the charity in the future.

For the year ended 30 September 2021, incoming resources totalled £948,075 and resources expended totalled £917,981, resulting in a surplus for the year of £30,094. Of this surplus the restricted funds increased by £5,560 and unrestricted funds increased by £24,534.

Trustees' Report

Policy on reserves

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charitable company to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. This exercise considered both the normal requirements for working capital and the loss of income of a hypothetical but reasonable reduction in the scale of operations. Resulting from this, the trustees considered it would be appropriate to hold the equivalent of three months' payroll expenditure, which would equate to holding approximately £110,000 to £190,000 in free reserves.

At the year end, free reserves were -£164,804 (2020 - £26,205), a decrease of £138,599 in the year. The decrease is largely due to the reclassification of the other loan to short term, as a result of a one-off donation being recieved in the 2022 year end which has been used to repay the loan. The trustees will continue to work with funders to budget future surpluses in order to provide improved organisational sustainability.

The trustees acknowledge that as at 30 September 2021 the charity had no free reserves. The trustees recognise the importance of serving the charity's future by rebuilding unrestricted reserves and free reserves and this is a key priority. The need for the charity's services continue to grow and therefore the demand on future reserves will also be greater, hence the charity continues to require future funding and the support of its funding partners.

Going concern

The trustees have prepared forecasts which show that, taking into account reasonable possible changes in trading performance, that the charity has sufficient cashflows to continue as a going concern. See note 1 to the accounts for further details on the assessment made around going concern.

Key Management Personnel

The board, who give their time freely and no trustees received remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity, as noted in the Reference and Administration section. Together with the board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day to day basis. The pay of the KMP is reviewed annually and normally increased in accordance with average earnings. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the charity can afford any proposed increases. The board then agree any uplift to remuneration.

Principal funding sources

The majority of the charitable company's funding is through contracts and grants with local and central government, grant making organisations and registered providers of social housing. These then relate to the delivery of curriculum activity, community capacity building or the provision of environmental maintenance services.

Building Futures East Limited

Trustees' Report

Plans for future periods

Next year will then start where this year ended and indeed continued from the previous year, as:

An organisation leading the way in creativity in social action around poverty. An organisation unafraid of challenging the limitations placed upon our communities by unambitious and siloed thinking and practice that, where growth can be produced, perpetuates the divisive model of the "haves" and the "have not". An thinking organisation, embedded within the communities it serves and on the basis of what it does. An organisation that with honesty, integrity and openness, can evidence what it does. An organisation that is ambitious for the success its communities.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Building Futures East Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Building Futures East Limited

Trustees' Report

Reappointment of auditor
Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 3/11/22 and signed on its behalf by:

.....
B Shepherd
Trustee

Building Futures East Limited

Independent Auditor's Report to the Members of Building Futures East Limited

Opinion

We have audited the financial statements of Building Futures East Limited (the 'charity') for the year ended 30 September 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Building Futures East Limited

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 8), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Material Uncertainty relating to going concern

We draw attention to note 1 in the financial statements, which indicates that there is a material uncertainty in respect of going concern; in relation to the forecasts and the unknown outcomes in applying for grant income and therefore the level of that future income and the resultant cashflows of the charitable company; and, the renewal of its bank overdraft facility in May 2023. As stated in note 1, these conditions, along with the other matters as set out below, indicate that a material uncertainty exists, that may cast significant doubt on the charitable company's ability to continue as a going concern should the success of these applications be less than forecast. Our opinion is not modified in respect of this matter.

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 appears to be reasonable in the circumstances. Our evaluation of the trustees' assessment of the charitable company's ability to continue to adopt the going concern basis of accounting included; review of their forecasts, their assumptions and their underlying business plan. However, for the reasons explained above and in note 1, there are inherent risks in assessing the charitable company's underlying forecasts and projections due to the uncertainty over; the success in applying for and the timing of the forecast income; and, the success in obtaining a renewal of its bank overdraft facility in May 2023.

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

Independent Auditor's Report to the Members of Building Futures East Limited

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the Members of Building Futures East Limited

Auditor's responsibilities for the audit of the financial statements

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

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:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: anti-bribery and corruption, health and safety, employment law and compliance with the Charities Act and Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or recognise the non-compliance.

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

Building Futures East Limited

Independent Auditor's Report to the Members of Building Futures East Limited

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of
Azets Audit Services
Chartered Accountants
Statutory Auditor

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 4/11/2022

Azets Audit Services is a trading name of Azets Audit Services Limited

Building Futures East Limited

Statement of Financial Activities for the Year Ended 30 September 2021
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Income and Endowments from:					
Donations and legacies	4	129,475	574,460	703,935	505,988
Charitable activities	5	242,077	-	242,077	195,304
Investment income	6	1	-	1	1
Other income	7	2,062	-	2,062	-
Total Income		373,615	574,460	948,075	701,293
Expenditure on:					
Raising funds	8	(81,080)	-	(81,080)	(56,089)
Charitable activities	9	(268,001)	(568,900)	(836,901)	(620,457)
Total Expenditure		(349,081)	(568,900)	(917,981)	(676,546)
Net income		24,534	5,560	30,094	24,747
Net movement in funds		24,534	5,560	30,094	24,747
Reconciliation of funds					
Total funds brought forward		(108,045)	-	(108,045)	(132,792)
Total funds carried forward	23	(83,511)	5,560	(77,951)	(108,045)

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 23.

Building Futures East Limited

Comparative Statement of Financial Activities for the Year Ended 30 September 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2020 £
Income and Endowments from:				
Donations and legacies	4	59,102	446,886	505,988
Charitable activities	5	195,304	-	195,304
Investment income	6	1	-	1
Total income		254,407	446,886	701,293
Expenditure on:				
Raising funds	8	(56,089)	-	(56,089)
Charitable activities	9	(145,523)	(474,934)	(620,457)
Total expenditure		(201,612)	(474,934)	(676,546)
Net income/(expenditure)		52,795	(28,048)	24,747
Net movement in funds		52,795	(28,048)	24,747
Reconciliation of funds				
Total funds brought forward		(160,840)	28,048	(132,792)
Total funds carried forward	23	(108,045)	-	(108,045)

Building Futures East Limited

(Registration number: 06261491)
Balance Sheet as at 30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	16	104,084	50,405
Current assets			
Debtors	17	142,816	121,976
Cash at bank and in hand	18	(22,776)	30,777
		120,040	152,753
Creditors: Amounts falling due within one year	19	(277,284)	(126,548)
Net current (liabilities)/assets		(157,244)	26,205
Total assets less current liabilities		(53,160)	76,610
Creditors: Amounts falling due after more than one year	20	(24,791)	(184,655)
Net liabilities		(77,951)	(108,045)
Funds of the charity:			
Restricted income funds			
Restricted funds	23	5,561	-
Unrestricted income funds			
Unrestricted funds		(83,512)	(108,045)
Total funds	23	(77,951)	(108,045)

The financial statements on pages 15 to 37 were approved by the trustees, and authorised for issue on 31/11/22 and signed on their behalf by:

Bruce Shepherd

B Shepherd
Trustee

Building Futures East Limited

Statement of Cash Flows for the Year Ended 30 September 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash income		30,094	24,747
Adjustments to cash flows from non-cash items			
Depreciation	15	27,036	15,088
Investment income	6	(1)	(1)
		57,129	39,834
Working capital adjustments			
(Increase)/decrease in debtors	17	(20,840)	83,572
Increase/(decrease) in creditors	19	36,631	(21,582)
Decrease in deferred income	20	(74,059)	(62,298)
Net cash flows from operating activities		(1,139)	39,526
Cash flows from investing activities			
Interest receivable and similar income	6	1	1
Purchase of tangible fixed assets	16	(80,715)	(38,337)
Sale of tangible fixed assets		-	725
Net cash flows from investing activities		(80,714)	(37,611)
Cash flows from financing activities			
Repayment of loans and borrowings	20	-	45,000
Repayment of capital element of finance leases and HP contracts	21	28,300	(4,040)
Net cash flows from financing activities		28,300	40,960
Net (decrease)/increase in cash and cash equivalents		(53,553)	42,875
Cash and cash equivalents at 1 October		30,777	(12,098)
Cash and cash equivalents at 30 September		(22,776)	30,777

All of the cash flows are derived from continuing operations during the above two periods.

Building Futures East Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

1 Going Concern

During the year ended 30 September 2021 the charity reported a surplus of £30,094, which was an unrestricted surplus of £24,534 and a restricted surplus of £5,560. As a result of this performance, at the 2021 year end, the charity had net current liabilities of £157,244 and an overall net balance sheet deficiency of £77,951.

The net current liability position is largely due to the inclusion of a £150,000 loan being included in creditors due less than one year. The loan was repaid in full after the year end (following receipt of a post year end donation to enable this repayment).

The trustees have continued to prepare the financial statements on a going concern basis. The charity has met its day to day working capital requirements through; its ongoing operations, which includes income from grant funders and income from environmental maintenance contracts; with the continued support from its trustees whom have provided temporary loans as required; and, with the support of its banker via a £25,000 overdraft facility (due for renewal in May 2023).

The charity has submitted several funding applications for grant income contracts (and included this income in its forecasts). At the time of approving the financial statements, the success of these funding applications is unknown.

In the trustees' assessment of going concern, they have considered a loss of funding and potential cost savings which are reflective of their business continuity plan. Key scenarios and assumptions areas include:-

- Extensions to existing funding agreements
- Success in new funding applications
- Extension of the overdraft facility in place (beyond May 2023)
- Ongoing support as required from trustees in the form of loans and donations

Although the forecast prepared by the trustees takes account of the matters above, to support the ability of the charity to remain a going concern and to be able to trade and meets its debts as they fall due, the full impact of the underlying assumptions used in forecasting are extremely judgemental and difficult to predict. As a result, the outcome could be subject to significant variations from those set out in the trustees' forecast, resulting in a strain on cashflow.

The charity's forecasts and projections show that the charity should be able to continue in operational existence for at least a period of 12 months from the approval of the financial statements, based on its plan to; continue to apply for grant fundraising; the environmental maintenance contracts continuing; that the funding applications currently submitted are successful; an extension of the bank overdraft facility in May 2023 is received; and, that the charity has the ongoing support from its trustees to cover any periods where cashflow support is required.

Based on the factors set out above, the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis. However, whilst the charity has a good relationship with its funders and has shown success in grant funding applications, the combination of these factors represents a material uncertainty that may cast significant doubt on the charity's ability to continue as a going concern and therefore to continue realising its assets and discharging its liabilities in the normal course of business.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Notes to the Financial Statements for the Year Ended 30 September 2021

2 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is: Low Yard, White Street, Walker, Newcastle upon Tyne, NE6 3PJ

3 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation
Building Futures East 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 notes.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Estimation uncertainty and judgements
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators or impairment - In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability.

Key sources of estimation uncertainty
Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Useful economic life of tangible assets

The annual depreciation charge is sensitive to changes in the estimated useful lives of assets. The useful economic lives are re-assessed annually and are amended when necessary to reflect current estimated, future investment and economic utilisation.

Accrued and deferred income

Income is accrued when it meets the criteria to do so and income is deferred over the period as to which it relates to.

Income and endowments
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 the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Government grants

Income from government, 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.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Gifts in kind

Where items are provided to the charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at it's fair value unless it's fair value cannot be realiably measured, then at the cost to the donor or the resale value of goods that are to be sold.

Donated services and facilities

Where services or facilities are provided to the charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at it's fair value unless it's fair value cannot be realiably measured, then at the cost to the donor or the resale value of goods that are to be sold.

Charitable activities

Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Notes to the Financial Statements for the Year Ended 30 September 2021

Governance costs
These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

VAT
Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets
Individual fixed assets costing £100.00 or more are initially recorded at cost.

Depreciation and amortisation
Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures & Fittings	20% straight line
Motor Vehicles	25% straight line
Equipment	25% straight line

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure
Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Hire purchase and finance leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are capitalised in the balance sheet as tangible fixed assets and are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments.

These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The capital elements of future obligations under the leases are included as liabilities in the balance sheet.

Lease payments are charged to the Statement of Financial Activities and are apportioned between finance costs and the reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability

The interest element of the rental obligation is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Pensions and other post retirement obligations

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and legacies;				
Donations from individuals	30,234	-	30,234	19,707
Gift aid reclaimed	1,036	-	1,036	743
Grants, including capital grants;				
Grants from other charities	92,733	574,460	667,193	482,389
Gifts in kind	5,472	-	5,472	3,149
Total for 2021	129,475	574,460	703,935	505,988
Total for 2020	59,102	446,886	505,988	

Gifts in kind are made up of donated furnishings from SCS Group plc.

Restricted Grants

	2021 £	2020 £
LA Community Grant	-	11,980
Wellesley Trust	4,933	9,794
LNT	103,086	106,307
DEFRA - WRAP	4,070	9,509
ESF My Future Matters	64,794	4,679
CLLD Stitch Sisters	47,408	17,823
ESIF - BFE BEaT	9,465	9,325
QBE EO Foundation	-	2,500
Lottery Awards for All	9,758	9,426
BBO - Wise Steps	156,943	156,813
Newcastle Council - CLLD	13,795	26,313
Community Fund - Women Together	70,725	81,917
Community Pantry	39,584	-
Partnership Initiatives	9,000	-
Loan Shark Funding	1,600	-
Womens Domestic Abuse Services	30,313	-
Onwards Arts Programme	7,986	-
Neighbourly Together Fund	1,000	-
	574,460	446,386

Unrestricted Grants

	2021 £	2020 £
Good Things Foundation	15,662	3,000
Ballinger Trust	-	1,000
Karbon Homes	-	1,000
Community Foundation	-	5,000
Newcastle City Council	-	11,250
Gateshead Council	-	5,690
Catherine Cookson	600	1,000
HMRC JRS	7,986	7,563
SAGE	5,250	-
Action for children	17,500	-
National Careers Service	13,530	-
Connected voice	2,500	-
Community foundation	3,500	-
Other small grants	26,205	500
	92,733	36,003

5 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Training and employment	242,077	-	242,077	195,304
Total for 2021	242,077	-	242,077	195,304
Total for 2020	195,304	-	195,304	

6 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Interest receivable and similar income;				
Interest receivable on bank deposits	1	-	1	1
Total for 2020	1	-	1	

7 Other income

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Other income	2,062	-	2,062	-

Other income relates to course income and proceeds from the sale of scrap metal.

8 Expenditure on raising funds

a) Costs of generating donations and legacies

	Total 2021 £	Total 2020 £
Staff costs	81,080	56,089

9 Expenditure on charitable activities

	Unrestricted General £	Restricted £	Total 2021 £	Total 2020 £
Training and employment	73,019	568,900	641,919	514,583
Support Costs	194,982	-	194,982	105,874
Total for 2021	268,001	568,900	836,901	620,457
Total for 2020	145,523	474,934	620,457	

Notes to the Financial Statements for the Year Ended 30 September 2021

10 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs	Support costs	Total 2021	Total 2020
	£	£	£	£
Staff costs	18,107	119,924	138,031	72,531
Premises	1,350	8,443	9,793	5,182
Communications	-	9,012	9,012	3,086
General office	5,167	17,731	22,898	11,504
Finance costs	2,180	558	2,738	1,066
Travel	-	6,133	6,133	6,901
Audit and Accountancy	3,813	-	3,813	3,651
Legal and professional fees	2,564	-	2,564	1,953
	33,181	161,801	194,982	105,874

Notes to the Financial Statements for the Year Ended 30 September 2021

11 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	670,832	506,492
Social security costs	53,198	35,421
Pension costs	12,048	8,645
	736,078	550,558

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2021 No	2020 No
Training and employment	16	11
Enviromental services	8	8
Central services	5	4
	29	23

The number of employees whose emoluments fell within the following bands was:

	2021 No	2020 No
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-

The total employee benefits of the key management personnel of the charity were £205,312 (2020 - £180,835).

12 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

13 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	3,750	3,600
All other non-audit services	-	51
	3,750	3,651

14 Taxation

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

15 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021 £	2020 £
Audit fees	3,750	3,600
Loss on disposal of fixed assets held for the charity's own use	(2,000)	722
Depreciation of fixed assets	27,036	15,088

16 Tangible fixed assets

	Furniture and equipment £	Motor vehicles £	Total £
Cost			
At 1 October 2020	197,438	49,202	246,640
Additions	38,108	42,607	80,715
Disposals	(24,048)	(12,919)	(36,967)
At 30 September 2021	211,498	78,890	290,388
Depreciation			
At 1 October 2020	152,963	43,272	196,235
Charge for the year	17,679	9,357	27,036
Eliminated on disposals	(24,048)	(12,919)	(36,967)
At 30 September 2021	146,594	39,710	186,304
Net book value			
At 30 September 2021	64,904	39,180	104,084
At 30 September 2020	44,475	5,930	50,405

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2021 £	2020 £
Motor vehicle	36,653	2,902

17 Debtors

	2021 £	2020 £
Trade debtors	48,830	7,583
Prepayments	15,888	3,057
Accrued income	78,098	111,336
	142,816	121,976

18 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	288	746
Cash at bank	(23,068)	5,028
Short-term deposits	4	25,003
	(22,776)	30,777

19 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	20,573	3,130
Other loans	150,000	-
Hire purchase and finance leases	9,905	4,040
Other taxation and social security	25,493	23,455
VAT repayable	22,526	13,032
Other creditors	8,843	2,260
Accruals	5,231	4,158
Deferred income	34,713	76,473
	277,284	126,548

Other loans relates to an interest free loan of £150,000 (2020: £nil) from Shepard Offshore Group Limited.

	2021 £	2020 £
Deferred income at 1 October 2020	108,772	171,070
Resources deferred in the period	11,631	108,772
Amounts released from previous periods	(85,690)	(171,070)
Deferred income at year end	34,713	108,772

The above deferred income creditor is split between those amounts expected to be released to income in less than and more than one year.

20 Creditors: amounts falling due after one year

	2021 £	2020 £
Other loans	-	150,000
Hire purchase and finance leases	24,791	2,356
Deferred income	-	32,299
	24,791	184,655

Other loans includes an interest free loan of £nil (2020 - £150,000) from Shepherd Offshore Group Limited

21 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

	2021 £	2020 £
Within one year	9,905	4,040
In two to five years	24,791	2,356
	34,696	6,396

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Other		
Within one year	17,771	52,447
In two to five years	552	18,323
	18,323	70,770

22 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £12,048 (2020 - £5,328).

Notes to the Financial Statements for the Year Ended 30 September 2021

23 Funds

	Balance at 1 October 2020 £	Incoming resources £	Resources expended £	Balance at 30 September 2021 £
Unrestricted funds				
General				
General fund	(108,045)	373,614	(349,081)	(83,512)
Restricted funds				
LNT	-	103,086	(103,086)	-
DEFRA - WRAP	-	4,071	(4,071)	-
ESF My Future Matters	-	64,794	(64,794)	-
CLLD Stitch Sisters	-	47,408	(47,408)	-
ESIF - BFE BEaT	-	9,465	(9,465)	-
Lottery Awards for All	-	9,758	(9,758)	-
Wellesley Trust	-	4,933	(4,933)	-
BBO Wise Steps	-	156,943	(156,943)	-
Newcastle City Council - CLLD	-	13,795	(8,795)	5,000
Community Fund - Women Together	-	70,725	(70,725)	-
Partnership initiatives	-	9,000	(9,000)	-
Community Pantry	-	39,584	(39,584)	-
Loan Shark funding	-	1,600	(1,600)	-
Women's Domestic Abuse Services	-	30,313	(30,313)	-
Gateshead Council - Onwards Arts Programme	-	7,986	(7,986)	-
Virgin Media - Neighbourly Together Fund	-	1,000	(439)	561
Total restricted funds	-	574,461	(568,900)	5,561
Total funds	(108,045)	948,075	(917,981)	(77,951)

Notes to the Financial Statements for the Year Ended 30 September 2021

The charitable company received and applied monies towards the following restricted funds during the year.

LA Community Grant
A grant to support an arts programme for women that focussed upon personal evaluation and employment aspiration

Community Foundation
Provision of numeracy support across the organisations activities

Wellesley Trust
The final year in a 3 year grant to support delivery of the 'Youth BEaT' programme, an intensive employability support programme tailored to meet the needs of 18-25 year olds living in Newcastle and North Tyneside.

LNT (Lifting Neighourhoods Together)
A 5 year National Lottery UK transnational programme to test a community development model catalysing systemic change in local service delivery towards lifting Walker out of the national indices of multiple deprivation

DEFRA - WRAP
Funding to support the expansion of our foodbank to meet significantly increased demand.

ESF My Future Matters
A 3 year DWP funded programme to offer a tailored package of employability and well-being support including personal and vocational skills development. The project activities will be delivered in Newcastle and North Tyneside, with a particular focus in the East side of Newcastle and Wallsend.

CLLD Stitch Sisters
An ESIF 2 year programme funded by the North of Tyne CLLD Local Action Group. The programme focusses upon developing skills for women in the garment manufacturing sector and the potential for social enterprise

ESIF - BFE BEaT
A programme funded by the North of Tyne CLLD Local Action Group. 3 year funding was received for the 'BEaT Project', designed to Build, Empower and Transform lives of residents within Newcastle and North Tyneside. The programme offers a tailored package of personal development and financial literacy support aimed at long term unemployed.

QBE EO Foundation
A grant to support the purchase if IT hardware in the form of tablets/smart devices in order to increase digital access to those in significant need, exacerbated by Covid.

Lottery Awards for All
A grant to support work and develop pathways to employment for the long term unemployed.

BBO - Wise Steps
Grant funding provided by the Big Lottery Fund and the European Social Fund to help people in Tyne and Wear to transform their lives. The project provides one to one specialist support to those on the pathway to work.

Community Fund - Women Together
A 3 year grant to support the development and delivery of services and support for women across the east end through our East End Women Project.

Unrestricted Grants 2021

A number of grants were awarded to assist the organisation in its Covid related activities supporting local communities

Ballinger Trust
Good Things Foundation
Hadrian Trust
Karbon Homes
Community Foundation
Newcastle City Council
Gateshead Council
Catherine Cookson

24 Analysis of net assets between funds

	Unrestricted funds General £	Restricted £	Total funds at 30 September 2020 £
Tangible fixed assets	104,084	-	104,084
Net current assets/(liabilities)	(162,805)	5,561	(157,244)
Creditors over 1 year	(24,791)	-	(24,791)
Total net assets	(83,512)	5,561	(77,951)

	Unrestricted funds General £	Restricted £	Total funds at 30 September 2020 £
Tangible fixed assets	50,405	-	50,405
Net current assets/(liabilities)	26,205	-	26,205
Creditors over 1 year	(184,655)	-	(184,655)
Total net assets	(108,045)	-	(108,045)

25 Analysis of net funds

	At 1 October 2020 £	Financing cash flows £	New finance leases £	At 30 September 2021 £
Cash at bank and in hand	30,777	(30,777)	-	-
Bank overdraft	-	(22,776)	-	(22,776)
	30,777	(53,553)	-	(22,776)
Debt due within one year	-	(150,000)	-	(150,000)
Debt due after more than one year	(150,000)	150,000	-	-
Finance leases and hire purchase contracts	(6,396)	15,684	(43,984)	(34,696)
Net debt	(125,619)	(37,869)	(43,984)	(207,472)

	At 1 October 2019 £	Financing cash flows £	New finance leases £	At 30 September 2020 £
Cash at bank and in hand	302	30,475	-	30,777
Bank overdraft	(12,400)	12,400	-	-
	(12,098)	42,875	-	30,777
Debt due after more than one year	(105,000)	-	(45,000)	(150,000)
Finance leases and hire purchase contracts	(10,436)	4,040	-	(6,396)
Net debt	(127,534)	46,915	(45,000)	(125,619)

26 Related party transactions

During the year the charity made the following related party transactions:

Shepherd Offshore Group Limited
Shepherd Offshore Group Limited is a related party by virtue of Bruce Shepherd who is also a trustee of the charitable company.

During the year the charitable company charged Shepherd Offshore Group Limited £9,221 (2020 - £10,192) for environmental maintenance services.

The charitable company also received an interest free loan of £Nil (2020- £45,000) during the year. The charitable company made repayments of £Nil (2020- £Nil) during the year. . At the balance sheet date the amount due to Shepherd Offshore Group Limited was £148,542 (2020 - £148,032).

Shepherd Offshore Limited
Shepherd Offshore Limited is a related party by virtue of Bruce Shepherd who is also a trustee of the charitable company.

During the year Shepherd Offshore Limited charged the charitable company £2,346 (2020 - £1,868) for rent and service charges. The charitable company charged Shepherd Offshore Limited £9,961 (2020 - £5,923) for environmental maintenance services. At the balance sheet date the amount due from Shepherd Offshore Limited was £2,710 (2020 - £802).

Shepherd Offshore Services Limited
Shepherd Offshore Services Limited is a related party by virtue of its part owner, Bruce Shepherd who is also a trustee of the charitable company.

The charitable company charged Shepherd Offshore Services Limited £2,649 (2020 - £2,173) for environmental maintenance services. At the balance sheet date the amount due from Shepherd Offshore Services Limited was £379 (2020 - £372).

SCS Group plc
SCS Group plc is a related party by virtue of a director in the company Chris Muir, who is also a trustee of the charitable company.

During the year the charitable company received donated furnishings of £5,472 (2020 - £3,149). At the balance sheet date the amount due to/from SCS Group plc was £Nil (2020 - £Nil).

St Anthony of Padua Community Association (STAPCA)
St Anthony of Padua Community Association (STAPCA) is a related party of the charitable company by virtue of its Chief Executive Helen Woods-Waters being the spouse of Anthony Woods-Waters, the charitable company's Chief Executive.

The charitable company charged £2,583 (2020 - £2,373) to STAPCA for environmental maintenance services. They also charged for £574 (2020 - £647) for providing joint events. At the balance sheet date the amount due from St Anthony of Padua Community Association (STAPCA) was £408 (2020 - £537).

Ward Hadaway
Ward Hadaway is a related party by virtue of a partner in the firm, Colin Hewitt, who is also a trustee of the charitable company.

During the year Ward Hadaway charged the charitable company £5,263 (2020 - £5,299) for legal services. At the balance sheet date the amount due to/from Ward Hadaway was £Nil (2020 - £Nil).

BUILDING FUTURES EAST LIMITED

England & Wales - Charity number 1125555

Accounts

AUDIT · TAX · ADVISORY

Company registration number: 06261491

Charity registration number: 1125555

BUILDING FUTURES EAST LIMITED

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 September 2020

Now, for tomorrow

mha TAIT WALKER

Building Futures East Limited

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 13
Independent Auditors' Report	14 to 16
Statement of Financial Activities	17
Statement of Financial Activities	18
Balance Sheet	19
Statement of Cash Flows	20
Notes to the Financial Statements	21 to 41

Building Futures East Limited

Reference and Administrative Details

Trustees	B Shepherd, Company director J D Stokel-Walker, Company director C. T. Hewitt, Company director C M Sayers, Company director C J R Muir (not a director of the charitable company)
Secretary	A Woods-Waters
Key Management Personnel	Anthony Woods-Waters, Chief Executive Helen Holmes, Head of Operations Fiona Hall, Curriculum Quality & Performance Manager Reemer Bailey, Neighbourhood Transformation Team Manager Claire Brown, Environmental Maintenance Manager
Principal Office	Low Yard White Street Walker Newcastle upon Tyne NE6 3PJ
Company Registration Number	06261491
Charity Registration Number	1125555
Solicitors	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX
Auditor	MHA Tait Walker Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Building Futures East Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 30 September 2020.

Structure, governance and management

Nature of governing document

The charitable company is registered as a charitable company limited by guarantee.

The charitable company is constituted under a Memorandum of Association dated 27 May 2007 as amended on 23 June 2008 and is a registered charity number 1125555.

The principal object of the charitable company is the promotion of the public benefit of urban or rural regeneration in areas of social and economic deprivation (and in particular in the East end of Newcastle upon Tyne).

The charitable company is also a member of 'Locality' the UK's leading network for community-led organisations.

Recruitment and appointment of trustees

The management of the charitable company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Articles of Association make provision for "Associate" members who have the entitlement to attendance and representation but without the right to vote.

All directors of the charitable company are also trustees under the Charities Act 2011.

Trustees may be nominated on the basis of personal values and a motivation consistent with those of the organisation.

Trustees are appointed for a period of three years at which point they must retire or stand for re-appointment as described in the Articles of Association.

Induction and training of trustees

New trustees receive an induction, which includes a briefing on their legal obligations under charity and company law, the Memorandum and Articles of Association, the committee and decision making processes, the business plan, accounts, minutes of recent trustee meetings and a schedule of future dates.

Organisational structure

The organisation operates along conventional lines with management and team meetings at all levels. These then inform the decision making process in addition to the feeding in of external information from partner organisations and service users.

There are also thematic meetings of staff and management to support such issues as Health and Safety and Continuous Quality Improvement. These also make important contributions to policy and practice development.

Building Futures East Limited

Trustees' Report

Risk Management

The trustees have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Objectives and activities

Objects and aims

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to the public benefit. A comprehensive and regularly updated set of policies and guidelines supporting the organisations responsibilities as charity, employer, training organisation and social enterprise have been formulated and published.

Delivery activities address the organisations values, objectives and organisational targets and are underpinned by our policy and practice directives. Much of this information is placed in the public domain via our website. The organisation has also increased its use of social media platforms to communicate with its audience on a range of related issues.

At the time of writing this report, delayed as a consequence of the COVID-19 pandemic, we are in fact rapidly approaching the next date for the preparation of our following set of accounts.

This report therefore will look simultaneously to the past and to the future.

The Trustees and Senior Management Team have previously agreed a set of organisational aims and objectives that carry us forward to 2023 as follows:

Strategies for achieving objectives

We continue to adhere to 3 primary and equally important organisational aims:

1. Within a caring, understanding and tolerant environment, developing people through learning, skills development, personal capacity building and pastoral support.

2. To improve the quality of the local physical environment, ensuring that people living in disadvantaged neighbourhoods have attractive places in which to live.

3. Strive to integrate the marginalised and vulnerable and those at times of transition through programmes that respect and respond to their specific needs and the wider community.

These are underpinned by 3 separate additional aims:

a) To articulate and advance the social and economic case for investment in fragile places through practical programme design and implementation within aims 1-3.

b) To develop the capacity of the organisation and its people to facilitate aims 1-3.

c) To develop Building Futures East as an exemplar organisation in community regeneration.

What is clear is that the work undertaken across our teams operationally and, more specifically, strategically, during the course of this year 2019-20, continue to contribute to:

- Increased Financial Stability
- Partnership Development
- Service Expansion and Diversity
- Augmented Reputational Advantage
- Organisational Influence

This follows a pattern established in our early development around:

- The constant drive for quality improvement and maintaining the highest standards in delivery across all areas of service
- Adherence to Mission, vision and values
- Tuned into opportunity, the reality of need as expressed by our communities and the creative ability to honestly and with integrity, connect the two.

The activities of the organisation undertaken during the course of the year and which are described within this document evidence our progress against our aims and objectives and those points described immediately above.

Fundraising disclosures

We have a clear strategy in relation to the funding of our curriculum programme through a mix of grant aid, charitable support and contract work. Additionally, this operates in conjunction with our social enterprise in securing contract work with public, private and third sector clients on a commercial basis. During the course of this year we have increased the level of our charitable fundraising applications as a result both of the impact of the continuing squeeze on available public funding.

This strategy understands and responds to the fact that large scale grants continue to be limited and highly competitive and our focus therefore, which has demonstrable success, had been to prepare applications on a smaller scale to a larger number of funders.

As referred to earlier we continue to be successful in continuing contract delivery across areas of our services, these being predicated on positive performance measurement.

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

Building Futures East Limited

Trustees' Report

Achievements and performance and plans for future activity

This year started where the previous year ended, with further progress across our streams of organisational activity. The organisational establishment continues to grow with the implementation of new and innovative projects that focus upon the issues, needs, challenges and opportunities of the socioeconomic landscape. Our people, place and asset based focus continue both to deliver success and elevate the profile of the organisation and the importance of its' work.

As the year started however, we could not have anticipated what lay ahead of us and the extent to which it would both test and strengthen us.

We were fortunate that we benefitted from a grant via our Walker Ward Committee that provided for significant investment and upgrading of our IT Systems. The upgrade work was, fortuitously, completed during the course of February. This then only a matter of weeks prior to Lockdown 1 towards the end of March 2020.

Coronavirus has enabled the use of multiple, and often overused, superlatives. These have been widely used to describe everything from the virulence of the virus to a defence of service withdrawal. How many times have we all heard the word "unprecedented". We have therefore quietly, and without fuss, continued in our own determined, uninterrupted, dedicated service to our communities, albeit in some areas of work simply adapting, or modifying, the method of delivery.

Therefore, with the introduction of Lockdown we almost immediately were able to devise and roll out a Covid Service Continuity Plan.

This entailed:
- A commitment to the continuation of services, and maintaining an ongoing presence at our base, as a positive message of solidarity with our communities.
- Recognition of the vital role and responsibilities of community development organisations to their communities at a time of genuine crisis.
- A managed move to an agreed mix of home and office based working.
- Transference of much of our face-to-face delivery to on-line support through social media platforms.
- Establishment of a cross-departmental Covid Risk Assessment Group meeting on a 2-week cycle to agree, implement and review organisational action.
- Investment in PPE and a range of practical and physical measure to protect staff and linked directly with our CRAG.
- Reassessment and rapid expansion of our food support offer.
- Development of associated welfare call support system.
- Location as a central strategic and operational anchor in the local response to pandemic
- The organisation then taking the role in articulating the issues and needs of the area and leading in the local delivery response.

At a practical level, we enjoy abundant space on site, making easy the task of safe social distancing and measures to protect staff and minimize the potential for the spread of infection. Cleaning regimes increased dramatically, the use of masks and visors became routine, as did the frequent use of a range of sanitisation gels, wipes etc. as have now become commonplace additions to the office environment.

Trustees' Report

The mix of home and office based working has reflected the changing governmental advice, guidance and the introduction of the Tier system. Just to emphasise however that the organisation has throughout, remained open and accessible without interruption.

All of these demanded the development of new systems, new policies, creative and innovative thought, flexibility in approach, the ability to influence and articulate the need for change. The crisis highlighted the importance in achieving these, of organisational integrity and reputation, highly developed networks and concomitant communications channels, the use of technology and social media platforms and of course, goodwill.

The transition between the various levels of applied restrictions over the course of the public health crisis to date, has, on the basis of uninterrupted service delivery, presented us with no difficulty. We are aware that a number of organisations made an early move to close services or work entirely from home and consequently have struggled with any service restoration in respect of covid compliance at a practical, process and policy level.

We set ourselves a challenge and many of our staff excelled. The level of cross departmental action and mutual support expanded exponentially. This, together with an applied , across jobs and functions, generated a spirit of camaraderie hitherto unparalleled.

Emergency Food Support became a primary output in community support and developed and coordinated through our Local Programmes Team (East End Women). By week 4 of Lockdown 1 the level of distribution had increased by 400%.

Food packs have been delivered on a weekly basis with scheduled doorstep deliveries every Wednesday and Thursday to around 130 households in addition to the provision of an emergency food response.

The volume of food moving to and from the site necessitated bulk processing/packing on site that takes 3 full days each week to complete. The logistical challenge is immense and often an unseen but critical task in our process of support.

The delivery of food packs to our most vulnerable, has relied not only upon our staff, but the 90 volunteers that have given regularly of their time in response to the level of need.

An on-line Just Giving page succeeded in boosting many generous donations that enabled us to offer weekly fruit and vegetable packs and to augment any staple foodstuffs where we had low stocks together with Hygiene and period products.

We were also supported by a range of local and national charities and trusts providing short term funding for Covid Emergency Relief.

We received tremendous support from the National Lottery Community Fund both in terms of additional emergency funding, and the ability to shift staff capacity through East End Women towards the vital work of food and welfare support.

It is perhaps unsurprising then that our organisation is now viewed as the key food support organisation in the East End of the City.

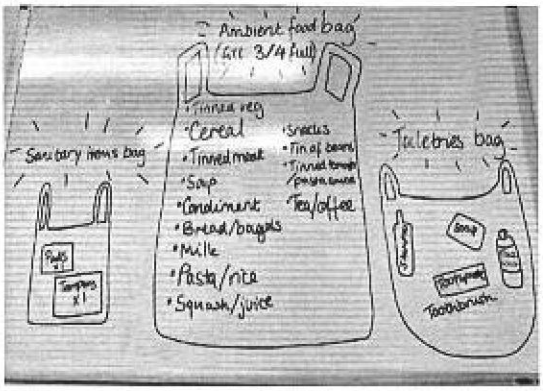
Building Futures East Limited

Trustees' Report









At the point where this report has been compiled the organisational food output stands at:



Building Futures East Limited

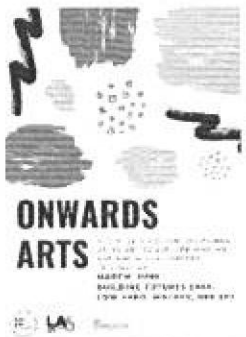
Trustees' Report

We experienced a brief hiatus in Environmental Maintenance service delivery at the outset of lockdown 1 when, at a national level, grounds maintenance and gardening service contracts were suspended.

For a period of 3 weeks then our EM Teams were furloughed whilst discussions ensued on the safe restoration of service support. Following this our EM teams resumed work, without pause, enjoying a highly successful contract season.

During the course of the year we have also worked to introduce new projects to our portfolio with exciting opportunities for our communities.

Examples are:



Onwards Arts. A 12 week programme for up to 30 women, allowing them, through the medium of arts and crafts, to explore who they are and what careers they might be interested in.
The programme used visual arts pack that women were able to use in their homes. The women used a range of media, that included, collage, mood boards, Zines and photography to produce art that represented them and their aspiration or goal. The project also provides employability support for participants.



A 2 year CLLD- ESF funded East End Women project based upon developing skills in sewing and garment manufacturing. The project offers and NCFE accredited training programme linking to the skills needs of a renascent regional manufacturing capacity. Working with the private sector to feed the jobs market within a model to develop a new sustainable social enterprise, the project also integrates with the wider East End Women and BFE Employability offer.

Over the course of the next 12 months we plan to fully develop initial Stitch Sisters enterprise opportunities, through design and production and to market. We have received a small amount of grant funding specifically to engage a business development consultant to work with us.

The current and continuing social and economic instability resulting from oscillating levels of the rate of infection, and the policy response, make even short to medium term planning difficult.

We have plans for both the resumption of direct face-to-face delivery and the continuation of a remote offer in whatever form that needs to take.

In terms of the continuing provision of Emergency Food support, we know that the current delivery model cannot be sustained over the long term. We recognise that food, as a further lens through which we can view poverty, has provided us with invaluable insight and the potential to better connect, develop and extend our services.

We have over the latter part of this year, led and articulated a local collective voice for change and as part of this, the preparation of neighbourhood or locality plans, that unite stakeholders in action to support the many assets in our most disadvantaged communities but to collaboratively tackle the many and deep seated challenges that our communities face.

Building Futures East Limited

Trustees' Report

The havoc caused by Covid-19 has made imperative the need for continuing disruptive action that challenges prevailing, but failed, local ecomomies and the thinking that underpins them. We have at Building Futures East long argued that, irrespective of your political colour, if any, whether you describe the process as rebalancing the economy or levelling up, unless the solution has at its heart, the needs of places like Walker, Byker, etc then the outcome will merely continue the status quo. Consequently, Coronavirus has, since the end of March 2020, shone the most powerful light on the iniquity of our prevailing economic model, and one that this organisation was created to challenge.

"Progressive" disruption therefore, demands that we need, even at a local or neighbourhood level, to continue to press ahead with our plans for a locality model. The past 12 months have witnessed a level of collaboration between local groups and organisations that has not been evident in decades, if ever. Part of our Covid related work linking these issues has been to engage with the Local Authority in agreeing a pilot planning project, centred on Walker, integrating our 'Lifting Neighbourhood Together' and DWP "My Future Matters" projects, to deliver a replicable, sustainable, and potentially scalable model that might be applied in other parts of the City. This conversation continues slowly, although there are genuine indications of positive progress.

Over the summer we devoted significant time and energy to the exploration of an alternative food support solution. Within this we examined examples from across Europe and particularly Canada and the USA.

Morally and philosophically we wish to move away from the notion of "beneficiaries" in receipt of charitable support. Our current food offer was only ever developed as an immediate response to crisis. At the same time, through our actions we do not wish to create a learnt dependency that simply constrains people in continued helplessness. Our aim then, over the course of the next 3 years is to develop a sustainable food response based upon respect and responsibility. Our proposed Walker Food Pantry will operate on a membership model. It will respond to profound need, to support food access for our most vulnerable families and individuals within a framework for wider personal development, support, and capacity building linked to vocational, functional skills and employment training.

Our model is built on the idea of allowing members to choose their own food. Many client choice pantries resemble small grocery stores, with products arrayed on shelves and in coolers/freezers, from which clients can fill boxes or bags. Some produce a list of the food they have available, and then prepare individual packages based on clients' selections. We hope to be able to offer both options.

Member choice food pantries are strong where standardised food box/bag pantries are weak. Choosing their own food gives members a sense of control rather than the helplessness of being told, in essence, that "this is what you get"; and since members tend not to take food they won't use, relatively little of a what a client-choice food pantry distributes goes to waste. There will be a minimal annual membership subscription and members will pay a set amount at each visit for which they can chose goods that work out at approximately 7 times the value of the charge. We envisage on the basis of our current financial projections that the Pantry will be fully sustainable within 3 years. We are currently engaged in securing start-up funding to employ a development worker or Community Food Coordinator.

Building Futures East Limited

Trustees' Report



Our integrated programme bringing together our Lifting Neighbourhoods Project with our DWP My Future Matters project is underway with the majority of posts relating to these projects, now filled. The emphasis to date has been upon building capacity within the team, establishing and extending the local network, starting the process for finding suitable premises to house the team and building relationships across the organisation. Clearly there are limitations placed upon the project as a consequence of the community development delivery model and methodology which involves, primarily, face to face interaction with the community. Some work has been able to proceed linked to that continuing organisational activity that demands direct contact.

The ongoing drive to secure sustainable employment for our communities has continued despite the prevailing restrictions on operation throughout most of the year. Our partnership with the World Wheel Company that will bring 800 new jobs to the East End of Newcastle through the Giants on the Tyne development will now be slightly delayed on site and into the spring of 2021. Nevertheless, planning remains in progress and we anticipate a full launch of the related progamme training academy during the course of 2021.

Discussions are at an advanced stage with Action for Children around a skills and training offer linked to their "SideStep" project which supports vulnerable children and young people at risk of exploitation and also works with their families and carers.

Our Local Programmes work has had a specific focus around Emergency Food support. As a consequence of the constraints of lockdown and the need for a reprioritisation of support, we have not been able to deliver a Walker_SOUP programme during the course of the year and are uncertain at this point when a resumption might begin. We have been able, as an East End Women programme, successfully delivered both Women's DIY and Freedom Programme Training alongside events in Health and Wellbeing, the continuation of our Period Poverty initiatives informal and a calendar of events to connect women and reduce social isolation. These of course had to be suspended during successive lockdowns, but will be reinstated when restrictions are relaxed.

As highlighted earlier, during the course of the year we have developed and delivered personal development programmes using Arts and Crafts as the medium. These have, again as a consequence of Covid, taken the form of home delivered learning packs as part of our Onwards Arts and Stitch Sisters programmes. These have proven to be highly successful. The creative talents and skills of our staff team thus extending the range of opportunities on offer to move people forward.

Trustees' Report

Through our Building Better Opportunities and National Careers Advisory Service programmes, we have continued to support individuals in their journey to learning and employment. As part of that move to remote service delivery our Employability Team has continued to support individuals into work despite the pandemic, particularly around logistics and food retail in addition to notable successes in educational attainment through out functional skills tutor team.
There are very clearly significant challenges for our organisation, and indeed our sector, over the coming months and years. We already know that, socially and economically, fragile communities are, and will continue to be, hardest hit, post pandemic. Within this we know that women are further detrimentally impacted. The true extent of the problems caused is yet to be fully understood or quantified. Even the most cursory examination of the response to addressing community need through the current public health crisis will acknowledge local action as 'the' critical factor in maintaining resilience. Within this, what has also been made painfully clear is that there are organisations, like ours, where mission is something "lived" and has driven commitment and out output, and there are those where mission is merely a strapline, who have largely disappeared or created an illusion of presence through exaggerated social media. This is a lesson that hopefully will not be wasted on policy makers and funders in terms of both whom they should consult and support. We move forward irrespective, with a level of financial security linked to a number of multi-year funding programmes and with developing future opportunities.

Next year will then start where this year ended, as:

An organisation leading the way in creativity in social action around poverty. An organisation unafraid of challenging the limitations placed upon our communities by unambitious and siloed thinking and practice that, where growth can be produced, perpetuates the divisive model of the "haves" and the "have not". An thinking organisation, embedded within the communities it serves and on the basis of what it does. An organisation that with honesty, integrity and openness, can evidence what it does. An organisation that is ambitious for the success its communities.

Public benefit

The trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The charitable objectives are also set in order to provide a clear and demonstrable public benefit.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

The charitable company is grateful for the unstinting efforts of its volunteers who are involved in service provision and the care and maintenance of our training facility. Volunteering opportunities are specifically offered to those who might benefit from a supported experience close to the real working environment.

Financial review

The trustees have considered the result for the year and are assessing the actions required to secure the charity in the future.

For the year ended 30 September 2020, incoming resources totalled £701,293 and resources expended totalled £676,546, resulting in a surplus for the year of £24,747. Of this surplus the restricted funds reduced by £28,048 and unrestricted funds increased by £52,795.

Trustees' Report

Policy on reserves

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charitable company to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. This exercise considered both the normal requirements for working capital and the loss of income of a hypothetical but reasonable reduction in the scale of operations. Resulting from this, the trustees considered it would be appropriate to hold the equivalent of three months' payroll expenditure, which would equate to holding approximately £110,000 to £150,000 in free reserves.

At the year end, free reserves were £26,205 (2019 - £(77,325), an increase of £103,530 in the year. The trustees will continue to work with funders to budget future surpluses in order to provide improved organisational sustainability.

The trustees acknowledge that as at 30 September 2020 the charity had very modest free reserves. The trustees recognise the importance of serving the charity's future by rebuilding unrestricted reserves and free reserves and this is a key priority. The need for the charity's services continue to grow and therefore the demand on future reserves will also be greater, hence the charity continues to require future funding and the support of its funding partners.

Going concern

The trustees have prepared forecasts which show that, taking into account reasonable possible changes in trading performance including the potential impact on the charity of possible future scenarios arising from the impact of COVID-19, that the charity has sufficient cashflows to continue as a going concern. This is based on the continued support of the trustees and the bank. This also considers the effectiveness of available measures to assist in mitigating the impact. The trustees have stress tested their forecasts, under various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

Key Management Personnel

The board, who give their time freely and no trustees received remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity, as noted in the Reference and Administration section. Together with the board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day to day basis. The pay of the KMP is reviewed annually and normally increased in accordance with average earnings. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the charity can afford any proposed increases. The board then agree any uplift to remuneration.

Principal funding sources

The majority of the charitable company's funding is through contracts and grants with local and central government, grant making organisations and registered providers of social housing. These then relate to the delivery of curriculum activity, community capacity building or the provision of environmental maintenance services.

Building Futures East Limited

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Building Futures East Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 6 May 2021 and signed on its behalf by:



.....

C J R Muir
Trustee

Building Futures East Limited

Independent Auditor's Report to the Members of Building Futures East Limited

Opinion

We have audited the financial statements of Building Futures East Limited (the 'charity') for the year ended 30 September 2020, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Independent Auditor's Report to the Members of Building Futures East Limited

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 13), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Building Futures East Limited

Independent Auditor's Report to the Members of Building Futures East Limited

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

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

Use of our report
This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Brown

Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 7/5/2021

MHA Tait Walker is a trading name of Tait Walker LLP.

Building Futures East Limited

Statement of Financial Activities for the Year Ended 30 September 2020
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income and Endowments from:					
Donations and legacies	4	59,102	446,886	505,988	253,582
Charitable activities	5	195,304	-	195,304	220,602
Investment income	6	1	-	1	-
Other income	7	-	-	-	231
Total Income		254,407	446,886	701,293	474,415
Expenditure on:					
Raising funds	8	(56,089)	-	(56,089)	(45,728)
Charitable activities	9	(145,523)	(474,934)	(620,457)	(511,250)
Total Expenditure		(201,612)	(474,934)	(676,546)	(556,978)
Net income/(expenditure)		52,795	(28,048)	24,747	(82,563)
Net movement in funds		52,795	(28,048)	24,747	(82,563)
Reconciliation of funds					
Total funds brought forward		(160,840)	28,048	(132,792)	(50,229)
Total funds carried forward	22	(108,045)	-	(108,045)	(132,792)

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 22.

Building Futures East Limited

Comparative Statement of Financial Activities for the Year Ended 30 September 2019 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £
Income and Endowments from:				
Donations and legacies	4	20,077	233,505	253,582
Charitable activities	5	220,602	-	220,602
Other income	7	231	-	231
Total income		240,910	233,505	474,415
Expenditure on:				
Raising funds	8	(45,728)	-	(45,728)
Charitable activities	9	(280,910)	(230,340)	(511,250)
Total expenditure		(326,638)	(230,340)	(556,978)
Net (expenditure)/income		(85,728)	3,165	(82,563)
Net movement in funds		(85,728)	3,165	(82,563)
Reconciliation of funds				
Total funds brought forward		(75,112)	24,883	(50,229)
Total funds carried forward	22	(160,840)	28,048	(132,792)

Building Futures East Limited

(Registration number: 06261491)
Balance Sheet as at 30 September 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	16	50,405	27,881
Current assets			
Debtors	17	121,976	205,548
Cash at bank and in hand		30,777	302
		152,753	205,850
Creditors: Amounts falling due within one year	18	(126,548)	(156,388)
Net current assets		26,205	49,462
Total assets less current liabilities		76,610	77,343
Creditors: Amounts falling due after more than one year	19	(184,655)	(210,135)
Net liabilities		(108,045)	(132,792)
Funds of the charity:			
Restricted funds		-	28,048
Unrestricted income funds			
Unrestricted funds		(108,045)	(160,840)
Total funds	22	(108,045)	(132,792)

The financial statements on pages 17 to 41 were approved by the trustees, and authorised for issue on 6 May 2021 and signed on their behalf by:



.....

C J R Muir
Trustee

Building Futures East Limited

Statement of Cash Flows for the Year Ended 30 September 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash income/(expenditure)		24,747	(82,563)
Adjustments to cash flows from non-cash items			
Depreciation	11	15,088	17,782
Investment income	6	(1)	-
		39,834	(64,781)
Working capital adjustments			
Decrease/(increase) in debtors	17	83,572	(148,567)
(Decrease)/increase in creditors	18	(21,582)	13,444
(Decrease)/increase in deferred income	19	(62,298)	171,070
Net cash flows from operating activities		39,526	(28,834)
Cash flows from investing activities			
Interest receivable and similar income	6	1	-
Purchase of tangible fixed assets	16	(38,337)	(10,380)
Sale of tangible fixed assets		725	184
Net cash flows from investing activities		(37,611)	(10,196)
Cash flows from financing activities			
Repayment of loans and borrowings	19	45,000	57,400
Repayment of capital element of finance leases and HP contracts	20	(4,040)	(4,039)
Net cash flows from financing activities		40,960	53,361
Net increase in cash and cash equivalents		42,875	14,331
Cash and cash equivalents at 1 October		(12,098)	(14,029)
Cash and cash equivalents at 30 September		30,777	302

All of the cash flows are derived from continuing operations during the above two periods.

Notes to the Financial Statements for the Year Ended 30 September 2020

1 Going Concern

During the year ended 30 September 2020 the charity reported a surplus of £24,747, which was an unrestricted surplus of £52,795 and a restricted deficit of £28,048. As a result of this performance, at the 2020 year end, the charity had net current assets of £26,205 and an overall net balance sheet deficiency of £108,045.

The trustees recognise that the charity's finances are strained and have provided ongoing support in the form of loans (providing cash injections as required) during the year. The cash flow loans provided by the trustees at the year end have been given on the basis that no repayments will be demanded which would put the charity's cash flow at risk.

The trustees have prepared forecasts which show that, taking into account reasonable possible changes in trading performance, including the potential impact on the charity of possible future scenarios arising from the impact of COVID-19, that the charity has sufficient cashflows to continue as a going concern. This is based on the continued support of the trustees and the bank. This also considers the effectiveness of available measures to assist in mitigating the impact. The trustees have stress tested their forecasts, under various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern.

2 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is: Low Yard, White Street, Walker, Newcastle upon Tyne, NE6 3PJ

Notes to the Financial Statements for the Year Ended 30 September 2020

3 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation
Building Futures East 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 notes.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Estimation uncertainty and judgements
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators or impairment - In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability.

3 Accounting policies (continued)

Key sources of estimation uncertainty
Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Useful economic life of tangible assets

The annual depreciation charge is sensitive to changes in the estimated useful lives of assets. The useful economic lives are re-assessed annually and are amended when necessary to reflect current estimated, future investment and economic utilisation.

Accrued and deferred income

Income is accrued when it meets the criteria to do so and income is deferred over the period as to which it relates to.

Income and endowments
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 the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Government grants

Income from government, 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.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

3 Accounting policies (continued)

Gifts in kind

Where items are provided to the charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at it's fair value unless it's fair value cannot be realiably measured, then at the cost to the donor or the resale value of goods that are to be sold.

Donated services and facilities

Where services or facilities are provided to the charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at it's fair value unless it's fair value cannot be realiably measured, then at the cost to the donor or the resale value of goods that are to be sold.

Charitable activities

Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

3 Accounting policies (continued)

Governance costs
These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

VAT
The charity is registered for VAT and has partial recovery. Expenditure is charged to the SOFA net of VAT with any unrecovered VAT shown separately.

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets
Individual fixed assets costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation
Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures & Fittings	20% straight line
Motor Vehicles	25% straight line
Equipment	25% straight line

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

3 Accounting policies (continued)

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure
Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Hire purchase and finance leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are capitalised in the balance sheet as tangible fixed assets and are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments.

These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The capital elements of future obligations under the leases are included as liabilities in the balance sheet.

Lease payments are charged to the Statement of Financial Activities and are apportioned between finance costs and the reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability

The interest element of the rental obligation is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Pensions and other post retirement obligations

3 Accounting policies (continued)

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4 Income from donations and legacies

	Unrestricted funds			
	General	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Donations from individuals	19,207	500	19,707	20,038
Gift aid reclaimed	743	-	743	39
Grants from other charities	36,003	446,386	482,389	233,505
Gifts in kind	3,149	-	3,149	-
	59,102	446,886	505,988	253,582

Gifts in kind are made up of donated furnishings from SCS Group plc.

4 Income from donations and legacies (continued)

Restricted Grants

	2020 £	2019 £
LA Community Grant	11,980	19,500
Community Foundation	-	3,000
Wellesley Trust	9,794	-
LNT	106,307	-
DEFRA - WRAP	9,509	-
ESF My Future Matters	4,679	-
CLLD Stitch Sisters	17,823	-
ESIF - BFE BEaT	9,325	-
QBE EO Foundation	2,500	-
Lottery Awards for All	9,426	-
BBO - Wise Steps	156,813	155,036
Newcastle Council - CLLD	26,313	17,315
Community Fund - Women Together	81,917	38,654
	446,386	233,505

Unrestricted Grants

	2020 £	2019 £
Ballinger Trust	1,000	-
Good Things Foundation	3,000	-
Hadrian Trust	500	-
Karbon Homes	1,000	-
Community Foundation	5,000	-
Newcastle City Council	11,250	-
Gateshead Council	5,690	-
Catherine Cookson	1,000	-
HMRC JRS	7,563	-
	36,003	-

Notes to the Financial Statements for the Year Ended 30 September 2020

5 Income from charitable activities

	Unrestricted funds		
	General	Total 2020	Total 2019
	£	£	£
Environmental Maintenance	175,725	175,725	201,248
NCS Income	10,579	10,579	10,354
Partnership Income	9,000	9,000	9,000
	195,304	195,304	220,602

6 Investment income

	Unrestricted funds		
	General	Total 2020	Total 2019
	£	£	£
Interest receivable on bank deposits	1	1	-

7 Other income

	Total 2020	Total 2019
	£	£
Gains on sale of tangible fixed assets for charity's own use	-	231

8 Expenditure on raising funds

	Total 2020	Total 2019
	£	£
Staff costs	56,089	45,728

9 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2020 £	Total 2019 £
Training and employment	39,649	474,934	514,583	306,876
Support Costs	105,874	-	105,874	204,374
	145,523	474,934	620,457	511,250

10 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs £	Support costs £	Total 2020 £	Total 2019 £
Staff costs	9,321	63,210	72,531	136,928
Premises	958	4,224	5,182	15,965
Communications	-	3,086	3,086	6,334
General office	2,855	8,649	11,504	21,828
Finance costs	773	293	1,066	2,150
Travel	-	6,901	6,901	12,625
Audit and Accountancy	3,651	-	3,651	3,643
Legal and professional fees	1,953	-	1,953	4,901
	19,511	86,363	105,874	204,374

11 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2020 £	2019 £
Audit fees	3,600	3,600
Loss on disposal of fixed assets held for the charity's own use	722	-
Depreciation of fixed assets	15,088	17,782

12 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

Notes to the Financial Statements for the Year Ended 30 September 2020

13 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	506,492	399,424
Social security costs	35,421	29,511
Pension costs	8,645	5,328
	550,558	434,263

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2020 No	2019 No
Training and employment	11	7
Enviromental services	8	9
Central services	4	4
	23	20

The number of employees whose emoluments fell within the following bands was:

	2020 No	2019 No
£60,001 - £70,000	1	1

The total employee benefits of the key management personnel of the charity were £180,835 (2019 - £129,724).

14 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	3,600	3,600
All other non-audit services	51	43
	3,651	3,643

15 Taxation

The charity is a registered charity and is therefore exempt from taxation.

16 Tangible fixed assets

	Furniture and equipment £	Motor vehicles £	Total £
Cost			
At 1 October 2019	164,551	46,402	210,953
Additions	35,537	2,800	38,337
Disposals	(2,650)	-	(2,650)
At 30 September 2020	197,438	49,202	246,640
Depreciation			
At 1 October 2019	145,509	37,563	183,072
Charge for the year	9,380	5,708	15,088
Eliminated on disposals	(1,925)	-	(1,925)
At 30 September 2020	152,964	43,271	196,235
Net book value			
At 30 September 2020	44,474	5,931	50,405
At 30 September 2019	19,042	8,839	27,881

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2020 £	2019 £
Motor vehicle	2,902	7,877

Notes to the Financial Statements for the Year Ended 30 September 2020

17 Debtors

	2020 £	2019 £
Trade debtors	7,583	29,278
Prepayments	3,057	3,120
Accrued income	111,336	173,150
	121,976	205,548

18 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	-	12,400
Trade creditors	3,130	2,095
Hire purchase and finance leases	4,040	4,040
Other taxation and social security	23,455	31,403
VAT repayable	13,032	18,651
Other creditors	2,260	5,181
Accruals	4,158	10,287
Deferred income	76,473	72,331
	126,548	156,388

	2020 £	2019 £
Deferred income at 1 October 2019	171,070	-
Resources deferred in the period	108,772	171,070
Amounts released from previous periods	(171,070)	-
Deferred income at year end	108,772	171,070

The above deferred income creditor is split between those amounts expected to be released to income in less than and more than one year.

Notes to the Financial Statements for the Year Ended 30 September 2020

19 Creditors: amounts falling due after one year

	2020	2019
	£	£
Other loans	150,000	105,000
Hire purchase and finance leases	2,356	6,396
Deferred income	32,299	98,739
	184,655	210,135

Other loans includes an interest free loan of £150,000 (2019 - £105,000) from Shepherd Offshore Group Limited

20 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

	2020	2019
	£	£
Within one year	4,040	4,040
In two to five years	2,356	6,396
	6,396	10,436

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Other		
Within one year	52,447	52,895
In two to five years	18,323	70,770
	70,770	123,665

21 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £8,645 (2019 - £5,328).

Notes to the Financial Statements for the Year Ended 30 September 2020

22 Funds

	Balance at 1 October 2019 £	Incoming resources £	Resources expended £	Balance at 30 September 2020 £
Unrestricted funds				
General				
General fund	(160,840)	254,407	(201,612)	(108,045)
Restricted funds				
LA Community Grant	-	11,980	(11,980)	-
LNT	-	106,307	(106,307)	-
DEFRA - WRAP	-	9,509	(9,509)	-
ESF My Future Matters	-	4,679	(4,679)	-
CLLD Stitch Sisters	-	17,823	(17,823)	-
ESIF - BFE BEaT	-	9,325	(9,325)	-
QBE EO Foundation	-	2,500	(2,500)	-
Lottery Awards for All	-	9,426	(9,426)	-
Wellesley Trust	20,022	9,794	(29,816)	-
BBO Wise Steps	-	156,813	(156,813)	-
Newcastle City Council - CLLD	8,026	26,813	(34,839)	-
Community Fund - Women Together	-	81,917	(81,917)	-
Total restricted funds	28,048	446,886	(474,934)	-
Total funds	(132,792)	701,293	(676,546)	(108,045)

22 Funds (continued)

The charitable company received and applied monies towards the following restricted funds during the year.

LA Community Grant
A grant to support an arts programme for women that focussed upon personal evaluation and employment aspiration

Community Foundation
Provision of numeracy support across the organisations activities

Wellesley Trust
The final year in a 3 year grant to support delivery of the 'Youth BEaT' programme, an intensive employability support programme tailored to meet the needs of 18-25 year olds living in Newcastle and North Tyneside.

LNT (Lifting Neighourhoods Together)
A 5 year National Lottery UK transnational programme to test a community development model catalysing systemic change in local service delivery towards lifting Walker out of the national indices of multiple deprivation

DEFRA - WRAP
Funding to support the expansion of our foodbank to meet significantly increased demand.

ESF My Future Matters
A 3 year DWP funded programme to offer a tailored package of employability and well-being support including personal and vocational skills development. The project activities will be delivered in Newcastle and North Tyneside, with a particular focus in the East side of Newcastle and Wallsend.

CLLD Stitch Sisters
An ESIF 2 year programme funded by the North of Tyne CLLD Local Action Group. The programme focusses upon developing skills for women in the garment manufacturing sector and the potential for social enterprise

ESIF - BFE BEaT
A programme funded by the North of Tyne CLLD Local Action Group. 3 year funding was received for the 'BEaT Project', designed to Build, Empower and Transform lives of residents within Newcastle and North Tyneside. The programme offers a tailored package of personal development and financial literacy support aimed at long term unemployed.

QBE EO Foundation
A grant to support the purchase if IT hardware in the form of tablets/smart devices in order to increase digital access to those in significant need, exacerbated by Covid.

Notes to the Financial Statements for the Year Ended 30 September 2020

22 Funds (continued)

Lottery Awards for All
A grant to support work and develop pathways to employment for the long term unemployed.

BBO - Wise Steps
Grant funding provided by the Big Lottery Fund and the European Social Fund to help people in Tyne and Wear to transform their lives. The project provides one to one specialist support to those on the pathway to work.

Community Fund - Women Together
A 3 year grant to support the development and delivery of services and support for women across the east end through our East End Women Project.

Unrestricted Grants 2020

A number of grants were awarded to assist the organisation in its Covid related activities supporting local communities

Ballinger Trust
Good Things Foundation
Hadrian Trust
Karbon Homes
Community Foundation
Newcastle City Council
Gateshead Council
Catherine Cookson

Notes to the Financial Statements for the Year Ended 30 September 2020

23 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 30 September 2020 £
Tangible fixed assets	50,405	50,405
Net current assets/(liabilities)	26,205	26,205
Creditors over 1 year	(184,655)	(184,655)
Total net assets	(108,045)	(108,045)

	Unrestricted funds General £	Restricted funds £	Total funds at 30 September 2019 £
Tangible fixed assets	27,881	-	27,881
Net current assets/(liabilities)	(77,325)	126,787	49,462
Creditors over 1 year	(111,396)	(98,739)	(210,135)
Total net assets	(160,840)	28,048	(132,792)

Notes to the Financial Statements for the Year Ended 30 September 2020

24 Analysis of net funds

	At 1 October 2019 £	Cash flow £	Capital Advanced £	At 30 September 2020 £
Cash at bank and in hand	302	18,075	-	30,777
Bank overdraft	(12,400)	12,400	-	-
	(12,098)	30,475	-	30,777
Debt due after more than one year	(105,000)	-	(45,000)	(150,000)
Finance leases and hire purchase contracts	(10,436)	4,040	-	(6,396)
Net debt	(127,534)	34,515	(45,000)	(125,619)

	At 1 October 2018 £	Cash flow £	Capital Advanced £	At 30 September 2019 £
Cash at bank and in hand	74	228	-	302
Bank overdraft	(14,103)	1,703	-	(12,400)
	(14,029)	1,931	-	(12,098)
Debt due within one year	(456)	456	-	-
Debt due after more than one year	(60,000)	-	(45,000)	(105,000)
Finance leases and hire purchase contracts	(14,475)	4,039	-	(10,436)
Net debt	(88,960)	6,426	(45,000)	(127,534)

Notes to the Financial Statements for the Year Ended 30 September 2020

25 Related party transactions

During the year the charity made the following related party transactions:

Shepherd Offshore Group Limited
Shepherd Offshore Group Limited is a related party by virtue of Bruce Shepherd who is also a trustee of the charitable company.

During the year the charitable company charged Shepherd Offshore Group Limited £10,192 (2019 - £14,863) for environmental maintenance services.

The charitable company also received an interest free loan of £45,000 (2019- £45,000) during the year. The charitable company made repayments of £Nil (2019- £Nil) during the year. At the balance sheet date the amount due from Shepherd Offshore Group Limited was £1,968 (2019 - £1,754). At the balance sheet date the amount due to Shepherd Offshore Group Limited was £150,000 (2019 - £105,000).

Shepherd Offshore Limited
Shepherd Offshore Limited is a related party by virtue of Bruce Shepherd who is also a trustee of the charitable company.

During the year Shepherd Offshore Limited charged the charitable company £1,868 (2019 - £Nil) for rent and service charges. The charitable company charged Shepherd Offshore Limited £5,923 (2019 - £5,818) for environmental maintenance services. At the balance sheet date the amount due from Shepherd Offshore Limited was £802 (2019 - £656).

Shepherd Offshore Services Limited
Shepherd Offshore Services Limited is a related party by virtue of its part owner, Bruce Shepherd who is also a trustee of the charitable company.

The charitable company charged Shepherd Offshore Services Limited £2,173 (2019- £2,183) for environmental maintenance services. At the balance sheet date the amount due from Shepherd Offshore Services Limited was £372 (2019 - £313).

SCS Group plc
SCS Group plc is a related party by virtue of a director in the company Chris Muir, who is also a trustee of the charitable company.

During the year the charitable company received donated furnishings of £3,149 (2019 - £Nil). At the balance sheet date the amount due to/from SCS Group plc was £Nil (2019 - £Nil).

St Anthony of Padua Community Association (STAPCA)
St Anthony of Padua Community Association (STAPCA) is a related party of the charitable company by virtue of its Chief Executive Helen Woods-Waters being the spouse of Anthony Woods-Waters, the charitable company's Chief Executive.

The charitable company charged £2,373 (2019 - £3,871) to STAPCA for environmental maintenance services. They also charged for £647 (2019 - £Nil) for providing joint events. At the balance sheet date the amount due from St Anthony of Padua Community Association (STAPCA) was £537 (2019 - £Nil).

25 Related party transactions (continued)

Ward Hadaway
Ward Hadaway is a related party by virtue of a partner in the firm, Colin Hewitt, who is also a trustee of the charitable company.

During the year Ward Hadaway charged the charitable company £5,299 (2019 - £Nil) for legal services. At the balance sheet date the amount due to/from Ward Hadaway was £Nil (2019 - £Nil).