

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

Building Futures East Limited

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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.

Building Futures East Limited

Trustees' Report

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.

Building Futures East Limited

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.

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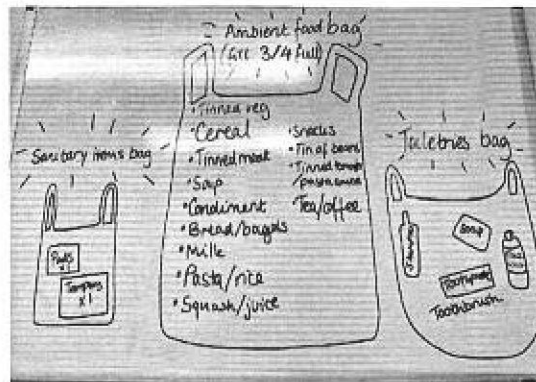
Trustees' Report



Building Futures East
Walker Emergency Food Appeal

Partners in Newcastle are struggling to make ends meet during the crisis. We have opened an emergency food bank delivering parcels directly to people in need. Here's a group of what we've achieved so far but need your help to keep the project going.

Charity Registration No: 1155385



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 nascent 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.

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The havoc caused by Covid-19 has made imperative the need for continuing disruptive action that challenges prevailing, but failed, local economies 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 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 choose 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.

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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 programme 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 As a 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.

Building Futures East Limited

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 our 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 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.

Building Futures East Limited

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.

Building Futures East Limited

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 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		<u>254,407</u>	<u>446,886</u>	<u>701,293</u>	<u>474,415</u>
Expenditure on:					
Raising funds	8	(56,089)	-	(56,089)	(45,728)
Charitable activities	9	<u>(145,523)</u>	<u>(474,934)</u>	<u>(620,457)</u>	<u>(511,250)</u>
Total Expenditure		<u>(201,612)</u>	<u>(474,934)</u>	<u>(676,546)</u>	<u>(556,978)</u>
Net income/(expenditure)		<u>52,795</u>	<u>(28,048)</u>	<u>24,747</u>	<u>(82,563)</u>
Net movement in funds		52,795	(28,048)	24,747	(82,563)
Reconciliation of funds					
Total funds brought forward		<u>(160,840)</u>	<u>28,048</u>	<u>(132,792)</u>	<u>(50,229)</u>
Total funds carried forward	22	<u>(108,045)</u>	<u>-</u>	<u>(108,045)</u>	<u>(132,792)</u>

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		<u>240,910</u>	<u>233,505</u>	<u>474,415</u>
Expenditure on:				
Raising funds	8	(45,728)	-	(45,728)
Charitable activities	9	<u>(280,910)</u>	<u>(230,340)</u>	<u>(511,250)</u>
Total expenditure		<u>(326,638)</u>	<u>(230,340)</u>	<u>(556,978)</u>
Net (expenditure)/income		<u>(85,728)</u>	<u>3,165</u>	<u>(82,563)</u>
Net movement in funds		(85,728)	3,165	(82,563)
Reconciliation of funds				
Total funds brought forward		<u>(75,112)</u>	<u>24,883</u>	<u>(50,229)</u>
Total funds carried forward	22	<u><u>(160,840)</u></u>	<u><u>28,048</u></u>	<u><u>(132,792)</u></u>

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		<u>30,777</u>	<u>302</u>
		152,753	205,850
Creditors: Amounts falling due within one year	18	<u>(126,548)</u>	<u>(156,388)</u>
Net current assets		<u>26,205</u>	<u>49,462</u>
Total assets less current liabilities		76,610	77,343
Creditors: Amounts falling due after more than one year	19	<u>(184,655)</u>	<u>(210,135)</u>
Net liabilities		<u>(108,045)</u>	<u>(132,792)</u>
Funds of the charity:			
Restricted funds		-	28,048
Unrestricted income funds			
Unrestricted funds		<u>(108,045)</u>	<u>(160,840)</u>
Total funds	22	<u>(108,045)</u>	<u>(132,792)</u>

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	<u>(1)</u>	<u>-</u>
		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	<u>(62,298)</u>	<u>171,070</u>
Net cash flows from operating activities		<u>39,526</u>	<u>(28,834)</u>
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		<u>725</u>	<u>184</u>
Net cash flows from investing activities		<u>(37,611)</u>	<u>(10,196)</u>
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	<u>(4,040)</u>	<u>(4,039)</u>
Net cash flows from financing activities		<u>40,960</u>	<u>53,361</u>
Net increase in cash and cash equivalents		42,875	14,331
Cash and cash equivalents at 1 October		<u>(12,098)</u>	<u>(14,029)</u>
Cash and cash equivalents at 30 September		<u>30,777</u>	<u>302</u>

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 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

Building Futures East Limited

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 of 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.

Building Futures East Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

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.

Building Futures East Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

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 its fair value unless its fair value cannot be reliably 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 its fair value unless its fair value cannot be reliably 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.

Building Futures East Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

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.

Building Futures East Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

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

Building Futures East Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

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	Total	Total
	£	funds	2020	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	-
	<u>59,102</u>	<u>446,886</u>	<u>505,988</u>	<u>253,582</u>

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

Building Futures East Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

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
	<u>446,386</u>	<u>233,505</u>

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	-
	<u>36,003</u>	<u>-</u>

Building Futures East Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

5 Income from charitable activities

	Unrestricted funds		
	General	Total	Total
	£	2020	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
	<u>195,304</u>	<u>195,304</u>	<u>220,602</u>

6 Investment income

	Unrestricted funds		
	General	Total	Total
	£	2020	2019
		£	£
Interest receivable on bank deposits	<u>1</u>	<u>1</u>	<u>-</u>

7 Other income

	Total	Total
	2020	2019
	£	£
Gains on sale of tangible fixed assets for charity's own use	<u>-</u>	<u>231</u>

8 Expenditure on raising funds

	Total	Total
	2020	2019
	£	£
Staff costs	<u>56,089</u>	<u>45,728</u>

Building Futures East Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

9 Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	General £	£	£	£
Training and employment	39,649	474,934	514,583	306,876
Support Costs	105,874	-	105,874	204,374
	<u>145,523</u>	<u>474,934</u>	<u>620,457</u>	<u>511,250</u>

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
	<u>19,511</u>	<u>86,363</u>	<u>105,874</u>	<u>204,374</u>

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	<u>15,088</u>	<u>17,782</u>

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.

Building Futures East Limited

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
	<u>550,558</u>	<u>434,263</u>

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
	<u>23</u>	<u>20</u>

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

	2020 No	2019 No
£60,001 - £70,000	<u>1</u>	<u>1</u>

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
	<u>3,651</u>	<u>3,643</u>

Building Futures East Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

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	<u>197,438</u>	<u>49,202</u>	<u>246,640</u>
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	<u>152,964</u>	<u>43,271</u>	<u>196,235</u>
Net book value			
At 30 September 2020	<u>44,474</u>	<u>5,931</u>	<u>50,405</u>
At 30 September 2019	<u>19,042</u>	<u>8,839</u>	<u>27,881</u>

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	<u>2,902</u>	<u>7,877</u>

Building Futures East Limited

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
	<u>121,976</u>	<u>205,548</u>

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
	<u>126,548</u>	<u>156,388</u>

	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	<u>108,772</u>	<u>171,070</u>

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

Building Futures East Limited

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
	<u>184,655</u>	<u>210,135</u>

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
	<u>6,396</u>	<u>10,436</u>

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
	<u>70,770</u>	<u>123,665</u>

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).

Building Futures East Limited

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				
<i>General</i>				
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	<u>28,048</u>	<u>446,886</u>	<u>(474,934)</u>	<u>-</u>
Total funds	<u>(132,792)</u>	<u>701,293</u>	<u>(676,546)</u>	<u>(108,045)</u>

Building Futures East Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

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 Neighbourhoods 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 of IT hardware in the form of tablets/smart devices in order to increase digital access to those in significant need, exacerbated by Covid.

Building Futures East Limited

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

Building Futures East Limited

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	<u>(108,045)</u>	<u>(108,045)</u>

	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	<u>(160,840)</u>	<u>28,048</u>	<u>(132,792)</u>

Building Futures East Limited

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)

Building Futures East Limited

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).

Building Futures East Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

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).

