

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.

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 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.

Building Futures East Limited

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.

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 £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 received 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.

Building Futures East Limited

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:

Building Futures East Limited

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.

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.

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		<u>373,615</u>	<u>574,460</u>	<u>948,075</u>	<u>701,293</u>
Expenditure on:					
Raising funds	8	(81,080)	-	(81,080)	(56,089)
Charitable activities	9	<u>(268,001)</u>	<u>(568,900)</u>	<u>(836,901)</u>	<u>(620,457)</u>
Total Expenditure		<u>(349,081)</u>	<u>(568,900)</u>	<u>(917,981)</u>	<u>(676,546)</u>
Net income		<u>24,534</u>	<u>5,560</u>	<u>30,094</u>	<u>24,747</u>
Net movement in funds		24,534	5,560	30,094	24,747
Reconciliation of funds					
Total funds brought forward		<u>(108,045)</u>	<u>-</u>	<u>(108,045)</u>	<u>(132,792)</u>
Total funds carried forward	23	<u>(83,511)</u>	<u>5,560</u>	<u>(77,951)</u>	<u>(108,045)</u>

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		<u>254,407</u>	<u>446,886</u>	<u>701,293</u>
Expenditure on:				
Raising funds	8	(56,089)	-	(56,089)
Charitable activities	9	<u>(145,523)</u>	<u>(474,934)</u>	<u>(620,457)</u>
Total expenditure		<u>(201,612)</u>	<u>(474,934)</u>	<u>(676,546)</u>
Net income/(expenditure)		<u>52,795</u>	<u>(28,048)</u>	<u>24,747</u>
Net movement in funds		52,795	(28,048)	24,747
Reconciliation of funds				
Total funds brought forward		<u>(160,840)</u>	<u>28,048</u>	<u>(132,792)</u>
Total funds carried forward	23	<u>(108,045)</u>	<u>-</u>	<u>(108,045)</u>

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	<u>(22,776)</u>	<u>30,777</u>
		120,040	152,753
Creditors: Amounts falling due within one year	19	<u>(277,284)</u>	<u>(126,548)</u>
Net current (liabilities)/assets		<u>(157,244)</u>	<u>26,205</u>
Total assets less current liabilities		(53,160)	76,610
Creditors: Amounts falling due after more than one year	20	<u>(24,791)</u>	<u>(184,655)</u>
Net liabilities		<u>(77,951)</u>	<u>(108,045)</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	23	5,561	-
Unrestricted income funds			
Unrestricted funds		<u>(83,512)</u>	<u>(108,045)</u>
Total funds	23	<u>(77,951)</u>	<u>(108,045)</u>

The financial statements on pages 15 to 37 were approved by the trustees, and authorised for issue on 31/10/22 and signed on their behalf by:


 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	<u>(1)</u>	<u>(1)</u>
		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	<u>(74,059)</u>	<u>(62,298)</u>
Net cash flows from operating activities		<u>(1,139)</u>	<u>39,526</u>
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		<u>-</u>	<u>725</u>
Net cash flows from investing activities		<u>(80,714)</u>	<u>(37,611)</u>
Cash flows from financing activities			
Repayment of loans and borrowings	20	-	45,000
Repayment of capital element of finance leases and HP contracts	21	<u>28,300</u>	<u>(4,040)</u>
Net cash flows from financing activities		<u>28,300</u>	<u>40,960</u>
Net (decrease)/increase in cash and cash equivalents		(53,553)	42,875
Cash and cash equivalents at 1 October		<u>30,777</u>	<u>(12,098)</u>
Cash and cash equivalents at 30 September		<u>(22,776)</u>	<u>30,777</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 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.

Building Futures East Limited

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 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 2021

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 2021

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 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.

Building Futures East Limited

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

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.

Building Futures East Limited

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

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

Building Futures East Limited

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

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
	<u>92,733</u>	<u>36,003</u>

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	<u>242,077</u>	<u>-</u>	<u>242,077</u>	<u>195,304</u>
Total for 2020	<u>195,304</u>	<u>-</u>	<u>195,304</u>	

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	<u>1</u>	<u>-</u>	<u>1</u>	

Building Futures East Limited

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

7 Other income

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Other income	<u>2,062</u>	<u>-</u>	<u>2,062</u>	<u>-</u>

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	<u>81,080</u>	<u>56,089</u>

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	<u>194,982</u>	<u>-</u>	<u>194,982</u>	<u>105,874</u>
Total for 2021	<u>268,001</u>	<u>568,900</u>	<u>836,901</u>	<u>620,457</u>
Total for 2020	<u>145,523</u>	<u>474,934</u>	<u>620,457</u>	

Building Futures East Limited

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
	<u>33,181</u>	<u>161,801</u>	<u>194,982</u>	<u>105,874</u>

Building Futures East Limited

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
	<u>736,078</u>	<u>550,558</u>

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
Environmental services	8	8
Central services	5	4
	<u>29</u>	<u>23</u>

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	<u>1</u>	<u>-</u>

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
	<u>3,750</u>	<u>3,651</u>

Building Futures East Limited

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

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

Building Futures East Limited

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

17 Debtors

	2021 £	2020 £
Trade debtors	48,830	7,583
Prepayments	15,888	3,057
Accrued income	78,098	111,336
	<u>142,816</u>	<u>121,976</u>

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
	<u>(22,776)</u>	<u>30,777</u>

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
	<u>277,284</u>	<u>126,548</u>

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	<u>34,713</u>	<u>108,772</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 2021

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
	<u>24,791</u>	<u>184,655</u>

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	<u>24,791</u>	<u>2,356</u>
	<u>34,696</u>	<u>6,396</u>

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	<u>552</u>	<u>18,323</u>
	<u>18,323</u>	<u>70,770</u>

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).

Building Futures East Limited

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	<u>(108,045)</u>	<u>948,075</u>	<u>(917,981)</u>	<u>(77,951)</u>

Building Futures East Limited

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 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 2021

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)

Building Futures East Limited

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

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)

Building Futures East Limited

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

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).

