



NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2021

Registered Charity Number 1159644

Company Registration Number 08454215

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2021

| Contents | Page |
|--|-------------|
| Trustees annual report | 1 to 10 |
| Independent examiners report | 11 |
| Statement of Financial Activities (including income and expenditure account) | 12 |
| Balance sheet | 13 |
| Notes to the financial statements | 14 to 25 |

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2021

The trustees are pleased to present their Trustee's Annual Report together with financial statements of the charity for the year ending 31 March 2021, which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes. These financial statements comply with the Charities Act 2011, the Companies Act 2006, NCAT's Memorandum and Articles of Association; and the document 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)'.

OBJECTIVES AND ACTIVITIES

The objectives of NCAT are, the promotion, for the public benefit generally but with particular reference to the inhabitants primarily within, but not limited to, Newcastle upon Tyne and the wider North East of England region, of urban or rural regeneration in areas of social and economic deprivation by all or any of the following means:

- the relief of unemployment;
- the relief of poverty;
- the advancement of education by amongst other things the establishment and maintenance of a library;
- the advancement of training and/or retraining, particularly among unemployed people;
- the provision of financial assistance, technical assistance or business advice in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help:
 - in setting up their own business; or
 - to existing businesses;
- the protection or conservation of the environment;
- the promotion of public safety and prevention of crime;
- acting as a resource for young people living in the North West of Newcastle and surrounding areas by providing advice and assistance and organising programmes of physical, educational and other activities as a means of advancing in life and helping young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals;
- such other means which support and develop the delivery of devolved public services as a foundation on which to build resilient communities as the Trustees may from time to time determine in accordance with the law of charity;
- such other exclusively charitable purposes as the Trustees may from time to time determine in accordance with the law of charity.

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2021

Today and for the Future

Our defined purpose of “The promotion, for the public benefit generally but with particular reference to the inhabitants of the North West of Newcastle upon Tyne and surrounding areas, of urban or rural regeneration in areas of social and economic deprivation

ACHIEVEMENTS AND PERFORMANCE

The asset transfer of three community centre's in the North West of Newcastle upon Tyne in are as follows:

- Blakelaw Community Hub and Post Office
- Cowgate Community Hub and Family Centre
- Fawdon Community Hub and Library

We have turned these community centres into positive places where local people and families are comfortable and included in any decisions about services.

Our buildings have created so far four community business's with over twenty-five local jobs. Young Peoples Training into Employment, Family Support, PROPS, Children and Young People's Services, Family Contact Sessions, Two Community Libraries. Exercise and Health Services work alongside Mental Health Charities and local GP's.

We have also created two very vibrant community allotments, that are free of charge.

Next Steps and New Opportunities

NCAT have now been approached about opportunities outside of our current centres, as a direct result of our growing reputation amongst keys stakeholders:

- effective start up and growth of community food initiatives tackling food poverty.
- provide guidance and professional support to other community centres to come out of Coronavirus Pandemic.
- Our communities
- We are in the process of developing a strategy of engagement with the local users and communities regarding how we start and rebuild our communities in the North West of Newcastle.
- Creating Community Resilience and supporting people will be the main focus of our centres for the next two years.
- All of the NCAT User Groups will be focussing on rebuilding communities that have suffered through the pandemic.

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2021

REFERENCE AND ADMINISTRATION DETAILS

| | |
|-----------------------------|---|
| Charity Name | Newcastle Community Asset Trust |
| Registered Charity Number | 1159644 |
| Company Registration Number | 08454215 |
| Operational Address | Blakelaw Community Centre Binswood Avenue Newcastle upon Tyne NE5 3PN |
| Trustees | Mick Dunn Tracey Welsh Stuart Dodzo Stephen Barry Jonathan Sabarre Ms Sue Pearson Sue Ley |
| | Appointed 08/10/2020 Appointed 12/10/2020 Resigned 13/10/2020 Resigned 08/12/2020 Resigned 04/08/2020 |
| Registered Office Address | Blakelaw Neighbourhood Centre, Binswood Avenue, Newcastle upon Tyne, United Kingdom NE5 3PN |
| Solicitor/Company Secretary | Muckle LLP, 32 Gallowgate, Newcastle upon Tyne NE1 4BF |

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance and Articles of Association

The Board meets six times per annum, with additional meetings being convened as and when necessary. Board meetings are also attended by the Chief Executive and the Communities Officer of Newcastle City Council.

The Board has User Groups for the following Community Centres managed by NCAT:

- Blakelaw Centre and Library (Asset Transfer from NCC 12 February 2016)
- Cowgate Family and Community Centre (Asset Transfer from NCC 2 May 2018)
- Fawdon Community Centre (Asset Transfer from NCC 3 July 2019)
- Galafield Family and Community Hub (NCAT Board agreed on Tuesday 25th February 2020 to not go ahead with Asset Transfer and therefore the User Group never formally met)

A Terms of Reference for each committee was written by the Chief Executive and the Communities Officer and was agreed by the Board and strategic partners like Newcastle City Council, Children North East, Barnardo's, Action for Children and community representatives for each Community Centre/Hub.

The User Groups feed directly into the board as they have a standard agenda update by the Chief Executive at each board meeting.

Blakelaw Trading Limited was set up early February 2016 to manage the Post Office. Staff have agreed to an inter – company transfer and all Post Office staff are now employed by the NCAT.

Blakelaw Trading Striking Off March 2021.

The role of the Board

The NCAT Board have the ultimate responsibility for directing the strategic affairs of the Charity, ensuring it is solvent, well-run and delivers the outcomes for the benefit of the public for which it has been set up. The trustees are expected to comply with applicable legislation including company law, charity law, and health and safety regulations.

The role of the Chief Executive

The operational day to day running of the organisation is delegated to the Chief Executive in accordance with the organisation's Scheme of Delegation and Financial Regulations.

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2021

The Chief Executive is not a member of the Board.

Board Diversity

NCAT is proud of the diversity of its Board. We recognise that a diverse Board helps us to be more representative of our community and currently we have four vacancies. All current board members have the right mix of skills and experience to progress our priorities and deliver services.

Directors' Conflicts of Interest

NCAT has procedures for managing conflicts of interest. Should a Board member become aware that they, or a connected party has an interest in an existing or proposed transaction then they should notify the Company Secretary at Muckle LLP, in writing or at the next Board meeting. Board members have a continued duty to update any changes to these conflicts. The Company Secretary contacts all Board members on an annual basis to check that their declarations are up to date.

Management Team

- Chief Executive;

Staff Team

- Operations Officer and Cleaner - Fawdon
- Cleaner x 2 - Blakelaw and Cowgate
- Finance Assistant – (left post January 2020)
- Post Office Staff x 3

Our Employees

Employee Communication and Involvement

The Board are committed to the involvement of its entire staff in the development and improvement of all areas of work and understands the importance of effective communication to achieve change.

Every year staff are invited to participate in an independent review and have been an active part of taking the recommendations forward.

Equality and Diversity

The Board and Chief Executive regularly review the Equality and Diversity policy to the Board. This process ensures that our commitment to equality and diversity goes much further than simply complying with legislative obligations.

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2021

Our focus will be on delivering equality and diversity shaped by the following themes:

- Understanding;
- Involving;
- Learning;
- Improving policy;
- Investing in services;
- Demonstrating commitment; and
- Checking how we are doing.

FINANCIAL REVIEW

Statement of the Board on internal financial controls

NCAT bids for funds via statutory sources and charitable trusts and foundations, and does minimal public fundraising. A substantial part of our income comes through long term hire and rentals from the use of our community centres. This income is subsidised by specialist funding for specific targeted services.

We use a full cost recovery model which enables us to estimate the actual costs of service and its true cost to NCAT.

We find that we deal with so many vulnerable families and groups that are marginalised that we must try and find subsidy via our external partners.

The Board acknowledges its ultimate responsibility for establishing and maintaining a robust system of controls across all areas of the organisation and for reviewing the overall effectiveness of such controls. The controls, which are regularly reviewed and updated, are designed to give reasonable assurance with respect to: all financial transactions:

- The reliability of financial information used by the organisation
- The maintenance of proper accounting records; and
- The safeguarding of assets against unauthorised use or disposition.

The Chief Executive meets monthly with the Chair of the charity and lead signatory to oversee any financial transactions.

It is the Board's responsibility to establish and maintain robust systems of internal financial control which are designed to manage, rather than eliminate, the risk of failure to achieve business objectives. The Board recognises that such systems can only provide reasonable but not absolute assurances against material financial mis-statements or losses.

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2021

Key elements of the system ensure that:

- Forecasts and Budgets are prepared which allow the Board and the Chief Executive to monitor the key business risks and financial objectives and progress towards financial plans set for the financial year and the medium term.
- Regular management accounts are prepared and fully considered by the Board and Chief Executive which provide relevant, reliable and up to date financial information and other information as well as details of significant variances from budget.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures.
- The Board regularly reviews reports from the Chief Executive, from internal and external auditors.

Reserves Policy

NCAT adopted and agreed the reserves policy and agreed budgets for the year 2021 to 2022.

Review of transaction and financial position

The consolidated balance sheet indicates that at 31st March 2021 the total funds of the group reflects a deficit of -£3,474 (2020: deficit -£59,446).

This was represented by tangible fixed assets of £5,352 (2020: £1,348), Net Current assets of £34,207 (2020: -£60,794)

Preparation of accounts on a going concern basis

The financial statements have been prepared with the expectation that NCAT has come through the pandemic over the last years fairly positively, with the previous accounts being drafted on a Going - Concern bases. The turnaround has been through the Chief Executive being able to concentrate on funding applications and the boards priorities.

Going Concern

The Covid-19 pandemic is an unprecedented situation and has resulted in the Charity having to close all centres and stop all activity that involved customer contact from the 23rd March 2020. NCAT has taken proactive steps to minimise the income shortfall by applying for a number of Covid grants. The total of these grants approved have a monetary value of £191,107 which will be used to sustain the charity over the COVID crisis.

We have also completed a cash flow forecast and set budgets for the period January 2021 to December 2021. In addition to this, with the closing of the community centres, NCAT took advantage of the Government's furlough scheme for both charity and trading staff, this has

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2021

assisted with the financial burden COVID has created. This proactive response from the charity has ensured we are in a stronger financial position moving into 2021.

The Board considers that there have been considerable events since the year end that have had a significant effect on NCAT's financial position and therefore have prepared a Financial Paper – Going Concern.

Chief Executive – going concern section

The Chief Executive and Board of Directors have assessed the viability of the Charity with respect to the current resources and prospects, its risk appetite and the Charity principal risks and uncertainties. As a result, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Chief Executive reacted quickly to the Covid-19 pandemic and took positive action to minimise the financial impact. The Government announcement on 23 March 2020, locking down large parts of the UK, effectively stopped the community centres from running. Our priority during this time has been the health, safety and well-being of our people and customers. The Charity fulfils an important role in the local economy and employs directly and indirectly over sixty people. We appreciate this has been a difficult time for all involved and have tried to work with all parties where rent has become more difficult to pay. We have agreed rent payment holidays for those businesses in financial distress.

On 23rd June 2020 it was announced that lockdown would be eased in England, and the centres could start to plan the to re-open and un-furloughed staff on reduced operating hours. Over recent months we have reacted to the Central Government measures and closed parts of the business in line rules and regulations. Our three community nurseries and Post Office have remained open.

The Chief Executive has performed extensive forecasting to ensure the future viability of the Charity and has taken actions where necessary, to ensure the community centres remain in a strong position, and able to recover once we return to a more normal environment.

Principal risks and uncertainties

Covid-19 pandemic

The majority of businesses in the UK have been impacted since April 2020 by the Covid-19 pandemic, which has resulted in the closure of most premises and therefore activity levels have declined significantly. While some services within our Community Centres have been able to re-open and start to trade again, there remains significant uncertainty over how long restrictive measures would remain in place and a phased June re-opening was announced by Central Government.

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2021

Going Concern section

Taking into account all of the above, the impact of COVID and the mitigations put in place, the Directors and Chief Executive are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

We have taken the time afforded by the COVID-19 pandemic to take stock of the Charity as a whole, resetting priorities and liabilities where appropriate. With the decisions we have made over this period NCAT are now in a very strong position to move forward over the next 12 months, knowing the charity is able to withstand these uncertain times.

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 March 2021

TRUSTEES RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENT

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This Report was approved by the Trustees on: 17/11/2021

and signed on its behalf by:



Tracey Welsh
Chairperson

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 March 2021

I report on the financial statements of Newcastle Community Asset Trust for the year ended 31 March 2021, which are set out on pages 14 to 25.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ('the Charities Act') and that an independent examination is needed.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a Member of the Association of Accounting Technicians.

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

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

Basis of independent examiner's statement

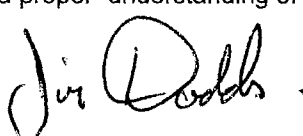
My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

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

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


Jim Dodds
Connected Voice Business Services Limited
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF
Date: 17/11/21

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING SUMMARY INCOME & EXPENDITURE ACCOUNT)

For the year ended 31 March 2021

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|------------------------------------|-------|----------------------------|--------------------------|--------------------|--------------------|
| Income from: | | | | | |
| Donations and legacies | 7 | 153,054 | 52,608 | 205,662 | 66,862 |
| Charitable activities | | | | | |
| Grants and contracts | 8 | 6,216 | - | 6,216 | 19,424 |
| Other trading activities | 9 | 143,414 | - | 143,414 | 232,516 |
| Total income | | 302,684 | 52,608 | 355,292 | 318,803 |
| Expenditure on: | | | | | |
| Raising funds | 10 | 38,382 | - | 38,382 | 79,008 |
| Charitable activities | | | | | |
| Operation of the charity | 11 | 208,329 | 52,608 | 260,937 | 299,250 |
| Total expenditure | | 246,712 | 52,608 | 299,320 | 378,258 |
| Net movement of funds | | 55,972 | - | 55,972 | (59,455) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | (59,446) | - | (59,446) | 10 |
| Total funds carried forward | | (3,474) | - | (3,474) | (59,446) |

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

The notes on pages 16 to 25 form an integral part of these accounts.

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

Charity Number 1159644

Company Number 08454215

CONSOLIDATED BALANCE SHEET

As at 31 March 2021

| | | Group | | Charity | |
|--|----|-------------------|-------------------|-------------------|-------------------|
| | | 2021 | 2020 | 2021 | 2020 |
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 18 | 5,352 | 1,348 | - | 881 |
| Investments | 19 | - | - | - | 1 |
| Total fixed assets | | 5,352 | 1,348 | - | 882 |
| Current assets | | | | | |
| Stock | 20 | 4,196 | 3,051 | 4,196 | - |
| Debtors | 21 | 3,412 | 11,910 | 3,412 | 9,686 |
| Cash at bank and in hand | 22 | 72,982 | 66 | 72,982 | 24,434 |
| Total current assets | | 80,590 | 15,028 | 80,590 | 34,120 |
| Creditors: amounts falling due within one year | 23 | (46,383) | (75,822) | (46,383) | (71,060) |
| Net current assets | | 34,207 | (60,795) | 34,207 | (36,940) |
| Total assets less current liabilities | | 39,558 | (59,446) | 34,207 | (36,056) |
| Creditors: amounts falling due after more than one year | 24 | (43,031) | - | (43,031) | - |
| Total net assets or liabilities | | (3,474) | (59,446) | (8,826) | (36,056) |
| Funds of the charity | | | | | |
| Unrestricted income funds | | (3,474) | (59,446) | (3,474) | (36,470) |
| Restricted income funds | | - | - | - | - |
| Total funds | | (3,474) | (59,446) | (3,474) | (36,470) |

The company was entitled to an exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

The notes on pages 16 to 25 form an integral part of these accounts.

These financial statements were approved by the Board on:

17/11/21

and are signed on its behalf by:

Tracey Welsh
Chair



NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2 Basis of accounting

2.1 Basis of preparation

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

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

Newcastle Community Asset Trust meets the definition of a public benefit entity under FRS 102.

2.2 Preparation of the accounts on a going concern basis

The Directors and Chief Executive have considered the impact of COVID-19 and the mitigations put in place, they have taken the time afforded by the COVID-19 pandemic to take stock of the Charity as a whole, resetting priorities and liabilities where appropriate. With the decisions they have made over this period NCAT are now in a very strong position to move forward over the next 12 months, knowing the charity is able to withstand these uncertain times. They are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

3 Income

3.1 Recognition of income

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

3.2 Offsetting

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

3.3 Grants and donations

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

3.4 Donated goods and services

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

Donated services and facilities are included in the SoFA when received at the value of the gift to the charity provided that the value of the gift can be measured reliably. Donated services and facilities that are consumed immediately are recognised as income with the equivalent amount recognised as an expense under the appropriate heading in the SoFA.

3.5 Volunteer help

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

3.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

3.7 Income from membership subscriptions

Membership subscriptions received in the nature of a gift are recognised in donations and legacies.

Membership subscriptions which gives a member the right to buy services or other benefits are recognised as income earned from the provision of goods and services as income from charitable activities.

3.8 Investment gains and losses

This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

3.9 Fund accounting

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

4 Expenditure and liabilities

4.1 Liability recognition

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

4.2 Charitable activities

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

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

4.3 Governance and support costs

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

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

4.4 Irrecoverable VAT

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

4.5 Creditors

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

4.6 Provisions for liabilities

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

5 Assets

5.1 Tangible fixed assets for use by the charity

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

| | |
|---------------------------------|----------------------------------|
| Leasehold property improvements | Straight line over life of lease |
| Office and computer equipment | Straight line over four years |

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

6 The summary financial performance of the charity alone is:

| | Total 2021 £ | Total 2020 £ |
|--------------------------------------|-----------------------------|-----------------------------|
| Income | 293,931 | 262,768 |
| Gift aid from trading subsidiary | - | - |
| | 293,931 | 262,768 |
| Expenditure on charitable activities | 260,937 | 299,250 |
| Bad debt written off | - | 53,966 |
| Subsidisation of trading subsidiary | - | - |
| Net income/(expenditure) | 32,996 | (90,446) |
| Total funds brought forward | (36,470) | 53,976 |
| Total Funds carried forward | (3,474) | (36,470) |
| Represented by: | | |
| Restricted income funds | - | - |
| General unrestricted income funds | (3,474) | (36,470) |
| | (3,474) | (36,470) |

Analysis of income

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|---|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| 7 Donations and legacies | | | | |
| Donations | - | - | - | 137 |
| Access Reach Fund | - | 12,000 | 12,000 | - |
| Barbour Foundation | - | - | - | 2,000 |
| BBC Children in Need | - | - | - | 28,923 |
| Big Issue | - | 13,584 | 13,584 | - |
| Groundworks | - | - | - | 2,410 |
| HMRC JRS | 14,554 | - | 14,554 | - |
| National Lottery Community Fund | - | 9,600 | 9,600 | - |
| Newcastle City Council | - | 16,800 | 16,800 | 20,600 |
| Newcastle City Council - City Life | - | 624 | 624 | - |
| Newcastle City Council - Combined Authority | 25,463 | - | 25,463 | - |
| Newcastle City Council - COVID | 113,036 | - | 113,036 | - |
| Sir James Knott | - | - | - | 3,400 |
| Street Games UK | - | - | - | 9,392 |
| | 153,054 | 52,608 | 205,662 | 66,862 |

8 Charitable activities

Income from charitable activities

| | | | | |
|--------------|--------------|----------|--------------|---------------|
| Other income | 6,216 | - | 6,216 | 19,424 |
| | 6,216 | - | 6,216 | 19,424 |

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|-----------------------------------|----------------------------|--------------------------|-----------------------|--------------------|
| 9 Other trading activities | | | | |
| Trading subsidiary turnover | 61,356 | - | 61,356 | 56,035 |
| Rental income | 82,058 | - | 82,058 | 176,482 |
| | <u>143,414</u> | <u>-</u> | <u>143,414</u> | <u>232,516</u> |

Income was £355,292 (2020: £318,802) of which £302,684 was unrestricted or designated (2020: £258,587) and £52,608 was restricted (2020: £60,215)

Analysis of expenditure on charitable activities

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|---------------------------------|----------------------------|--------------------------|----------------------|--------------------|
| 10 Cost of raising funds | | | | |
| Trading subsidiary costs | 38,382 | - | 38,382 | 79,008 |
| | <u>38,382</u> | <u>-</u> | <u>38,382</u> | <u>79,008</u> |

11 Charitable activitiesDirect costs

| | | | | |
|---------------------|--------|--------|---------------|---------|
| Project staff costs | 54,482 | 15,516 | 69,998 | 117,976 |
| Project resources | 8,561 | 17,495 | 26,055 | 22,764 |
| Project expenses | 205 | 19 | 223 | 380 |
| Depreciation | 269 | - | 269 | 133 |

Support costs

| | | | | |
|-----------------------------------|--------|--------|---------------|---------|
| Staff travel, meetings and events | 1,688 | 67 | 1,755 | 2,879 |
| Office costs | 91,315 | 4,333 | 95,648 | 111,000 |
| Supplies and services | 11,601 | 325 | 11,926 | 13,606 |
| Legal and professional fees | 23,808 | 994 | 24,802 | 28,734 |
| Consultancy fees | 9,067 | 13,797 | 22,863 | - |
| Volunteer expenses | 152 | 20 | 172 | 844 |
| Bad debt | 6,103 | - | 6,103 | - |

Governance costs

| | | | | |
|---|----------------|---------------|-----------------------|----------------|
| Independent examiner's fees for reporting on the accounts | 1,080 | 43 | 1,123 | 936 |
| | <u>208,329</u> | <u>52,608</u> | <u>260,937</u> | <u>299,250</u> |

Expenditure on charitable activities was £299,320 (2020: £378,258) of which £246,712 was unrestricted or designated (2020: £318,043) and £52,608 was restricted (2020: £60,215)

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

12 Net income/(expenditure) for the year

| <i>This is stated after charging :</i> | 2021 £ | 2020 £ |
|---|-------------------------|-------------------------|
| Depreciation | 917 | 973 |
| Independent examiner's fees for reporting on the accounts | 1,080 | 936 |
| Other accountancy services paid to the examiner | 1,168 | 1,054 |
| | 3,165 | 2,963 |

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

| | 2021 £ | 2020 £ |
|---|-------------------------|-------------------------|
| Salaries and wages | 98,770 | 146,016 |
| Pension costs (defined contribution pension plan) | 1,413 | 3,625 |
| | 100,182 | 149,641 |

No employee received remuneration above £60,000 (2020: nil)

The key management personnel of the charity, comprise the trustees and the Executive Manager. The total employee benefits of the key management personnel of the charity were £51,746 (2020: £50,267).

14 Staff numbers

The average monthly head count was 4 staff (2020: 9 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

| The parts of the charity in which the employee's work | 2021 Number | 2020 Number |
|---|------------------------------|------------------------------|
| Charitable activities | 2.0 | 6.0 |
| | 2.0 | 6.0 |

15 Transactions with trustees

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

Trustees' expenses

No trustee expenses have been incurred in the year.

Transaction(s) with related parties

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

During the year the charity paid a partner of the manager of the group amounting to £8,489 (2020: £5,888) for bookkeeping and managerial accounting on a normal commercial basis, there was no outstanding balance as at 31 March 2021 (2020: £nil).

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

16 Defined contribution pension scheme

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

The employer's pension costs represent contributions payable by the charity to the fund and amount to £605 (2020: £1,497). There was £nil outstanding as at 31 March 2021 (2020: £52)

17 Corporation Taxation

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

| | Charity Equipment | Blakelaw Trading Equipment | Group Equipment | Total |
|---|----------------------|----------------------------------|--------------------|--------------|
| | £ | £ | £ | £ |
| 18 Tangible fixed assets | | | | |
| Cost | | | | |
| Balance brought forward | 709 | 3,789 | 4,498 | 4,498 |
| Transfer from closure of Blakelaw Trading | 3,789 | (3,789) | - | - |
| Additions | 4,920 | - | 4,920 | 4,920 |
| Disposals | - | - | - | - |
| Balance carried forward | 9,418 | - | 9,418 | 9,418 |
| Depreciation | | | | |
| Balance brought forward | 241 | 2,908 | 3,150 | 3,150 |
| Transfer from closure of Blakelaw Trading | 2,908 | (2,908) | - | - |
| Depreciation charge for year | 917 | - | 917 | 917 |
| Disposals | - | - | - | - |
| Balance carried forward | 4,066 | - | 4,066 | 4,066 |
| Net book value | | | | |
| Brought forward | 468 | 881 | 1,348 | 1,348 |
| Carried forward | 5,352 | - | 5,352 | 5,352 |

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

19 Fixed asset investment

| | Charity | | Group | |
|----------------------------------|-----------|-----------|-----------|-----------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Investment in subsidiary company | - | 1 | - | - |

The charitable company owned one £1 ordinary share, 100% of the voting capital of Blakelaw Trading Limited, a company incorporated and registered in England and Wales (Company number 09878893). To provide a local Post Office and Simonside Bar area, and pays all of its profits to the charity under the Gift Aid scheme. A summary of the trading results and balance sheet for the year ended 31 March 2021 is shown below. The decision has been made to cease trading of the subsidiary as of 31 March 2021.

Profit and loss account

| | 2021 £ | 2020 £ |
|---|------------|------------|
| Turnover | 61,356 | 56,035 |
| Cost of sales | (28,105) | (38,997) |
| Administration costs | (10,277) | (40,011) |
| Other operating income | - | - |
| Taxation | - | - |
| Net profit/(loss) before extraordinary activities | 22,975 | (22,973) |
| Loan unpayable to Newcastle Community Asset Trust | - | 53,966 |
| Net profit/(loss) | 22,975 | 30,993 |
| Profit and loss account brought forward | (22,975) | (53,968) |
| Profit and loss account carried forward | - | (22,975) |

Balance sheet

| | 2021 £ | 2020 £ |
|---|-----------|------------|
| Fixed assets | - | 880 |
| Stock | - | 3,052 |
| Debtors | - | 2,225 |
| Cash at bank and in hand | - | (24,368) |
| Creditors amounts falling due within one year | - | (4,762) |
| Loan to Newcastle Community Asset Trust | - | - |
| | - | (22,974) |
| Called up share capital | - | 1 |
| Profit and loss account | - | (22,975) |
| | - | (22,974) |

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

20 Stock

| | 2021 £ | 2020 £ |
|-----------------------|-----------|------------|
| Opening | 3,051 | 24,460 |
| Added in period | 1,858 | 12,226 |
| Distributed in period | (712) | (33,635) |
| Closing | 4,196 | 3,051 |

21 Debtors and prepayments (receivable within 1 year)

| | Group | | Charity | |
|---|-----------|-----------|-----------|-----------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Trade debtors | 591 | 11,767 | 591 | 9,544 |
| Amounts due from subsidiary undertaking | - | - | - | - |
| Other debtors and prepayments | 2,821 | 143 | 2,821 | 143 |
| | 3,412 | 11,910 | 3,412 | 9,686 |

In 2019, Newcastle Community Asset Trust entered into a loan contract with its subsidiary Blakelaw Trading Limited to support the trading arm with £53,966 cash. Since then, the trustees will no longer be able to recoup the total amount of the loan and has since written it off as bad debt. This is netted off in the consolidated group accounts against the trading arm recognition of the loan as income as it will not be able to repay the loan in 31 March 2020 accounts.

22 Cash at bank and in hand

| | Group | | Charity | |
|--------------|-----------|-----------|-----------|-----------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Cash at bank | 72,977 | 47 | 72,977 | 24,415 |
| Cash in hand | 5 | 19 | 5 | 19 |
| | 72,982 | 66 | 72,982 | 24,434 |

23 Creditors and accruals (payable within 1 year)

| | Group | | Charity | |
|-------------------------------------|-----------|-----------|-----------|-----------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Trade creditors | 21,179 | 58,423 | 21,179 | 57,485 |
| Taxation and social security | 4,251 | 12,403 | 4,251 | 11,118 |
| Accruals | | | | - |
| Independent examination of accounts | 1,975 | 2,100 | 1,975 | 1,716 |
| Other accruals | 5,009 | - | 5,009 | - |
| VAT liability | - | 1,564 | - | - |
| Other creditors | 4,969 | 1,333 | 4,969 | 742 |
| Deferred income | 9,000 | - | 9,000 | - |
| | 46,383 | 75,822 | 46,383 | 71,060 |

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

24 Creditors and accruals (payable after 1 year)

| | Group | | Charity | |
|------------------|---------------|-------------|----------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Bounce back loan | 43,031 | - | 43,031 | - |
| | - | - | - | - |

25 Events after the end of the reporting period

During a meeting in January 2021, the management made the decision to dissolve down the trading arm (Blakelaw Trading). This does not effect the consolidated year end accounts 31 March 2020, but should be noted.

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

26 Analysis of charitable funds**Analysis of movements in unrestricted funds**

For the year ending 31 March 2021

| | Fund balances brought forward £ | Incoming resources £ | Resources expended £ | Transfers £ | Fund balances carried forward £ |
|---------------------------|--|-------------------------------------|-------------------------------------|------------------------|--|
| Unrestricted funds | | | | | |
| General unrestricted fund | (59,446) | 302,684 | (246,712) | - | (3,474) |
| Totals | (59,446) | 302,684 | (246,712) | - | (3,474) |

For the year ending 31 March 2020

| | balances brought forward £ | Incoming resources £ | Resources expended £ | Transfers £ | balances carried forward £ |
|---------------------------|---|-------------------------------------|-------------------------------------|------------------------|---|
| Unrestricted funds | | | | | |
| General unrestricted fund | 10 | 258,588 | (318,043) | - | (59,446) |
| Totals | 10 | 258,588 | (318,043) | - | (59,446) |

Purpose of unrestricted funds

General unrestricted fund The 'free reserves' of the charity

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

26 Analysis of charitable funds (continued)

Analysis of movement in restricted funds

For the year ending 31 March 2021

| | Fund balances brought forward £ | Incoming resources £ | Resources expended £ | Transfers £ | Fund balances carried forward £ |
|------------------------------------|---|----------------------------|----------------------------|----------------|---|
| Restricted funds | | | | | |
| Access Reach Fund | - | 12,000 | (12,000) | - | - |
| Big Issue | - | 13,584 | (13,584) | - | - |
| National Lottey Community Fund | - | 9,600 | (9,600) | - | - |
| Newcastle City Council - Soft Play | - | 16,800 | (16,800) | - | - |
| Newcastle City Council - City Life | - | 624 | (624) | - | - |
| Totals | - | 52,608 | (52,608) | - | - |

For the year ending 31 March 2020

| | Fund balances brought forward £ | Incoming resources £ | Resources expended £ | Transfers £ | Fund balances carried forward £ |
|------------------------------------|---|----------------------------|----------------------------|----------------|---|
| Restricted funds | | | | | |
| BBC Children in Need | - | 28,923 | (28,923) | - | - |
| Newcastle City Council - Soft Play | - | 16,800 | (16,800) | - | - |
| Newcastle City Council - Boiler | - | 1,700 | (1,700) | - | - |
| Sir James Knott | - | 3,400 | (3,400) | - | - |
| Street Games UK | - | 9,392 | (9,392) | - | - |
| Totals | - | 60,215 | (60,215) | - | - |

Purpose of restricted funds

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

| | |
|------------------------------------|---|
| BBC Children in Need | Funding to provide a Children & Young Persons service within the Blakelaw Ward. |
| Sir James Knott | Replace boiler. |
| Street Games UK | Funding to provide a Children & Young Persons service within the Blakelaw Ward. |
| Access Reach Fund | Business Development costs to create Business Plans for the charity. |
| Big Issue | Salaries |
| National Lottey Community Fund | Funding to provide a Children & Young Persons service within the Blakelaw Ward. |
| Newcastle City Council - Boiler | Replace boiler. |
| Newcastle City Council - Soft | Building soft play area. |
| Newcastle City Council - City Life | Website development. |

NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

27 Capital commitments

As at 31 March 2021, the charity had no capital commitments (2020 -£nil).

28 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ |
|--|----------------------------|--------------------------|--------------------|
| Tangible fixed assets | 5,352 | - | 5,352 |
| Cash at bank and in hand | 72,982 | - | 72,982 |
| Other net current assets/(liabilities) | (38,774) | - | (38,774) |
| Non-current liabilities | (43,031) | - | (43,031) |
| | <u>(3,475)</u> | <u>-</u> | <u>(3,475)</u> |

| | Unrestricted Funds £ | Restricted Funds £ | Total 2020 £ |
|--|----------------------------|--------------------------|--------------------|
| Tangible fixed assets | 1,348 | - | 1,348 |
| Cash at bank and in hand | 66 | - | 66 |
| Other net current assets/(liabilities) | (60,861) | - | (60,861) |
| | <u>(59,446)</u> | <u>-</u> | <u>(59,446)</u> |