



**NEWCASTLE COMMUNITY ASSET TRUST**  
**(A company limited by guarantee)**

**DIRECTORS' REPORT AND FINANCIAL  
STATEMENTS 2021-2022**

Registered Charity Number 1159644

Company Registration Number 08454215

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## **Reference and Administration Details**

Charity Name Newcastle Community Asset Trust

Registered Charity 1159644

Number

Company Registration 08454215

Number

Operational Address Blakelaw Community Centre

Binswood Avenue

Newcastle upon Tyne

NE5 3PN

The trustees are pleased to present their Trustee's Annual Report together with the financial statements of the year ending 31 March 2022, which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act 2011, the Companies 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 Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)'

### **Director's Report**

#### **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.

The Chief Executive is not a member of the Board.

## **OBJECTIVES AND ACTIVITIES**

The objectives of NCAT is, 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 region, of urban or rural regeneration in areas of social deprivation by any of the following means:

- the relief of unemployment
- the relief of poverty
- the advancement of education by amongst those things the establishment and maintenance of a library
- the advancement of training and /or retraining, particular among unemployed people
- the provision of financial assistance, technical assistance or business advice in order to provide training and employment opportunities for the unemployed people 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 business
- the promotion of public safety and prevention of crime
- acting as a resource for young people living in the Northwest 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 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 Trustees may from time to time in accordance with the law of the charity
- such other exclusive charitable purposes as the Trustees may from time to time determine in accordance with the law of the charity

### **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 Northwest of Newcastle upon Tyne and surrounding areas, of urban regeneration in areas of social and economic deprivation



## **ACHIEVEMENTS AND PERFORMAMCE**

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

- Blakelaw Community Centre and Post Office (transferred March 2016)
- Cowgate Community Centre and Family Hub (transferred May 2018)
- Fawdon Community Centre and Library (transferred May 2019)

NCAT have turned these community centres into positive vibrant places where local people take the leading role in the development of community provision and at forefront of decision making.

### **Community Business's**

The Blakelaw Community Centre has this year supported a further four community Business's

- Gym Elite
- Pea Pod Fruit and Veg
- R & J Florist
- Fleek & Flutter

So, therefore we have created seven community business's that are employing twenty people (all local people)

Fawdon Community Centre has two community business's running out of the centre.

- Little Learners (Fawdon)
- Kalmer Counselling

Our buildings provide the following services.

- Two Libraries
- Three Community Nurseries
- Young People's and Youth Projects
- Training into Employment
- Mental Health and Community Counselling Services
- Older People's Group – Carpet Bowls – Bingo Group – Coffee Morning's – Arts and Crafts
- Parent and Toddler Group
- Family Contact Hub
- PROPS
- Community Allotment x 2
- Forest School
- Adult Keep Fit and Table Tennis for Over 50's
- Welfare Rights Service

- Adult Education Courses
- Taekwondo
- Judo
- Choir

#### Next Steps and New Opportunities

NCAT are now looking into the following initiatives.

- Blakelaw Community Market to Tackle Food Poverty and Food Waste
- Creation of the Cowgate Community Play Area
- Fawdon – Young People's Health and Wellbeing Hub
- Creation of Building Management Committee's (Funded by National Lottery Community Fund)
- NCAT Volunteer Network
- Community Counselling and Wellbeing Service

**Trustees**

Mick Dunn

Appointed 11/05/2016

Resigned 04/02/2022

Tracey Welsh

Appointed 23/05/2019

Stuart Dodzo

Appointed 08/10/2020

Stephen Barry - Stanners

Appointed 12/10/2020

Registered Office  
AddressBlakelaw Community  
Centre, Binswood Avenue,  
Blakelaw, Newcastle upon  
Tyne NE5 3PNSolicitor/Company  
SecretaryMuckle LLP, 32 Gallowgate,  
Newcastle upon Tyne, NE1  
4BF

## **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. The Board Has Steering Groups for each of the Centre's

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

The Steering 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.

The Trading Board has now been formally dissolved in February 2022.

### **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 six 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;
- Post Officer Manager

## **Staff Team**

- Post Office Assistant
- Caretaker and Cleaners

## **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.

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.

## **Statement of the Board's Responsibilities**

The Board is responsible for preparing the Strategic Policy, Directors' Report and Financial Statements in accordance with UK Accounting Standards and applicable UK law (UK Generally Accepted Accounting Practice).

Company Law requires members of the Board to prepare financial statements for each financial year. Under company law the Members of the Board must not approve the financial statements unless they are satisfied that taken as a whole, the financial statements are fair, balanced and understandable and provide the information necessary for the sole member to assess the company's performance, business model and strategy for the period ending 31 March 2022.

## **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 ensures that by using the Accounting Package "Xero" every transaction made by the charity can be seen and agreed at Board Meetings.

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 miss-statements or losses.

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 and by - monthly 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 by the Board.
- The Board regularly reviews reports from the Chief Executive, from internal and external auditors.

### **The Board regularly considers major risks facing NCAT.**

The Board and Chief Executive will regularly consider what could put the charity at risk, this year we agreed not to asset transfer more community buildings, but stabilise our current Centre's.

### **Reserves Policy**

NCAT is a very young organisation and therefore haven't created a lot of reserves, although with the charity being in a very positive financial position we have agreed that our Chief Executive works to create a Reserves Policy by March 2023. The Board of Directors require that the Policy sits alongside the Annual Budget setting and work to improve reporting throughout this period.

### **Review of transaction and financial position**

The consolidated balance sheet indicates that as at 31<sup>st</sup> March 2022 the total funds of the group reflects a deficit of £137,606 (2021: deficit of £125,498 restated).

This was represented by tangible fixed assets of £21,389 (2021: £5,352).  
Net Liabilities of (£62,221) (2021: £2,093 surplus).

This movement relates to a lot of **One Off Costs** that relates largely to the effect of coming out of the Covid Pandemic and costs that have been incurred from Newcastle City Council for cleaning services and utilities that go back to 2017.



## **NCAT Annual Accounts 2021/22 One Off Costs:**

Blakelaw Trading – Voluntary Striking Off £1,140

### Post Office

Sarah Jeffrey – Redundancy, Legal & HR Support £13,650

### Cowgate

Castle Nursery Painting £612.00

Castle Nursery Wave Water £7,077.09 (unknown water meter)

GEZE Shutters £261.00 (from October 2018)

### Blakelaw

Access Control Main Front Door £960.00 (Safeguarding Recommendation)

GEZE Shutters £120.00 (October 2018)

Library Partition £386.00

### Fawdon

Kalmer Counselling – Kitchen Works £720.00

Newcastle City Council Cleaning and Utilities Repayment Plan £32,112 (back dated invoices)

The Co-operative Bank Covid Loan £4,968.60

Total one off costs £62,007.

The impact of these has put the organisation in a net liabilities position and deficit funds. The 2022-23 picture is significantly healthier and the deficit is due to be reduced.

## **Preparation of accounts on a going concern basis**

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including an annual budget and future cash flows in making their assessment. In particular, coming out of the Pandemic COVID –19 then going into the Cost of Living and Fuel Poverty Crisis, the Trustees have revised their forecasts to take account of the impact on the business of possible scenarios brought on by the impact of both of these two awful life changing sets of circumstances, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Trustees have concluded that they can continue to adopt the ongoing concern basis in preparing the annual report and accounts.



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.

### **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 23<sup>rd</sup> March 2020. This financial year has been very difficult from the start and trying to attract communities back to buildings, has been difficult and therefore we have had very low user numbers compared to pre-pandemic. Some User Groups haven't returned and those who have smaller user numbers. This downturn has had a major impact on the charities finances and coupled with major one-off expenditure leaving the charity with a shortfall in income. NCAT has taken proactive steps to minimise the income shortfall by applying for a number of grants in recent months. The total of these grants approved have a monetary value of £36,790 which will be used to sustain the charity after the COVID Pandemic.

NCAT have also, had a very pro-active look at the sub leases to other charities and partners to truly examine who was responsible for what areas and reduce costs. With this exercise we have now passed over the following, cleaning, internal repairs & maintenance and Business Rates and this will provide a savings

Cowgate Community Centre - £16,050.38

Fawdon Community Centre - £8,611.12

Blakelaw Community Centre - £6,380.34

Total Savings £32,476.31 (working paper went the NCAT Board on Tuesday 13<sup>th</sup> September 2022)

Our forward plan of reducing costs due to the transfer of responsibilities to tenants within the community centres, these savings coupled with applying for grants has put the charity on firm footing and certainly a Going Concern.

### **Forecast for 2023**

We have forecasted that by the end of January 2023 NCAT will have £69,236 in the bank to due to the grants and transferring costs across to tenants. NCAT have also brought in other funds over this period, including a Ward Grants, National Lottery and Reach Fund.

## **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 deficits for each building and has worked with Muckle LLP to legally transfer costs to the tenants. Sadly, this oversight in the leases has put NCAT in the very difficult financial position year on year from 2016. The savings in coming years will allow NCAT to be in a much stronger financial position.

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 full capacity.

## **Principal risks and uncertainties**

### **Covid-19 pandemic and Cost of Living Crisis**

The majority of businesses in the UK have been impacted since March 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, now that the Cost-of-Living Crisis and Fuel Poverty has hit Nationally. Putting less money in people's pockets and our charity is trying to respond to local need.

Taking into account all of the above, the impact of coming out the COVID Pandemic and being hit by the Food and Fuel Poverty 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 now reshaped the way that the charity works by resetting priorities and liabilities where appropriate tenant's leases. 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.

This Directors' Report was approved by the Directors on Tuesday 13<sup>th</sup> December 2022 and signed on its behalf by:

Tracey Welsh  
Chairperson

*Tracey Welsh*  
(Tracey Ann Welsh) 18/1/2023



## **NEWCASTLE COMMUNITY ASSET TRUST**

(A company limited by guarantee)

### **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES**

For the year ended 31 March 2022

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I report on the financial statements of Newcastle Community Asset Trust for the year ended 31 March 2022, which are set out on pages 14 to 28.

#### **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.

Philippa Gardiner ACA  
Connected Voice Business Services Limited  
Higham House  
Higham Place  
Newcastle upon Tyne  
NE1 8AF  
Date:

# 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 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Restated Total 2021 £
<b>Income from:</b>					
Donations and legacies	8	80,426	18,394	98,820	205,662
Charitable activities					
Grants and contracts	9	5,037	-	5,037	6,216
Blakelaw trading	0	-	-	-	-
Other trading activities	11	164,697	-	164,697	143,414
<b>Total income</b>		<b>250,160</b>	<b>18,394</b>	<b>268,554</b>	<b>355,292</b>
<b>Expenditure on:</b>					
Blakelaw trading	12	-	-	-	38,382
Charitable activities					
Operation of the charity	13	278,504	2,158	280,662	236,853
<b>Total expenditure</b>		<b>278,504</b>	<b>2,158</b>	<b>280,662</b>	<b>275,235</b>
<b>Net income/(expenditure)</b>		<b>( 28,344 )</b>	<b>16,236</b>	<b>( 12,108 )</b>	<b>80,057</b>
Transfers between funds		4,794	( 4,794 )	-	-
<b>Net movement of funds</b>		<b>( 23,550 )</b>	<b>11,442</b>	<b>( 12,108 )</b>	<b>80,057</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		( 125,498 )	-	( 125,498 )	( 205,554 )
<b>Total funds carried forward</b>		<b>( 149,048 )</b>	<b>11,442</b>	<b>( 137,606 )</b>	<b>( 125,498 )</b>

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 28 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 2022

				Restated )
		£	Total 2022 £	Total 2021 £
<b>Fixed assets</b>				
Tangible assets	20		21,389	5,352
Investments	21		-	-
<b>Total fixed assets</b>			<b>21,389</b>	<b>5,352</b>
<b>Current assets</b>				
Stock	22	3,697		4,197
Debtors	23	24,518		3,412
Cash at bank and in hand	24	8,968		72,982
<b>Total current assets</b>		<b>37,183</b>		<b>80,591</b>
<b>Creditors:</b> amounts falling due within one year	25	( 99,408 )		( 78,498 )
<b>Net current assets</b>			<b>( 62,225 )</b>	<b>2,093</b>
<b>Total assets less current liabilities</b>			<b>( 40,836 )</b>	<b>7,445</b>
<b>Creditors:</b> amounts falling due after more than one year	26		( 96,770 )	( 132,943 )
<b>Total net assets or liabilities</b>			<b>( 137,606 )</b>	<b>( 125,498 )</b>
<b>Funds of the charity</b>				
Unrestricted income funds			( 149,048 )	( 125,498 )
Restricted income funds			11,442	-
<b>Total funds</b>			<b>( 137,606 )</b>	<b>( 125,498 )</b>

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 28 form an integral part of these accounts.

These financial statements were approved by the Board on:

and are signed on its behalf by:

Tracey Welsh  
Chair

*Tracey Welsh* (Tracey Ann Welsh)  
18/11/2023

# **NEWCASTLE COMMUNITY ASSET TRUST**

(A company limited by guarantee)

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 March 2022

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### **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. The current financial position is more positive than 2022 reported accounts and will cash flow requirements are being met. As disclosed in the Director's report the accounts have been restated for historic bills due to Newcastle City Council and that, along with other one off costs has significantly impacted the bottom line in 2021/2022 accounts.

### **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 2022

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#### **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**

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### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 March 2022

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#### **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 2022

#### 6 Prior year adjustments

##### Reconciliation of change in equity

	At 1 Apr 2020 £	At 31 Mar 2021 £
Unrestricted funds (previously stated)	( 59,446 )	( 3,474 )
Other creditors (i)	( 146,108 )	( 122,024 )
Unrestricted funds (as stated)	<u>( 205,554 )</u>	<u>( 125,498 )</u>

##### Reconciliation of financial activities

	Year ended 31 Dec 2020 £
Net movement of funds (previously stated)	55,973
Repayment plan (i)	24,084
Net movement of funds (as stated)	<u>80,057</u>

(i) Newcastle Community Asset Trust entered into a repayment plan in 2020 - 2021 with Newcastle City Council to repay outstanding debts amounting to £2,676 per month over 55 months. As a result, the other creditors greater than one year has been restated to show the amount to be paid back.

#### 7 The summary financial performance of the charity alone is:

	Total 2022 £	Total 2021 £
Income	268,554	262,768
Gift aid from trading subsidiary	-	-
	<u>268,554</u>	<u>262,768</u>
Expenditure on charitable activities	280,662	299,250
Bad debt written off	-	53,966
Subsidisation of trading subsidiary	-	-
<b>Net income/(expenditure)</b>	<b>( 12,108 )</b>	<b>( 90,446 )</b>
Total funds brought forward	( 36,470 )	53,976
<b>Total Funds carried forward</b>	<b><u>( 48,578 )</u></b>	<b><u>( 36,470 )</u></b>
Represented by:		
Restricted income funds	-	-
General unrestricted income funds	( 48,578 )	( 36,470 )
	<u>( 48,578 )</u>	<u>( 36,470 )</u>

# NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

### Analysis of income

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
<b>8 Donations and legacies</b>				
Donations	1,573	-	1,573	-
Access Reach Fund	-	-	-	12,000
Big Lottery	-	2,000	2,000	-
Big Lottery Community Development	-	9,500	9,500	-
Big Issue	-	-	-	13,584
B&Q Foundation	-	4,794	4,794	-
HMRC JRS	11,373	-	11,373	14,554
National Lottery Community Fund	-	-	-	9,600
Newcastle City Council	5,581	-	5,581	16,800
Newcastle City Council - City Life	-	-	-	624
Newcastle City Council - Combined Authority	-	-	-	25,463
Newcastle City Council - COVID	57,899	-	57,899	113,036
Your Homes Newcastle	-	2,100	2,100	-
Connected Voice - COVID	4,000	-	4,000	-
	<u>80,426</u>	<u>18,394</u>	<u>98,820</u>	<u>205,662</u>
<b>9 Charitable activities</b>				
Employers Allowance	4,000	-	4,000	4,000
Other income	1,037	-	1,037	2,216
	<u>5,037</u>	<u>-</u>	<u>5,037</u>	<u>6,216</u>
<b>10 Blake law trading</b>				
Trading subsidiary turnover	-	-	-	61,356
	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,356</u>
<b>11 Other trading activities</b>				
Trading subsidiary turnover	-	-	-	61,356
Post Office Remuneration	12,888	-	12,888	-
Retail sales	2,840	-	2,840	-
Refunds on utilities	-	-	-	-
Rental income	148,969	-	148,969	82,058
	<u>164,697</u>	<u>-</u>	<u>164,697</u>	<u>143,414</u>

During a meeting in January 2021, the management made the decision to dissolve down the trading arm (Blake law Trading). As a result all income from the trading subsidiary is detailed below.

Income was £268,554 (2021: £355,292) of which £250,160 was unrestricted or designated (2021: £302,684) and £18,394 was restricted (2021: £52,608)

## NEWCASTLE COMMUNITY ASSET TRUST

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

#### Analysis of expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
12 <b>Blake law trading</b>				
Trading subsidiary costs	-	-	-	38,382
	-	-	-	38,382

During a meeting in January 2021, the management made the decision to dissolve down the trading arm (Blake law Trading). As a result all expenditure as if the subsidiary continued is included in the charities expenditure.

#### 13 **Charitable activities**

##### Direct costs

Project staff costs	98,175	1,908	100,083	69,998
Project resources	-	-	-	26,055
Project expenses	2,631	35	2,666	223
Depreciation	1,139	-	1,139	269

##### Support costs

Staff travel, meetings and events	2,360	-	2,360	1,755
Office costs	122,540	140	122,680	71,624
Supplies and services	24,646	-	24,646	11,866
Legal and professional fees	25,613	75	25,688	24,802
Consultancy fees	-	-	-	22,863
Volunteer expenses	80	-	80	172
Bad debt	-	-	-	6,103

##### Governance costs

Independent examiner's fees for reporting on the accounts	1,320	-	1,320	1,123
	278,504	2,158	280,662	236,853

Expenditure on charitable activities was £280,662 (2021: £275,236) of which £278,504 was unrestricted or designated (2021: £222,628) and £2,158 was restricted (2021: £52,608)

#### 14 **Net income/(expenditure) for the year**

##### ***This is stated after charging :***

	2022 £	2021 £
Depreciation	1,139	917
Independent examiner's fees for reporting on the accounts	1,320	1,080
Other accountancy services paid to the examiner	683	1,168
	3,142	3,165



## NEWCASTLE COMMUNITY ASSET TRUST

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

#### 15 Analysis of staff costs and the cost of key management personnel

	2022 £	2021 £
Salaries	82,633	94,789
Redundancy	9,770	-
Employer NI	7,117	6,925
Employer Pension	563	605
	<u>100,083</u>	<u>102,319</u>

No employee received remuneration above £60,000 (2021: 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 £51,738 (2021: £51,746).

#### 16 Staff numbers

The average monthly head count was 4 staff (2021: 4 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2022 Number	2021 Number
The parts of the charity in which the employee's work		
Charitable activities	2.0	2.0
	<u>2.0</u>	<u>2.0</u>

#### 17 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 £7,920 (2021: £8,489 ) for bookkeeping and managerial accounting on a normal commercial basis, there was no outstanding balance as at 31 March 2022 (2021: £nil).

Also during the year, the charity received COVID funding of £4,000 from Connected Voice, the parent company of Connected Voice Business Services Ltd that are the independent examiners. The grant was given to local organisations through a vetting process and did not affect the decision to choose Connected Voice Business Services Ltd as the independent examiners in 2022.

#### 18 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 (2021: £605). There was £47 outstanding as at 31 March 2022 (2021: £nil)



## NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

#### 19 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.

#### 20 Tangible fixed assets

	Office Equipment	Plant and Machinery	Total
	£	£	£
<b>Cost</b>			
Balance brought forward	4,498	4,920	9,418
Additions	268	16,908	17,176
Disposals	-	-	-
<b>Balance carried forward</b>	<b>4,766</b>	<b>21,828</b>	<b>26,594</b>
<b>Depreciation</b>			
Balance brought forward	3,939	127	4,066
Depreciation charge for year	432	707	1,139
Disposals	-	-	-
<b>Balance carried forward</b>	<b>4,371</b>	<b>834</b>	<b>5,205</b>
<b>Net book value</b>			
<b>Brought forward</b>	<b>559</b>	<b>4,793</b>	<b>5,352</b>
<b>Carried forward</b>	<b>395</b>	<b>20,994</b>	<b>21,389</b>

## NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

#### 21 Fixed asset investment

	2022 £	2021 £
Investment in subsidiary company	-	-

The charitable company owned one £1 ordinary share, 100% of the voting capital of Blake law Trading Limited, a company incorporated and registered in England and Wales (Company number 09878893). To provide a local Post Office and Simonised 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

	2022 £	2021 £
Turnover	-	61,356
Cost of sales	-	( 28,105 )
Administration costs	-	( 10,277 )
Other operating income	-	-
Taxation	-	-
Net profit/(loss) before extraordinary activities	-	22,974
Loan unpayable to Newcastle Community Asset Trust	-	-
Net profit/(loss)	-	22,974
Profit and loss account brought forward	-	( 22,974 )
Profit and loss account carried forward	-	-

#### Balance sheet

	2022 £	2021 £
Fixed assets	-	-
Stock	-	-
Debtors	-	-
Cash at bank and in hand	-	-
Creditors amounts falling due within one year	-	-
Loan to Newcastle Community Asset Trust	-	-
	-	-
Called up share capital	-	-
Profit and loss account	-	-

**NEWCASTLE COMMUNITY ASSET TRUST**

(A company limited by guarantee)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 March 2022

**22 Stock**

	2022 £	2021 £
Opening	4,197	3,051
Added in period	1,866	1,858
Distributed in period	( 2,366 )	( 712 )
Closing	3,697	4,197

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

	2022 £	2021 £
Trade debtors	24,260	591
Other debtors and prepayments	262	2,821
	24,522	3,412

**24 Cash at bank and in hand**

	2022 £	2021 £
Cash at bank	8,968	72,977
Cash in hand	-	5
	8,968	72,982

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

	2022 £	2021 £
Trade creditors	38,576	21,178
Taxation and social security	3,499	4,252
Accruals		
Independent examination of accounts	1,320	1,975
Other accruals	18,932	5,012
Other creditors	37,081	37,081
Deferred income	-	9,000
	99,408	78,498

**26 Creditors and accruals (payable after 1 year)**

	2022 £	2021 £
Newcastle City Council Payment Plan	57,800	89,912
Bounce back loan	38,970	43,031
	96,770	132,943



**NEWCASTLE COMMUNITY ASSET TRUST**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 March 2022

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

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

**28 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 £
<b>Unrestricted funds</b>					
General unrestricted fund	( 125,498 )	250,160	( 278,504 )	4,794	( 149,048 )
<b>Totals</b>	<b>( 125,498 )</b>	<b>250,160</b>	<b>( 278,504 )</b>	<b>4,794</b>	<b>( 149,048 )</b>

For the year ending 31 March 2020

	balances brought forward £	Incoming resources £	Resources expended £	Transfers £	balances carried forward £
<b>Unrestricted funds</b>					
General unrestricted fund	( 205,554 )	302,684	( 222,627 )	-	( 125,498 )
<b>Totals</b>	<b>( 205,554 )</b>	<b>302,684</b>	<b>( 222,627 )</b>	<b>-</b>	<b>( 125,498 )</b>

**Purpose of unrestricted funds**

General unrestricted fund                      The 'free reserves' of the charity

**Analysis of movement in restricted funds**

For the year ending 31 March 2022

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
<b>Restricted funds</b>					
Big Lottery	-	2,000	( 2,000 )	-	-
Big Lottery Community Development	-	9,500	( 158 )	-	9,342
B&Q Foundation	-	4,794	-	( 4,794 )	-
Your Homes Newcastle	-	2,100	-	-	2,100
<b>Totals</b>	<b>-</b>	<b>18,394</b>	<b>( 2,158 )</b>	<b>( 4,794 )</b>	<b>11,442</b>

## NEWCASTLE COMMUNITY ASSET TRUST

(A company limited by guarantee)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

#### 28 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
	£	£	£	£	£
<b>Restricted funds</b>					
Access Reach Fund	-	12,000	( 12,000 )	-	-
Big Issue	-	13,584	( 13,584 )	-	-
National Lottery Community Fund	-	9,600	( 9,600 )	-	-
Newcastle City Council - Soft Play	-	16,800	( 16,800 )	-	-
Newcastle City Council - City Life	-	624	( 624 )	-	-
<b>Totals</b>	-	52,608	( 52,608 )	-	-

##### Purpose of restricted funds

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

Big Lottery	Community Development Coordinator set up costs
Big Lottery Community Development	Community Development Coordinator salary
B&Q Foundation	To purchase a boiler.
Your Homes Newcastle	Set up of NCAT counselling services
Access Reach Fund	Business Development costs to create Business Plans for the charity.
Big Issue	Salaries.
National Lottery Community Fund	Funding to provide a Children & Young Persons service within the Blake law Ward.
Newcastle City Council - Soft Play	Building soft play area.
Newcastle City Council - City Life	Website development.

##### Transfers between funds

	Reason for transfer	Amount £
Between unrestricted and restricted funds	Boiler purchased and capitalised in year	4,794

#### 29 Capital commitments

As at 31 March 2022, the charity had no capital commitments (2021 -£nil).

**NEWCASTLE COMMUNITY ASSET TRUST**

(A company limited by guarantee)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 March 2022

**30 Analysis of net assets between funds**

	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Tangible fixed assets	21,389	-	<b>21,389</b>
Cash at bank and in hand	( 2,474 )	11,442	<b>8,968</b>
Other net current assets/(liabilities)	( 71,197 )	-	<b>( 71,197 )</b>
Non-current liabilities	( 96,770 )		<b>( 96,770 )</b>
	<u>( 149,052 )</u>	<u>11,442</u>	<u><b>( 137,610 )</b></u>

	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Tangible fixed assets	5,352	-	<b>5,352</b>
Cash at bank and in hand	72,982	-	<b>72,982</b>
Other net current assets/(liabilities)	( 70,889 )	-	<b>( 70,889 )</b>
Non-current liabilities	( 132,943 )		<b>( 132,943 )</b>
	<u>( 125,498 )</u>	<u>-</u>	<u><b>( 125,498 )</b></u>