

HEART OF THE CITY PARTNERSHIP

England & Wales · Charity number 1165434

Details

Status	Registered
Legal form	Charitable company
Company number	06373460
Registered	2016-02-04
Register	View on the Charity Commission register

Contact

Address	The Black Gate Castle Garth Newcastle Upon Tyne NE1 1RQ
Phone	01912306300
Email	info@newcastlecastle.co.uk
Website	http://www.newcastlecastle.co.uk

Activities

Objects: 4.1 THE ONLY OBJECTS FOR WHICH THE CHARITY IS ESTABLISHED ARE FOR THE PUBLIC BENEFIT TO: 4.1.1 THE ADVANCEMENT OF EDUCATION AND PROMOTION OF LEARNING, IN PARTICULAR IN RELATION TO THE HISTORY AND HERITAGE OF THE AREA AROUND ST NICHOLAS' CATHEDRAL IN PARTICULAR NEWCASTLE CASTLE IN NEWCASTLE UPON TYNE ("THE CITY"); 4.1.2 THE ADVANCEMENT OF CULTURE AND HERITAGE BY THE ENCOURAGEMENT OF THE LOCAL COMMUNITY AND VISITORS TO THE CITY TO APPRECIATE AND ENJOY THE HISTORY AND FABRIC OF THE SAID BUILDINGS 4.1.3 THE PRESERVATION AND PROTECTION OF NEWCASTLE CASTLE BEING OF HISTORICAL INTEREST AND PUBLIC IMPORTANCE AND PARTICULARLY THE GRADE I LISTED BUILDINGS AND SCHEDULED ANCIENT MONUMENTS KNOWN AS THE BLACK GATE AND CASTLE KEEP. ("THE OBJECTS").

Activities: Preserve and protect Newcastle Castle. Advance culture and heritage by encouraging the local community and visitors to appreciate and enjoy the history and fabric of Newcastle Castle and buildings around the area of Old Newcastle. Advance education and learning in relation to Newcastle Castle, St Nicholas Cathedral and the area surrounding the two buildings.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Newcastle Upon Tyne City

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£563,685	£536,376	£261,779	23
2023-12-31	£486,154	£464,069	-	-
2022-12-31	£389,508	£418,742	-	-
2021-12-31	£310,283	£396,828	-	-
2020-12-31	£472,264	£318,647	-	-

Trustees

Name	Role	Appointed
Gavin MacFarlane Black	Chair	2013-09-09
Adam James Serfontein		2023-06-21
Catherine Winfield		2025-09-30
DR RICHARD MALCOLM PEARS		2015-08-02
Elizabeth Hannah MacRobert		2022-03-23
Ian Martin Ayriss		2023-03-22
JOHN GRUNDY		2011-12-15
Katie Coralee Mountain		2022-12-07
Rev Lee Paul Batson		2025-07-17

HEART OF THE CITY PARTNERSHIP

England & Wales - Charity number 1165434

Accounts

Charity registration number 1165434

Company registration number 06373460 (England and Wales)

THE HEART OF THE CITY PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

THE HEART OF THE CITY PARTNERSHIP

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr GM Black
Mr J Grundy
Mr P Wood
Mr E Jubb
Dr RM Pears
Miss E MacRobert
Miss K Mountain
Mr I Ayris
Mr A Serfontein
Ms KL Kilgour (Appointed 20 December 2024)
Mr A Hay (Appointed 22 May 2024)

Charity number

1165434

Company number

06373460

Registered office

Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
United Kingdom
NE2 1TJ

Auditor

Robson Laidler Accountants Limited
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
England
NE2 1TJ

Bankers

Handelsbanken
Earl Grey House
75-85 Grey Street
Newcastle upon Tyne
NE2 1TJ

Virgin Money
5 Cattle Market
Hexham
NE46 1NJ

United Trust Bank
One Ropemaker Street
London
EC2Y 9AW

THE HEART OF THE CITY PARTNERSHIP

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THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2024.

The trustees have adopted the provisions of 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 2015).

Objectives and activities

The charity is established for:

- the advancement of education and promotion of learning in relation to the history and heritage of the area around Newcastle Cathedral, in particular Newcastle Castle, in Newcastle Upon Tyne;
- the advancement of culture and heritage by the encouragement of the local community and visitors to the City to appreciate and enjoy the history and fabric of these buildings; and
- the preservation and protection of Newcastle Castle as a building of historical interest and public importance and particularly the Grade 1 Listed Buildings and Scheduled Ancient Monuments known as the Black Gate and Castle Keep.

Background to Current Activities

The Heart of the City Partnership (HOCP) leases Newcastle Castle from Newcastle City Council at a peppercorn rent and operates the heritage asset as a predominantly paid-for visitor attraction. HOCP's strategic approach is based on the principles that safeguarding the future of Newcastle Castle is best achieved through ensuring the buildings remain in use and that their significance, cultural and wider commercial benefits for the city are understood and appreciated by the public and local schools, as well as local businesses. These principles inform HOCP's 4-year rolling strategic plan and financial management.

In 2024, Newcastle Castle was primarily available to the general public as a paid-for visitor attraction, open 7 days per week between April and October and 5 days per week during the rest of the year. Opening hours were normally 10am to 5pm and in any given year full closure of Newcastle Castle on a normal opening day is only permitted for a maximum of 10 days through the year, this being to facilitate all-day venue hires e.g. weddings, but balancing the public benefit derived from being open as a place to visit. Information about Newcastle Castle and its history is provided to visitors through a guidebook, audio guides, information boards and tours. In addition, Newcastle Castle runs an education programme of school visits to the castle and outreach sessions. Much of Newcastle Castle's public-facing work is supported by volunteers.

The board of trustees is aware that admission fees can exclude people with low disposable incomes and is keen to ensure access to this heritage asset is possible for all. Our admission charging structure allows discounts for certain priorities e.g. unwaged, families, disabled, senior citizens, armed forces, NHS etc. Admission fees are benchmarked against similar attractions in the region.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Achievements and performance

General visitors to Newcastle Castle

The general public currently constitutes the majority of visitors to Newcastle Castle, and ticket sales are the largest income stream for the charity. Having moved to annual passes in 2023 to enable visitors, especially local people, greater access to Newcastle Castle, we continued this ticketing approach in 2024. Following a comparative review of other attractions, we decided to increase the price of the annual pass, while offering additional benefits to visitors such as a programme of on-site activities to encourage repeat visits, as well as a discount in the shop on return visits. The level of returning visitors for 2024 was 1.6% compared with 1% in 2023.

Based on the number of visitors in 2023 which was 36,023, the target number of annual paying visitors for 2024 was 36,000. We were not able to achieve this level, with the actual total number of annual paying visitors in 2024 being 32,293. In 2024 Newcastle Castle was open to visitors for 324 days (314 in 2023). The decrease in visitor numbers in 2024 was disappointing but mainly arose in August and to a lesser extent in April and October. From informal discussions with other visitor attractions in the area, as well as research undertaken by our local visitor economy partnership, Destination North East England, there appears to have been a general decrease in visitors to paid-for indoor attractions in August 2024 and this is therefore unlikely to be an issue which was specific to Newcastle Castle. We are carefully monitoring visitor numbers in 2025 to understand whether there any new trends in visitor numbers.

School visits and outreach work

Engaging with school groups is a fundamental part of the educational work we do at Newcastle Castle. In 2024 the number of visitors from schools was 3,635, a decrease in numbers when compared with 2023 (4,293) which may reflect financial pressures on schools. People participating in outreach sessions was 982 (a slight increase on 2023) making a total of 4,617 participants in our education programme. We engaged with a total of 145 schools of which 4% are special educational needs and disabilities (SEND) schools. We believe in ensuring that every individual has access to the offer at Newcastle Castle and were able to facilitate pupils with SEND accordingly with 128 pupils visiting as part of SEND groups. We also aim to engage with schools located in deprived areas. In 2024 approximately 43% of schools that we worked with were in the top 30% more deprived areas in the UK (decile 1, 2, or 3).

Education projects

We continue to develop our educational programme both at Newcastle Castle and through outreach work, to reach an increasing audience, including seeking grants to support this work.

- In 2024 we secured £1,155 of funding through the Gateshead FC Foundation to deliver four sessions on 'Medieval Skills' at Newcastle Castle for groups from four local schools from deprived areas working with Gateshead FC Foundation.
- We also secured £3,244 from StreetGames for their Holiday Activity Fund Programme which consisted of four weeks of free activities and a meal for children over the summer holidays. This programme is targeted towards children in receipt of free school meals.
- Healthworks provided £2,400 of funding to enable us to deliver Education Workshops for the Old Scotswood Project. This project aims at engaging children from the West End of Newcastle with the history of Scotswood and the surrounding areas through a series of educational workshops, newly written tours and activity days. This is being delivered in concert with Healthworks.
- In February 2022 we received funding from the RW Mann Trust and William Webster Trust to deliver an outreach project to school children based around British values. This project was delivered in 2024.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Improving accessibility

James Lovatt, one of HOCPP's employees, raised £1,542 in the Great North Run for accessible interpretation for the Newcastle Castle. This will be used to develop new experiences for visitors with limited mobility or visual impairments, aiming to allow visitors to see, hear and touch the entirety of the Castle Keep without having to leave our accessible ground-floor room. In 2025 these funds will be matched by the Heart of the City Partnership.

Since the fundraising effort we have:

- introduced a downloadable access guide for our website;
- commissioned a 3D Virtual Scan of the Castle Keep with the aim of visitors being able to navigate their way around the space digitally without using the stairs;
- won Supportive Employer Award early in 2025 from North East Autism Society.

Student and work placements

In 2024 we hosted 12 student placements, covering educational levels from secondary school to university degrees, to vocational qualifications. These placements are designed as a first step towards the individual's career and differ depending on course requirements (e.g. tourism, heritage, art and design).

Retail

Our retail offer provided further educational resources (books, toys etc) relating to the Castle and its direct surroundings. We have promoted local suppliers and crafters such as Clavis and Claustra, Photography North and Canny Gadgies which sell their products via our retail store. During 2024 we undertook a complete review of our retail offer and extended it to include pocket money toys and gift ware for adults. We have seen an increase of spend per head from £1.00 on average in the last quarter of 2023 to £1.61 on average in the last quarter of 2024. Money made from the retail offer supported the overall sustainability of Newcastle Castle and the delivery of HOCPP's charitable objects.

Events

We believe that alternative, out-of-hours cultural event programming can attract a more diverse audience and introduce them to the history and heritage of Newcastle Castle and the surrounding area. In 2024 we hosted 22 film nights, 22 talks and lectures, 2 medieval tavern nights, 7 workshops / theatre / music and facilitated 84 walking tours of differing natures from tours of medieval Newcastle to twilight castle tours and Kids' Castle Adventures tours. We have also introduced a variety of free drop-in activities that run every single day during the school holidays.

Promotion and information

Following the recruitment of a new Marketing and Communications Officer in 2024, we continue to develop our promotion and awareness-raising of Newcastle Castle and HOCPP's activities in a number of ways:

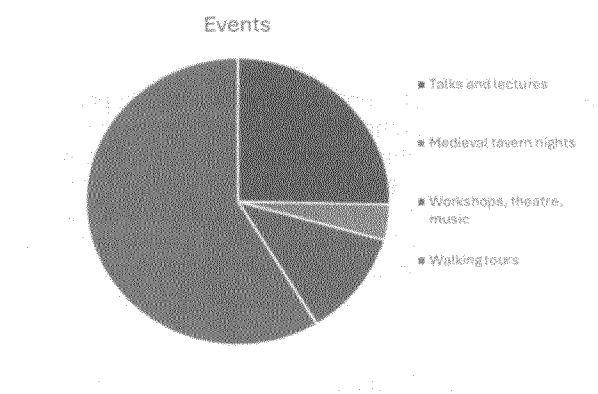
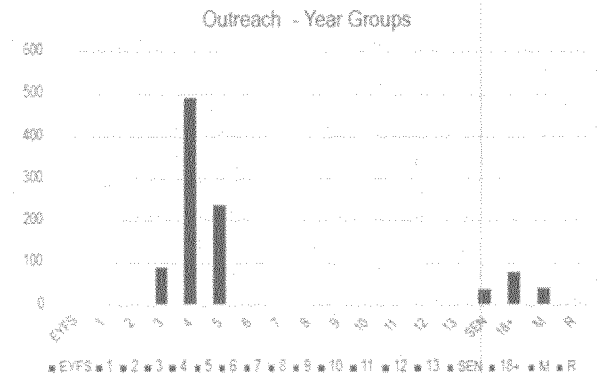
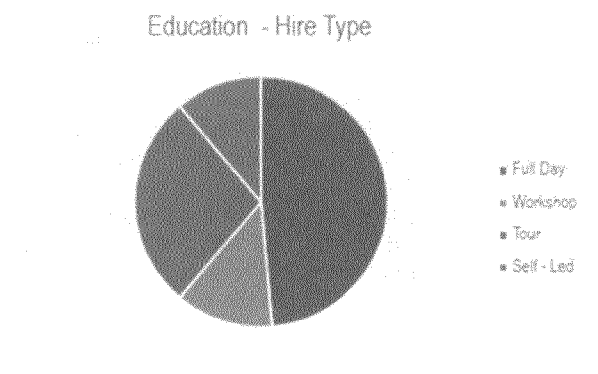
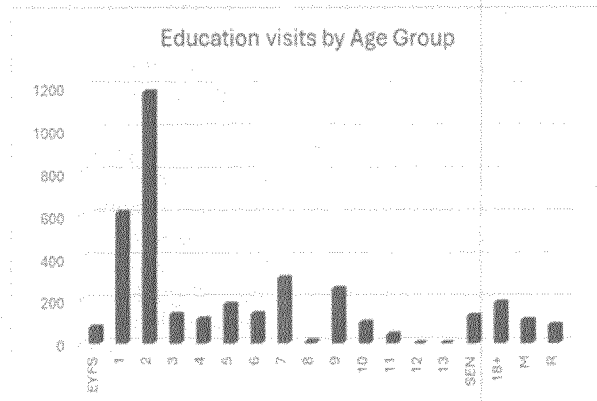
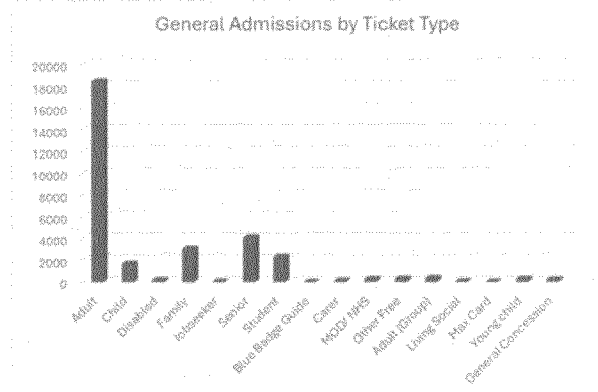
- **Print Advertising** We advertise in print publications and at Newcastle Airport. We provide flyers in relevant local hospitality businesses and are progressing partnership development. We are currently reviewing processes to monitor and evaluate these types of promotion.
- **Website** The website is used to enable visitors to book in advance and provide information about Newcastle Castle's public events programme. Unique visitors to the website in 2024 totalled 561,778, a decrease of 19,129 since 2023.
- **E-newsletter** At the end of December 2024 our general e-newsletter, which is sent out every three weeks, had 4940 subscribers, an increase of 800 over the year. The newsletter is used to inform subscribers about Newcastle Castle's programme of events including any addition to the visitor experience, retail offers, current projects and fund-raising activities. We sent out 17 general e-newsletters with an average open rate of 38% (43.5% in 2023) and an average click-through rate of 6.7% (13.7% in 2023).
- **Social media** HOCPP uses social media to raise awareness about its activities and charitable status, publish blogs about historical topics, and engage with partners. During 2024 social media engagement consisted of:
 - 13,822 Facebook business page followers (an increase of 522 from 2023),
 - 4,404 X.com (previously Twitter followers), (a decrease of 99 from 2023),
 - 4,812 Instagram followers, (an increase of 410 from 2023)
 - 660 Tik Tok followers (an increase of 64 from 2023) and
 - 434 LinkedIn followers (an increase of 29 from 2023).
- **Google My Business** We also continued to use Google My Business in 2024. During 2024 we had 44,802 business interactions (interactions are when people call, message, make bookings, ask for directions and more from your Business Profile on Google). We have 2,890 Google reviews and an overall star rating of 4.5 out of 5.
- **Tripadvisor** Newcastle Castle is currently ranked 6th of traveller favourite Things To Do in Newcastle with an overall rating of 4.4 stars from 1,039 reviews. Our medieval walking tour in Newcastle is currently ranked 7th of Must-Do Experiences in Newcastle, with an overall star rating of 5 from 26 reviews.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Statistical Highlights



THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Public Benefit

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

Referring to our objectives and activities, achieving and maintaining independent financial sustainability is core to preserving and protecting the buildings we operate. Keeping the buildings in the hearts and minds of local communities and those from further afield is a key engagement target.

Our formal (schools and groups) education provision, informal learning (outreach and early-years provision) and informal lifelong learning (interpretation, events, talks, lectures etc) are at the heart of our work of advancing education and learning in relation to the history and heritage of Newcastle Castle and the surrounding area. In 2024 we welcomed a total of 3,635 pupils to the Castle as part of formal educational groups. We have seen an increase in groups coming just for half-day visits this year. They account for 41% of all formal educational groups. Full-day visits account for 48% and self-guided 11%. 49% of our educational visitors are in Key Stage 1 (years 1 and 2 of school), so this is still an area of focus, but there is otherwise a fairly even spread of different age groups. Visits were led by our learning staff and volunteers. We also continued to see schools booking Outreach visits from the Castle into their classrooms, with a total of 18 Outreach visits booked in 2024. With the support of external funding we have run a number of projects for children from deprived areas or in receipt of free school meals.

In addition to the primary offer, to ensure that those not engaged actively in visiting heritage attractions are included and encouraged to appreciate and enjoy the history and fabric of Newcastle Castle, we normally offer a range of immersive, interactive experiences and events, such as film nights, talks, lectures, theatre shows and workshops on carefully selected days and evenings. These are usually aimed at children, families and adults and work towards attracting and involving different audiences from just the "heritage consumers". In 2024 income from Tavern Nights and Walking Tours, talks, film nights, theatre and other events totalled £32,334. Venue hire / private hire offers people a way to engage and interact with their heritage whilst providing an additional income stream to support the sustainability of Newcastle Castle and the delivery of the charitable objects, and these activities continued in 2024 at a level commensurate with ensuring appropriate levels of public and educational access to the site. We have also continued to deliver Medieval Newcastle Walking Tours, available to the general public, which have proved to be popular.

HOCP maintains an ongoing dialogue with the neighbouring Newcastle Cathedral including exploring possible avenues of partnership.

Our Staff & Volunteers

HOCP currently has an average of 23 staff members. Staff roles cover senior management, supervisory management, event programming, marketing, venue hire, retail display and purchasing, learning, informal learning, outreach, finance and front-of-house. During 2024 we recruited three new members of staff to key roles. The whole team is supported by strong leadership through management who are in turn supported by the board of trustees and a sub-committee of the board, the Business Management Committee (BMC). Staff are further supported by our team of volunteers. The volunteer-base reduced in size during and after the COVID-19 pandemic, however it has now returned to full strength with 35 volunteers helping with activities across the spectrum of deliverables and around 15 being very regularly active, especially in the delivery of education and events. The volunteers were involved in several aspects of the running of the Castle including delivering:

- **Learning** – around 12 volunteers came in regularly to deliver tours to schools, assist in workshops and carry out FREE family activities.
- **Events** – We have a small pool of around 5 volunteers assisting with the delivery of our events programme.
- **Re-enactment** – We have a group of around 18 volunteers called the Newcastle Array who provide live historical interpretation onsite at the Castle Keep.

In the summer of 2024, we hosted a staff training day as a first step towards culture change and organisational development. Anecdotal feedback indicated that staff appreciated being able to engage with all business areas and the aspects of teambuilding were successful. The team co-created a list of values for the organisation to implement within public-facing activity and day to day operations – welcoming, inclusivity, community, discovery, authenticity. Staff also recognised the importance of improving day-to-day value of the ticket for visitors, staff engagement (including communication and training) as well as audience development (looking to target our weaker audiences, improve accessibility and improve our visibility within the community). These outcomes will be used to inform future strategic priorities.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Work Placements

In 2022 we restarted the practice of taking on students on work placements. In 2024 we hosted a total of 12 work placements ranging from one day per week for a young person from Education and Services for People with Autism, multiple one week school placements and 2 longer term university placements.

New College Durham students commenced a project with us to redesign some of our external signage and to record for school groups an introductory video and a series of videos of our Castle Characters.

Principal Sources of Funding

HOCP's principal sources of funding are admission fees and Gift Aid. Alongside this, venue hire and out of hours events generate additional income. Where appropriate, non-primary trading sources of income generate revenue that is used in future budget years to offset the costs of delivering primary purpose functions such as our education and outreach programmes, as well as investing in staff and improving the visitor offer and experience.

Between 2016 and 2019 HOCP worked towards financial self-sufficiency. 2019 saw HOCP generate a small surplus, one year ahead of plan, which, when measured against previous years indicated HOCP was on a path to a stable and self-sustaining operational model, enabling it to deliver significant public benefit from its core activities through admissions, events, learning and outreach. The COVID-19 pandemic in 2020 and 2021 hit principal sources of funding hard. Over the last few years, we have seen a steady recovery with the results from 2023 being on a par with 2019. In 2024, although the number of visitors was lower than target, the total admission fees including increased gift aid held up and, taking into account grants received, HOCP generated a small surplus for the year.

In 2024 HOCP received the following grants:

- £25,000 grant from Barbour Trust as unrestricted core funding.
- £1,155 through the Gateshead FC Foundation to deliver sessions on 'Medieval Skills' at Newcastle Castle for groups from four local schools.
- £3,244 from StreetGames for their Holiday Activity Fund Programme.
- £1,542 raised by James Lovatt in the Great North Run for accessible interpretation for Newcastle Castle.
- £2,400 from Healthworks to deliver Education Workshops - the Old Scotswood Project.

We are very grateful to these organisations and individuals who have contributed to support our activities.

Focus for 2025

HOCP's focus for 2025 is to improve visitor experience, value for money, and to reach new audiences. 2025 will see continued delivery of our diverse events programme, but will see additional days of free onsite activities during standard open hours, the launch of new corporate engagement packages and enhanced partnership working. This alongside a defined, well-promoted and targeted marketing strategy will aim to boost overall visitor numbers and reach within the local community and will be supported by grant funding and other fundraising efforts.

The space currently available to HOCP restricts the scope and frequency of our activities, particularly in the core areas of education and lifelong learning, and in providing greater value for money for our visitors. HOCP is considering what options may be available to expand our activities in other areas of the site in the long term.

Notable Items from the Accounts

HOCP ended 2024 with a small surplus and a reasonable cash balance. HOCP retained a decent level of unreserved funds at the end of 2024 and with prudent and cautious budget and strategy measures in place for 2025 HOCP remains positive regarding the opportunities for further growth. Attracting grant funding to strengthen and maintain that position will be a continued focus for 2025 and beyond.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Financial review

The results for the year are shown on the Statement of Financial Activities. Incoming resources totalled £563,685 (2023: £486,154) of which £555,344 is considered to be unrestricted in nature.

Resources expended totalled £536,376 (2023: £464,266) such that overall the charity accrued a surplus of £27,309 (2023: £21,888 surplus). At 31 December 2024, the charity has closing reserves totalling £261,779 (2023: £234,470) of which £255,079 (2023: £231,970) are unrestricted. Free reserves, being unrestricted reserves less that tied up in fixed assets, stood at £253,638 (2023: £230,773).

Reserves and Investment Policy

The trustees have always agreed that they will endeavour to keep six months running costs of HOCP to be held in reserve, readily available. They have also agreed to endeavour to generate a sustainable, low risk return through investments with an acceptable level of risk. Such returns to be drawn down to the trading account at the discretion of BMC or the board of trustees, to fund projects or business proceedings.

Structure, governance and management

Governing Document

HOCP is a Private Company Limited by Guarantee incorporated under the Companies Act 2006 and is a registered Charity. The objects for which HOCP was incorporated and its powers are contained within its Articles of Association.

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

Mr GM Black

Mr J Grundy

Mr P Wood

Mr E Jubb

Dr RM Pears

Reverend P Dobson

(Resigned 1 September 2024)

Miss E MacRobert

Miss K Mountain

Ms M Williams

(Resigned 7 November 2024)

Mr I Ayris

Mr A Serfontein

Ms KL Kilgour

(Appointed 20 December 2024)

Mr A Hay

(Appointed 22 May 2024)

Recruitment of Trustees

Trustees are recruited as per the Articles of Association. Trustees recruited, but not from the appointing bodies, are recruited around the skills, knowledge and experience required to help steer the organisation.

Organisational structure

The Articles of Association provide that; The business of HOCP shall be managed by the Trustees, being the Members of HOCP, who may exercise its powers. The number of Trustees to be appointed as Directors of HOCP shall not be less than 6 and shall not be more than 12 of whom:

- Up to two shall be appointed by Newcastle City Council
- Up to 2 shall be appointed by the Dean & Chapter of Newcastle Cathedral
- Up to 2 shall be appointed by the Society of Antiquaries of Newcastle upon Tyne

The most senior manager, the Chief Executive Officer, is appointed by the Trustees for the purpose of ensuring the future sustainability of Newcastle Castle and promoting and developing the wider objects of the charity. Trustee meetings are held quarterly with BMC meeting at minimum 6 times per year to specifically inform the direction of Newcastle Castle and to support the Chief Executive Officer.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Policy Notes

Existing policies have been reviewed in line with our policy schedule:

- Trustee Code of Practice
- Operating Reserves & Investment
- Safeguarding
- IT and Information Security
- Cardholder Information
- Health and Safety
- Financial Controls
- Data Protection
- Environmental
- Equal Opportunities
- Rehabilitation of Offenders
- Staff Welfare
- Flexible Working

Key Management Remuneration

Key management remuneration is determined by the Trustees.

Related Parties

There are no related parties.

Risk Management

HOCP takes a comprehensive and systematic approach to risk-management, identifying significant risks under 6 main headings: strategic/business, HR & resources, property, operational, governance, and financial. Procedures are in place to mitigate or otherwise manage the most significant risks identified and a Risk Register is in place. The Risk Register is regularly reviewed by BMC and the Board and updated. When new risks are identified, policies and/or procedures are developed to mitigate the risk.

Statement of trustees' responsibilities

The trustees (who are also the directors of HOCP for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Auditor

If no general meeting is held to consider the appointment of auditors, the auditors, Robson Laidler Accountants Limited, will be deemed to be re-appointed unless the members prevent the deemed re-appointment or pass a resolution to remove them as auditors.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.
Signed on behalf of the Charity's trustees.



Mr GM Black

Trustee

Date: 19.8.2025

THE HEART OF THE CITY PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE HEART OF THE CITY PARTNERSHIP

Opinion

We have audited the financial statements of The Heart of the City Partnership (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

THE HEART OF THE CITY PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HEART OF THE CITY PARTNERSHIP

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The risk of material misstatement due to error or fraud has been assessed in conjunction with how internal controls may mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Analytical review and substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team;

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework, in which the company operates and how the company complies with that legal and regulatory framework
- inquired with management and those charged with governance about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud
- discussed with management and those charged with governance any non-compliance with laws and regulations and how fraud might occur including assessments of how and where the financial statements may be susceptible to fraud.

The risk of management override of controls was also considered an area of potential misstatement due to fraud. Audit procedures performed included testing of manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

THE HEART OF THE CITY PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HEART OF THE CITY PARTNERSHIP

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of our report

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



Nicholas Cunningham MSc BSc FCCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited

9-9-2025

Statutory Auditor

Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
England
NE2 1TJ

THE HEART OF THE CITY PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

Current financial year

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	2	25,373	8,341	33,714	5,651
<u>Charitable activities</u>					
Ticket sales		370,374	-	370,374	328,356
Investments		2,324	-	2,324	529
Other trading activities	3	157,273	-	157,273	151,618
Total income		555,344	8,341	563,685	486,154
<u>Expenditure on:</u>					
Raising funds	4	51,813	4,141	55,954	64,289
Charitable activities	5	480,422	-	480,422	399,977
Total resources expended		532,235	4,141	536,376	464,266
Net income for the year/ Net movement in funds		23,109	4,200	27,309	21,888
Fund balances at 1 January 2024		231,970	2,500	234,470	212,582
Fund balances at 31 December 2024		255,079	6,700	261,779	234,470

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

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

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

THE HEART OF THE CITY PARTNERSHIP

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

FOR THE YEAR ENDED 31 DECEMBER 2024

Prior financial year				
		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	2	4,451	1,200	5,651
<u>Charitable activities</u>				
Ticket sales		328,356	-	328,356
Investments		529	-	529
Other trading activities	3	151,618	-	151,618
Total income		484,954	1,200	486,154
<u>Expenditure on:</u>				
Raising funds	4	63,163	1,126	64,289
Charitable activities	5	399,977	-	399,977
Total resources expended		463,140	1,126	464,266
Net income for the year/ Net movement in funds		21,814	74	21,888
Fund balances at 1 January 2023		210,156	2,426	212,582
Fund balances at 31 December 2023		231,970	2,500	234,470

THE HEART OF THE CITY PARTNERSHIP

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	10		1,441		1,197
Current assets					
Stocks	11	8,043		5,185	
Debtors	12	14,143		11,490	
Cash at bank and in hand		280,772		250,043	
		<u>302,958</u>		<u>266,718</u>	
Creditors: amounts falling due within one year	13	<u>(42,620)</u>		<u>(33,445)</u>	
Net current assets			260,338		233,273
Total assets less current liabilities			<u>261,779</u>		<u>234,470</u>
The funds of the charity					
Restricted income funds	15		6,700		2,500
Unrestricted funds			255,079		231,970
			<u>261,779</u>		<u>234,470</u>

The financial statements were approved by the trustees on 17th JULY 2025

Gavin Black.

Mr GM Black

Trustee

Company registration number 06373460 (England and Wales)

THE HEART OF THE CITY PARTNERSHIP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	18		29,804		47,390
Investing activities					
Purchase of tangible fixed assets		(1,399)		(660)	
Investment income received		2,324		529	
Net cash generated from/(used in) investing activities			925		(131)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			30,729		47,259
Cash and cash equivalents at beginning of year			250,043		202,784
Cash and cash equivalents at end of year			280,772		250,043

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

The Heart of the City Partnership is a private company limited by guarantee incorporated in England and Wales. The registered office is Fernwood House, Fernwood Road, Jesmond, Newcastle upon Tyne, NE2 1TJ, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

Heart of the City Partnership meets the definition of a public benefit entity entry under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Going concern

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

1.3 Charitable funds

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

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

1.4 Income

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

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

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Computers	33% on cost
-----------	-------------

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

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.9 Cash and cash equivalents

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

1.10 Taxation

As a charity, the company is exempt from tax on income and gains to the extent that these are applied to charitable objects. No tax charges have arisen in the charity.

1.11 Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Donations and legacies

	Unrestricted funds general 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	373	1,542	1,915	351	-	351
Grants	25,000	6,799	31,799	4,100	1,200	5,300
	<u>25,373</u>	<u>8,341</u>	<u>33,714</u>	<u>4,451</u>	<u>1,200</u>	<u>5,651</u>

3 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	23,966	27,224
Event income	39,444	49,134
Venue income	48,613	28,738
Retail	45,250	46,522
	<u>157,273</u>	<u>151,618</u>

4 Raising funds

	Unrestricted funds general 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £
Raising funds						
Operating charity shops	25,058	-	25,058	23,921	-	23,921
Other trading activities	26,755	4,141	30,896	39,242	1,126	40,368
	<u>51,813</u>	<u>4,141</u>	<u>55,954</u>	<u>63,163</u>	<u>1,126</u>	<u>64,289</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5 Expenditure on charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
Direct costs		
Staff costs	362,774	302,903
Depreciation and impairment	1,155	7,028
Rates and water	1,159	1,358
Insurance	9,026	6,962
Light and heat	19,263	12,262
Telephone	3,027	2,217
Postage and stationery	1,388	1,094
Marketing and publicity	25,905	18,603
Sundries	7,534	2,284
Travelling	304	357
Training	1,837	723
Repairs	28,600	27,068
Card machine charges	8,706	8,641
	<u>470,678</u>	<u>391,500</u>
Share of support and governance costs (see note 6)		
Support	4,188	4,601
Governance	5,556	3,876
	<u>480,422</u>	<u>399,977</u>
Analysis by fund		
Unrestricted funds	<u>480,422</u>	<u>399,977</u>

6 Support costs allocated to activities

	2024 £	2023 £
Payroll fees	2,122	2,346
Professional fees	2,066	2,255
Governance costs	5,556	3,876
	<u>9,744</u>	<u>8,477</u>
Analysed between:		
Charitable activities	<u>9,744</u>	<u>8,477</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

7 Trustees' remuneration and benefits

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

There were no trustee's expenses paid for the year ended 31 December 2024 nor for the year ended 31 December 2023.

8 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Management and administration	23	23
	<u>23</u>	<u>23</u>
Employment costs	2024	2023
	£	£
Wages and salaries	331,928	280,723
Social security costs	19,305	12,533
Other pension costs	11,541	9,647
	<u>362,774</u>	<u>302,903</u>

Key management remuneration totalled £51,483 (2023: £49,316)

There were no employees whose annual remuneration was more than £60,000.

9 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

10 Tangible fixed assets

	Computers £
Cost	
At 1 January 2024	34,036
Additions	1,399
	<u>35,435</u>
At 31 December 2024	
Depreciation and impairment	
At 1 January 2024	32,839
Depreciation charged in the year	1,155
	<u>33,994</u>
At 31 December 2024	
Carrying amount	
At 31 December 2024	1,441
	<u>1,197</u>
At 31 December 2023	

11 Stocks

	2024 £	2023 £
Finished goods and goods for resale	8,043	5,185

12 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	3,123	2,418
Other debtors	784	683
Prepayments and accrued income	10,236	8,389
	<u>14,143</u>	<u>11,490</u>

13 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	5,622	2,609
Trade creditors	12,945	7,613
Other creditors	3,282	5,039
Accruals and deferred income	20,771	18,184
	<u>42,620</u>	<u>33,445</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

14 Retirement benefit schemes

	2024	2023
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	11,541	9,647

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

15 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at 1 January 2024	Movement in funds		Balance at 31 December 2024
	£	Incoming resources £	Resources expended £	£
CCTV	218	-	-	218
Defibrillator	1,644	-	-	1,644
A Medieval Tavern Experience	638	-	(360)	278
Holiday Activities Fund	-	3,244	(2,948)	296
Gateshead FC Foundation	-	1,155	(833)	322
Old Scotswood Project	-	2,400	-	2,400
Accessible interpretation for Newcastle Castle	-	1,542	-	1,542
	2,500	8,341	(4,141)	6,700

CCTV - The charity received a grant of £1,000 in 2018 from Wm Webster Trust and a grant of £4,000 in 2020 from Newcastle City Council for the installation of a CCTV system.

Defibrillator - The charity received a grant of £1,644 in 2019 from Monument Ward Committee for the installation of a defibrillator in the castle and cathedral.

A Medieval Tavern Experience - The Charity received a grant from the Social Enterprise Academy as part of their Steps to Sustainability funding for the creation of a medieval tavern night, to help generate income through paid for events, and corporate venue hire.

Holiday Activities Fund - The charity received a grant of £3,244 from Street Games Sports Charity to deliver the objectives of the Newcastle's Best Ever Holiday Activity and Food Programme for 2024.

Gateshead FC Foundation - The charity will run a 3 session creative history project between April-July 2024 for approximately 120 children from 3 primary school. The charity received a grant of £1,155 from Gateshead FC Foundation.

Old Scotswood Project - The charity received a grant of £2,400 from Healthworks to deliver Education Workshops.

Accessible Interpretation for Newcastle Castle - The charity received £1,542 for accessible interpretation for Newcastle Castle.

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 December 2024:			
Tangible assets	1,441	-	1,441
Current assets/(liabilities)	253,638	6,700	260,338
	<u>255,079</u>	<u>6,700</u>	<u>261,779</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Tangible assets	1,197	-	1,197
Current assets/(liabilities)	230,773	2,500	233,273
	<u>231,970</u>	<u>2,500</u>	<u>234,470</u>

17 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

18 Cash generated from operations

	2024 £	2023 £
Surplus for the year	27,309	21,888
Adjustments for:		
Investment income recognised in statement of financial activities	(2,324)	(529)
Depreciation and impairment of tangible fixed assets	1,155	7,028
Movements in working capital:		
(Increase)/decrease in stocks	(2,858)	3,767
(Increase)/decrease in debtors	(2,653)	4,728
Increase in creditors	9,175	10,508
Cash generated from operations	<u>29,804</u>	<u>47,390</u>

19 Analysis of changes in net funds

The charity had no material debt during the year.

Accounts

Charity registration number 1165434

Company registration number 06373460 (England and Wales)

**THE HEART OF THE CITY PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

THE HEART OF THE CITY PARTNERSHIP

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr GM Black
Mr J Grundy
Mr P Wood
Mr E Jubb
Dr RM Pears
Reverend P Dobson
Miss E Macrobert
Miss K Mountain
Ms M Williams
Mr Ian Ayris (Appointed 22 March 2023)
Mr Adam Serfontein (Appointed 21 June 2023)

Charity number

1165434

Company number

06373460

Registered office

Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
United Kingdom
NE2 1TJ

Auditor

Robson Laidler Accountants Limited
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
England
NE2 1TJ

Bankers

Handlesbanken
Earl Grey House
75-85 Grey Street
Newcastle upon Tyne
NE2 1TJ

Virgin Money
5 Cattle Market
Hexham
NE46 1NJ

THE HEART OF THE CITY PARTNERSHIP

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THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2023.

The trustees have adopted the provisions of 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 2015).

Objectives and activities

The charity aims to promote the advancement of education and learning in relation to the history and heritage of the area around Newcastle Cathedral; in particular Newcastle Castle, in Newcastle Upon Tyne. In addition, it seeks to promote the advancement of culture and heritage by the encouragement of the local community, and visitors to the City, to appreciate and enjoy the history and fabric of these buildings. It endeavours to preserve and protect Newcastle Castle as a building of historic interest and public importance and specifically the Grade 1 Listed Buildings and Scheduled Ancient Monuments known as the Black Gate and Castle Keep.

Background to Current Activities

The Heart of the City Partnership (HOCP) leases Newcastle Castle from Newcastle City Council at a peppercorn rent and operates the heritage asset as a predominantly paid-for visitor attraction. By following a 4-year rolling strategic plan, financial protocols and strict budget management safeguarding the future of Newcastle Castle is best achieved through ensuring the buildings remain in use and their significance, cultural and wider commercial benefits for the city are understood and appreciated by the public as well as the local businesses.

In 2023, Newcastle Castle offered itself principally as a paid-for visitor attraction, open 7 days per week between April and October and 5 days outside of these. Opening hours were normally 10am to 5pm and in any given year full closure of the attraction on a normal opening day is only permitted for a maximum of 10 days through the year this being to facilitate all-day venue hires e.g. weddings, as they occur but balancing the public benefit derived from being open as a place to visit.

Newcastle Castle is aware that admission fees can exclude people with low disposable incomes and is keen to ensure access to this heritage asset is possible for all. Our admission charging structure allows discounts for certain priorities e.g. unwaged, families, disabled, senior citizens, armed forces, NHS etc... Admission fees are benchmarked against similar attractions in the region.

COVID-19 Impact

Due to the Coronavirus COVID-19 pandemic, HOCP temporarily closed Newcastle Castle operations prior to lockdown 1.0. Newcastle Castle re-opened to the public on 24th July 2020. A reasonable rate of customer return was experienced versus expectation however numbers were significantly down on 2019. Newcastle Castle has, since then, been operating on a pre-COVID basis with free-flow visitor exploration reinstated and walk-in admissions being encouraged. During 2022 we increased our opening hours from that of 2021, and in 2023 we increased this further moving to 7 day per week operations from April – October.

Our current funding focus is on generating project-specific grant funding for community storytelling to enhance the visitor experience and bolster value for money and enhance engagement whilst a longer-term funding plan is being drawn together. This is important to build further resilience into HOCP and operations through our rolling 4-Year Strategic Plan.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Statistical Highlights

- Average of 22 staff members
- 15 volunteers regularly delivering educational workshops and free family activities
- 10 re-enactment volunteers
- 13 school work placements
- 4293 school pupils taking part in educational workshops and tours
- 21 outreach visits engaging 935 school pupils
- 103 out-of-hours events
- 3 medieval tavern nights
- 44 walking tours from Medieval Newcastle to Twilight Castle Tours
- 27.4% increase in paying visitor admissions numbers against 2022
- Visitor numbers recovered post-COVID and reflecting 4% increase on 2019 visitor numbers
- E-newsletter subscriber growth of 24.2% since Dec 2022
- 654% increase on 2022 website unique visitor numbers
- 4503 x.com (Formerly Twitter) subscribers
- 596 TikTok followers
- 10702 Google My Business business listing interactions
- 4.5 stars out of 5 on Google
- 4.5 out of 5 on Tripadvisor customer ratings
- 91% of reviewers on Tripadvisor would recommend us
- Average of 40 volunteers
- 8 volunteers helping deliver events
- 16 student work placements
- 129 schools using onsite educational provision
- 73 pupils with special educational needs and disabilities attending
- 43% of schools worked with in top 30% more deprived areas in UK (deciles 1, 2 & 3)
- 19 talks and lectures
- 9 workshops, theatre or music
- 26% increase in events income
- 36023 paying visitor admissions
- Open to visitors for 314 days versus 296 in 2022
- 21 e-newsletters sent out with average open rate of 43.5% and click-through rate of 13.7%
- 13300 Facebook business page followers
- 4402 Instagram followers
- 405 LinkedIn followers
- 2741 Google reviews since 2015
- 6th out of 657 Things to Do in Newcastle on Tripadvisor
- 1007 Tripadvisor reviews

Principal Sources of Funding

HOCPP's principal sources of funding are admission fees and Gift Aid. Alongside this venue hire and out of hours events generate additional income. Where appropriate, non-primary trading sources of income generate revenue that is used in future budget years to offset the costs of delivering primary purpose functions such as our education and outreach programmes, as well as investing in staff and improving visitor offer and experience. Between 2016 and 2019 HOCPP worked towards financial self-sufficiency. 2019 saw HOCPP generate a small surplus, one year ahead of plan, which, when measured against previous years indicated HOCPP was on a path to a stable and self-sustaining operational model, equally bolstered by the significant public benefit from its core activities through admissions, events, learning and outreach. The COVID-19 pandemic in 2020 and 2021 hit principal sources of funding hard. Over the last few years, we have seen a steady recovery and the results from 2023 are on par with 2019 with similar visitor admissions numbers, education working to current operational capacity and generated income able to sustain operations for 2023 with a small surplus.

Notable Items from the Accounts

HOCPP ended 2023 with a small surplus and a reasonable cash balance. HOCPP retained a decent level of unreserved funds at the end of 2023 and with prudent and cautious budget and strategy measures in place for 2024 HOCPP remains positive regarding the opportunities for further growth. Attracting grant funding to strengthen and maintain that position will be an area of focus for 2024 and beyond.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Our Staff & Volunteers

HOCF currently has 22 staff members. Staff roles cover senior management, supervisory management, event programming, marketing, venue hire, retail display and purchasing, learning, informal learning, outreach, finance and front-of-house. The whole team is supported by strong leadership through management who are in turn supported by the board of trustees and a sub-committee of the board, the Business Management Committee (BMC). Staff are further supported by our team of volunteers. The volunteer-base reduced in size during and after the COVID-19 pandemic however it has now returned to full strength with 40 volunteers helping with things across the spectrum of deliverables and around 15 being very regularly active, especially in the delivery of education and events. The volunteers were involved in several aspects of the running of the Castle including delivering:

- **Learning** – around 15 volunteers came in regularly to deliver tours to schools, assist in workshops and carry out FREE family activities.
- **Events** – We have a small pool of around 8 volunteers assisting with the delivery of our events program.
- **Re-enactment** – We have a small group of around 10 volunteers called the Newcastle Array who provide live historical interpretation onsite at the Castle Keep.

Work Placements

In 2022 we restarted the practice of taking on students on work placements. In total we had 16 students complete a work placement at Newcastle Castle, including 3 long term placements from universities. In 2023 we hosted a total of 13 school work placements ranging from one day per week for a young person from Education and Services for People with Autism, multiple one week school placements and 3 longer term university placements.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Public Benefit

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

Referring to our objectives and activities, achieving and maintaining independent financial sustainability is core to preserving and protecting the buildings we operate. Keeping the buildings in the hearts and minds of local communities and those from further afield is a key engagement target.

Our formal (schools and groups) education provision, informal learning (outreach and early-years provision) and informal lifelong learning (interpretation, events, talks, lectures etc) is at the heart of delivering our ability to preserve and protect Newcastle Castle, by nurturing and fostering understanding of the building's historical significance, as well as promoting the advancement of culture and heritage. In 2023 we welcomed a total of 4293 pupils to the Castle as part of formal educational groups, versus 3667 in 2022.

We have seen an increase in groups coming just for half-day visits this year. They account for 24% of all formal educational groups. Full-day visits account for 61% and self-guided 15%. 32% of our educational visitors are in Key Stage 1 (years 1 and 2 of school), so this is still an area of focus, but there is otherwise a fairly even spread of different age groups. Visits were led by our learning staff and volunteers, using our workshops and resources, including the Harbottle Suite. We also saw an increase in schools booking Outreach visits from the Castle into their classrooms, with a total of 21 Outreach visits booked in 2023. The Outreach Officer was also integral to the events program, delivering further Medieval Newcastle Walking Tours which we are continuing and expanding in availability in 2024.

In addition to the primary offer, to ensure that those not engaged actively in visiting heritage attractions are included and drawn into the fold, we normally offer a range of immersive, interactive experiences and events, such as film nights, talks, lectures, theatre shows and workshops on carefully selected days and evenings. These are usually aimed at children, families and adults and work towards attracting and involving different audiences to just the "heritage consumers". In 2020 and 2021 this income stream was largely dormant, but in 2022 we recruited a part time Events Programming Assistant for 2 days per week to restart our events program. This events program brought in just over £33,000 in income in 2022. In 2023 we built on this success turning over £41,500.00 through Tavern Nights and Walking Tours, talks, film nights, theatre and other events.

Venue hire / private hire offers people a way to engage and interact with their heritage whilst providing an additional income stream to support the sustainability of Newcastle Castle and the delivery of the charitable objects. Some bookings which were due to take place in 2023, were moved into 2024 due to the continued impact Covid -19 had on clients' finances.

Our retail offer provided further educational resources (books, toys etc) relating to the Castle and its direct surroundings. By having local suppliers and crafters such as The Crafty Bag, Photography North and Turn It Up sell their products via the retail store, Newcastle Castle involved local communities and displayed their culture to locals and people from afar, alike. Equally, money made from the retail offer supported the overall sustainability of Newcastle Castle and the delivery of the HOCP charitable objects.

We continue to explore avenues of partnership working with Newcastle Cathedral and some of the areas of current discussion include joint ticketing, closer cross-marketing and streamlined booking / selling, staff resourcing and a joint learning offer.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance

Engaging with school groups is a fundamental part of the work we do at Newcastle Castle. In 2023 we engaged with a total of 129 schools, totalling 4,293 pupils. Of this, 73 pupils were recorded as having special educational needs and disabilities (1.7%). We believe in ensuring that every individual has access to the offer at Newcastle Castle and were able to facilitate pupils with SEND accordingly.

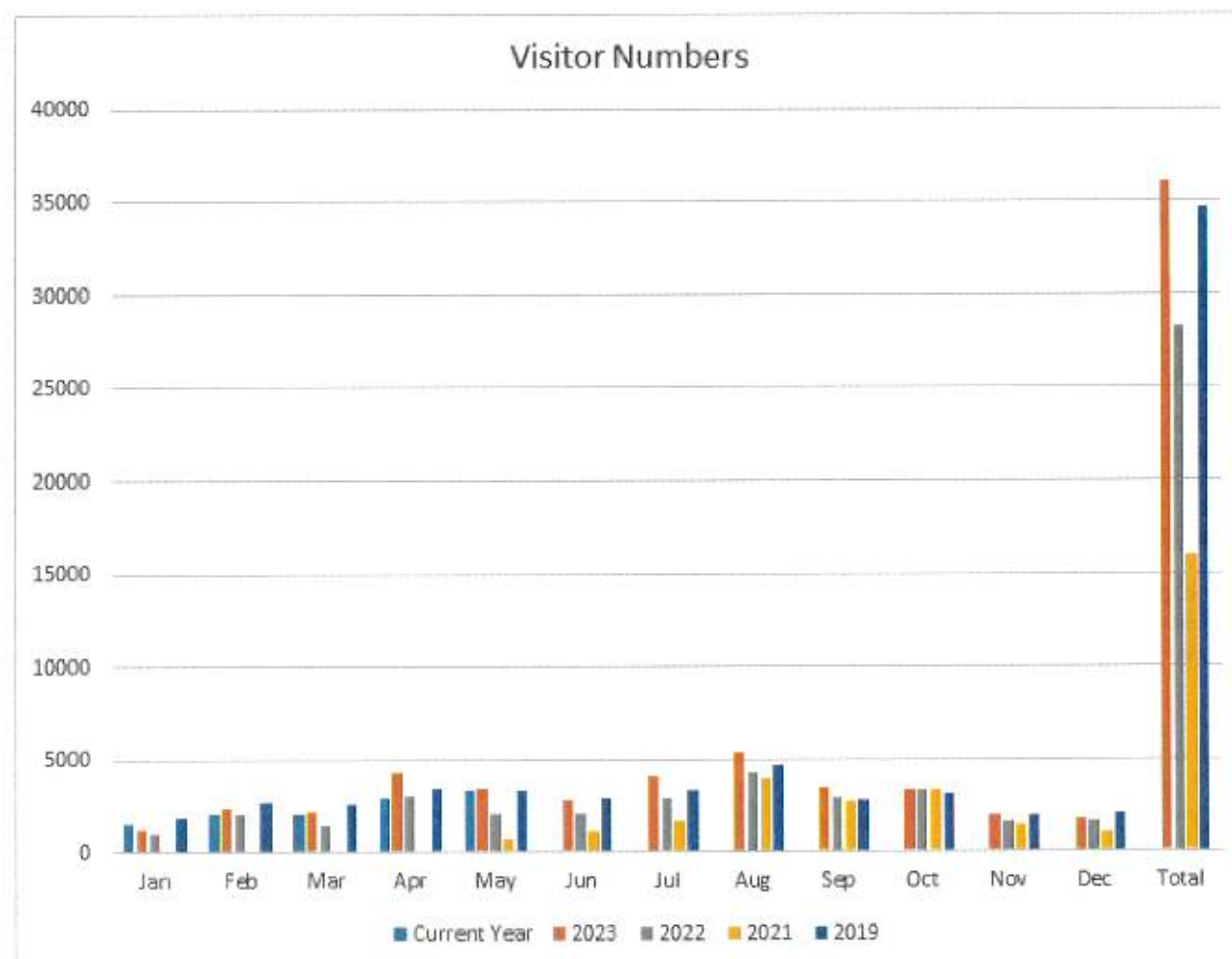
We also aim to engage with schools located in deprived areas, in 2023 approximately 43% of schools that we worked with were in the top 30% more deprived areas in the UK (decile 1, 2, or 3)

In 2023 we hosted 18 student placements, averaging in educational level from secondary school to university degrees, to vocational qualifications. These placements are designed as a first step towards the individual's career and differ depending on course requirements (e.g. tourism, heritage, art and design).

In 2023, we made the decision to move to annual passes, taking a visitor-focused approach and enabling people, especially local people, greater access to the site. This has increased visitor numbers but has not had an impact on income generated as the initial ticket price includes the free return.

In 2023 visitor numbers (paying admissions) increased from 28279 in 2022 to 36023 representing a 27.4% increase and a return to pre-COVID visitor admissions levels, 2019 figures totalling at 34655. We opened our doors for 314 days, 86%, of 2023 as opposed to 296 days, 81% of 2022, an increase of 6%. The increase in visitor numbers versus the increase in days open clearly shows an excellent boost to overall visitation.

The graphs below illustrate the above figures.



THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023



At the end of Dec 2022 our general e-newsletter, which is sent out every three weeks, had 3333 subscribers. At the end of 2023 the subscriber-base had grown to 4140. This represents an organic growth of 24.2%. Generally, subscribers appear to be persons who are interested in history, Newcastle Castle, Newcastle Castle's out-of-normal hours programme of events, talks, lectures, film nights and the like. We sent out 21 general e-newsletters with an average open rate of 43.5% and an average click-through rate of 13.7%.

Unique visitors to the website in 2023 increased by 654% from 2022 with unique visitors totalling 581,000 with 208,000 pageviews, up 31% on the previous year.

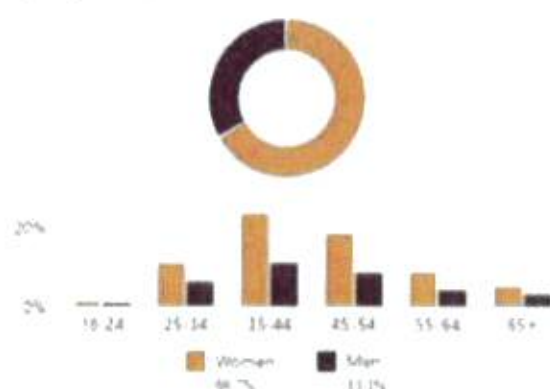
Facebook followers

13,615

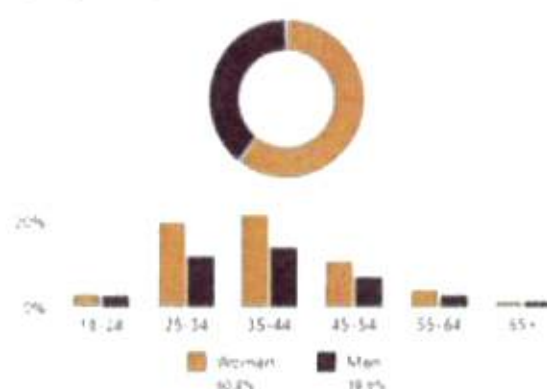
Instagram followers

4,402

Age & gender



Age & gender



THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Across the year social media engagement consisted of 13,300 Facebook business page followers (a rise of just under 1000 from prior year), 4503 X.com (previously Twitter followers), a rise of 53 on prior year and 4402 Instagram followers, a rise of 526 on prior year. We also utilise our Tik Tok and LinkedIn accounts, each having a following of 596 (up 353 on prior year) and 405 (up 199 on prior year) respectively. This is something we are looking to grow and utilise more moving into 2024.

We also continued to use Google My Business in 2023. In the first quarter of 2024 we had 10,702 business interactions (Interactions are when people call, message, make bookings, ask for directions and more from your Business Profile on Google). We have 2741 Google reviews and an overall star rating of 4.5 out of 5. During the last quarter of 2023 we appeared in 93,936 searches and saw 153,000 visits to our business profile.

We are currently ranked 6th out of 657 things to do in Newcastle on TripAdvisor, a rise of 5 places on prior year. With an overall rating of 4.5 stars from 1007 reviews we are recommended on TripAdvisor by 91% of travellers (this is people who bubble-rated between 4 and 5 bubbles).

Our Castle podcast was released in 2021 and attracted approximately 3000 subscribers. We were unable to maintain a regular podcast in 2022 due to resourcing concerns. We anticipate rekindling this in 2025, subject to funding that will enable required staff resource.

We believe that alternative, out-of-hours cultural event programming can attract a more diverse audience and introduce them to the history and heritage of the site. In 2023 we hosted 28 film nights, 19 talks and lectures, 3 medieval tavern nights, 9 workshops / theatre / music and facilitated 44 walking tours of differing natures from tours of medieval Newcastle to twilight castle tours.

Focus for 2024

As the environment has changed dramatically due to the Coronavirus outbreak and the post-lockdown business sphere is very different, we will be looking to focus on the following in 2024:

1. Growth of our main source of income via admissions ticketing. We will enhance value for money through additional engagement, interpretive interventions, discounts for pass holders and the like.
2. Maximise revenue from income streams and grant funding.
3. Maximise value for money through staff engagement on-site.
4. Further develop the venue hire offer especially for corporate hire and corporate sponsorship.
5. Actively seek core funding and community engagement funding.
6. Longer-term vision and planning.

As with many visitor attractions, Newcastle Castle relies predominantly on visitor admissions income to fund operations and other areas of public benefit. In 2022 we anticipated audience recovery towards near 2019 levels no earlier than end of 2023. The results of the financial audit show a small growth in 2023 on total paying admissions in comparison to 2019, thus rounding off recovery from COVID-19 impacts and setting HOCP on a path to develop, engage and enhance to further the public benefit and delivery of HOCP's 3 objects.

Financial review

The results for the year are shown on the Statement of Financial Activities. Incoming resources totalled £486,154 (2022: £389,508) of which £484,954 is considered to be unrestricted in nature.

Resources expended totalled £464,069 (2022: £418,742) such that overall the charity accrued a surplus of £22,085 (2022: £29,234 deficit). At 31 December 2023, the charity has closing reserves totalling £234,667 (2022: £212,582) of which £232,167 (2022: £210,156) are unrestricted. Free reserves, being unrestricted reserves less that tied up in fixed assets, stood at £230,970 (2022: £202,591).

Reserves and Investment Policy

The trustees have always agreed that they will endeavour to keep six months running costs of HOCP to be held in reserve, readily available. They have also agreed to endeavour to generate a sustainable, low risk return through investments with an acceptable level of risk. Such returns to be drawn down to the trading account at the discretion of BMC or the board of trustees, to fund projects or business proceedings.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, governance and management

Governing Document

HOCP is a Private Company Limited by Guarantee incorporated under the Companies Act 2006 and is a registered Charity. The objects for which HOCP was incorporated and its powers are contained within its Articles of Association.

Recruitment of Trustees

Trustees are recruited as per the Articles of Association. Trustees recruited, but not from the appointing bodies, are recruited around the skills, knowledge and experience required to help steer the organisation.

Organisational structure

The Articles of Association provide that: The business of HOCP shall be managed by the Trustees, being the Members of HOCP, who may exercise its powers. The number of Trustees to be appointed as Directors of HOCP shall not be less than 6 and shall not be more than 12 of whom:

- Up to two shall be appointed by Newcastle City Council
- Up to 2 shall be appointed by the Dean & Chapter of Newcastle Cathedral
- Up to 2 shall be appointed by the Society of Antiquaries of Newcastle upon Tyne

The most senior manager, the Chief Executive Officer, is appointed by the Trustees for the purpose of ensuring the future sustainability of Newcastle Castle and promoting and developing the wider objects of the charity. Trustee meetings are held quarterly with BMC meeting at minimum 6 times per year to specifically inform the direction of Newcastle Castle and to support the Chief Executive Officer.

Policy Notes

Existing policies have been reviewed in line with our policy schedule:

- Trustee Code of Practice
- Reserves
- Safeguarding
- IT and Information Security
- Card Holder Information
- Health and Safety
- Financial Controls
- Data Protection
- Environmental
- Equal Opportunities
- Rehabilitation of Offenders
- Staff Welfare

Key Management Remuneration

Key management remuneration is determined by the Trustees.

Related Parties

There are no related parties.

Risk Management

HOCP takes a comprehensive and systematic approach to risk-management, identifying significant risks under 6 main headings: strategic/business, HR / resources, property, operational, governance & financial. Procedures are in place to mitigate or otherwise manage the most significant risks identified and a Risk Register is in place. The Risk Register is regularly reviewed and updated and when new risks are identified policies and / or procedures are developed to mitigate the risk.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of trustees' responsibilities

The trustees (who are also the directors of HOCP for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Auditor

The auditors, Robson Laidler Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Mr GM Black

Trustee

Date: 4.7.2024

THE HEART OF THE CITY PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE HEART OF THE CITY PARTNERSHIP

Opinion

We have audited the financial statements of The Heart of the City Partnership (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

THE HEART OF THE CITY PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HEART OF THE CITY PARTNERSHIP

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The risk of material misstatement due to error or fraud has been assessed in conjunction with how internal controls may mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Analytical review and substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team;

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework, in which the company operates and how the company complies with that legal and regulatory framework
- inquired with management and those charged with governance about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud
- discussed with management and those charged with governance any non-compliance with laws and regulations and how fraud might occur including assessments of how and where the financial statements may be susceptible to fraud.

The risk of management override of controls was also considered an area of potential misstatement due to fraud. Audit procedures performed included testing of manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

THE HEART OF THE CITY PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HEART OF THE CITY PARTNERSHIP

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of our report

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



Nicholas Cunningham FCCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited

Statutory Auditor

17-7-2024

Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
England
NE2 1TJ

THE HEART OF THE CITY PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

Current financial year

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Income and endowments from:					
Donations and legacies	2	4,451	1,200	5,651	20,653
Charitable activities					
Ticket sales		328,356	-	328,356	240,129
Investments		529	-	529	291
Other trading activities	3	151,618	-	151,618	128,435
Total income		484,954	1,200	486,154	389,608
Expenditure on:					
Raising funds	4	63,163	1,126	64,289	49,701
Charitable activities	5	399,977	-	399,977	369,041
Total resources expended		463,140	1,126	464,266	418,742
Net income/(expenditure) for the year/ Net movement in funds		21,814	74	21,888	(29,234)
Fund balances at 1 January 2023		210,156	2,426	212,582	241,816
Fund balances at 31 December 2023		231,970	2,500	234,470	212,582

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

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

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

THE HEART OF THE CITY PARTNERSHIP

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

FOR THE YEAR ENDED 31 DECEMBER 2023

Prior financial year

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	2	10,770	9,883	20,653
<u>Charitable activities</u>				
Ticket sales		240,129	-	240,129
Investments		291	-	291
Other trading activities	3	128,435	-	128,435
Total income		379,625	9,883	389,508
<u>Expenditure on:</u>				
Raising funds	4	39,818	9,883	49,701
Charitable activities	5	369,041	-	369,041
Total resources expended		408,859	9,883	418,742
Net income/(expenditure) for the year/ Net movement in funds		(29,234)	-	(29,234)
Fund balances at 1 January 2022		239,390	2,426	241,816
Fund balances at 31 December 2022		210,156	2,426	212,582

THE HEART OF THE CITY PARTNERSHIP

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	10		1,197		7,565
Current assets					
Stocks	11	5,185		8,952	
Debtors	12	11,490		16,218	
Cash at bank and in hand		250,043		202,784	
		266,718		227,954	
Creditors: amounts falling due within one year	13	33,445		22,937	
Net current assets			233,273		205,017
Total assets less current liabilities			234,470		212,582
The funds of the charity					
Restricted income funds	14		2,500		2,426
Unrestricted funds			231,970		210,156
			234,470		212,582

The financial statements were approved by the trustees on 26/06/2024



 Mr GM Black
 Trustee

Company registration number 06373460 (England and Wales)

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

The Heart of the City Partnership is a private company limited by guarantee incorporated in England and Wales. The registered office is Fernwood House, Fernwood Road, Jesmond, Newcastle upon Tyne, NE2 1TJ, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

Heart of the City Partnership meets the definition of a public benefit entity entry under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Going concern

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

1.3 Charitable funds

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

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

1.4 Income

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

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

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Computers	33% on cost
-----------	-------------

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

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.9 Cash and cash equivalents

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

1.10 Taxation

As a charity, the company is exempt from tax on income and gains to the extent that these are applied to charitable objects. No tax charges have arisen in the charity.

1.11 Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Donations and legacies

	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	351	-	351	329	-	329
Grants	4,100	1,200	5,300	10,441	9,883	20,324
	<u>4,451</u>	<u>1,200</u>	<u>5,651</u>	<u>10,770</u>	<u>9,883</u>	<u>20,653</u>

3 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other income	27,224	20,861
Event income	49,134	39,445
Venue income	28,738	34,904
Retail	46,522	33,225
	<u>151,618</u>	<u>128,435</u>

4 Raising funds

	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
<u>Raising funds</u>						
Operating charity shops	23,921	-	23,921	15,224	-	15,224
Other trading activities	39,242	1,126	40,368	24,594	9,883	34,477
	<u>63,163</u>	<u>1,126</u>	<u>64,289</u>	<u>39,818</u>	<u>9,883</u>	<u>49,701</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

5 Expenditure on charitable activities

	Charitable activities 2023 £	Charitable activities 2022 £
Direct costs		
Staff costs	302,903	268,256
Depreciation and impairment	7,028	7,750
Rates and water	1,358	1,379
Insurance	6,962	6,605
Light and heat	12,262	9,651
Telephone	2,217	2,003
Postage and stationery	1,094	1,038
Marketing and publicity	18,603	29,415
Sundries	2,284	3,008
Travelling	357	289
Training	723	1,575
Repairs	27,068	23,842
Card machine charges	8,641	7,160
	<u>391,500</u>	<u>361,971</u>
Share of support and governance costs (see note 6)		
Support	4,601	3,470
Governance	3,876	3,600
	<u>399,977</u>	<u>369,041</u>
Analysis by fund		
Unrestricted funds	<u>399,977</u>	<u>369,041</u>

6 Support costs allocated to activities

	2023 £	2022 £
Payroll fees	2,346	1,570
Professional fees	2,255	1,900
Governance costs	3,876	3,600
	<u>8,477</u>	<u>7,070</u>
Analysed between:		
Charitable activities	<u>8,477</u>	<u>7,070</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Trustees' remuneration and benefits

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

There were no trustee's expenses paid for the year ended 31 December 2023 nor for the year ended 31 December 2022.

8 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Management and administration	23	20

Employment costs

	2023 £	2022 £
Wages and salaries	280,723	247,556
Social security costs	12,533	12,133
Other pension costs	9,647	8,567
	302,903	268,256

Key management remuneration totalled £49,316 (2022: £46,968)

There were no employees whose annual remuneration was more than £60,000.

9 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

10 Tangible fixed assets

	Computers £
Cost	
At 1 January 2023	35,116
Additions	660
Disposals	(1,740)
	<u>34,036</u>
At 31 December 2023	34,036
Depreciation and impairment	
At 1 January 2023	27,551
Depreciation charged in the year	7,028
Eliminated in respect of disposals	(1,740)
	<u>32,839</u>
At 31 December 2023	32,839
Carrying amount	
At 31 December 2023	<u>1,197</u>
At 31 December 2022	<u>7,565</u>

11 Stocks

	2023 £	2022 £
Finished goods and goods for resale	5,185	8,952
	<u>5,185</u>	<u>8,952</u>

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	2,418	2,186
Other debtors	683	1,184
Prepayments and accrued income	8,389	12,848
	<u>11,490</u>	<u>16,218</u>

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	2,609	3,914
Trade creditors	7,613	474
Other creditors	5,039	3,139
Accruals and deferred income	18,184	15,410
	<u>33,445</u>	<u>22,937</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

14 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at 1 January 2023	Movement in funds		Balance at 31 December 2023
	£	Incoming resources £	Resources expended £	£
CCTV	218	-	-	218
Defibrillator	1,644	-	-	1,644
Explorers	430	-	(430)	-
Costumes	134	-	(134)	-
A Medieval Tavern Experience	-	1,200	(562)	638
	<u>2,426</u>	<u>1,200</u>	<u>(1,126)</u>	<u>2,500</u>

CCTV

The charity received a grant of £1,000 in 2018 from Wm Webster Trust and a grant of £4,000 in 2020 from Newcastle City Council for the installation of a CCTV system.

Defibrillator

The charity received a grant of £1,644 in 2019 from Monument Ward Committee for the installation of a defibrillator in the castle and cathedral area.

Explorers Road

The charity is working to become part of a multi-stop touring route through the cultural and historical heart of England by Visit Britain and received a grant of £595 from NGI.

Costumes for Live Interpretations

The charity received a grant of £1,243 from CO-OP to buy costumes for live interpretations and relevant events.

A Medieval Tavern Experience

The charity received a grant from The Social Enterprise Academy as part of their Steps to Sustainability funding for the creation of a medieval tavern night, to help generate income through paid for events, and corporate venue hire

15 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 December 2023 are represented by:			
Tangible assets	1,197	-	1,197
Current assets/(liabilities)	230,773	2,500	233,273
	<u>231,970</u>	<u>2,500</u>	<u>234,470</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 December 2022 are represented by:			
Tangible assets	7,565	-	7,565
Current assets/(liabilities)	202,591	2,426	205,017
	<u>210,156</u>	<u>2,426</u>	<u>212,582</u>

16 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

Accounts

Charity registration number 1165434

Company registration number 06373460 (England and Wales)

**THE HEART OF THE CITY PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

THE HEART OF THE CITY PARTNERSHIP

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr GM Black	
Mr J Grundy	
Mr P Wood	
Mr E Jubb	
Dr RM Pears	
Ms T Cairns	(Appointed 9 June 2022)
Reverend P Dobson	(Appointed 30 November 2022)
Miss E Macrobert	(Appointed 23 March 2022)
Miss K Mountain	(Appointed 7 December 2022)
Ms M Williams	(Appointed 13 June 2022)

Charity number

1165434

Company number

06373460

Registered office

Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
United Kingdom
NE2 1TJ

Auditor

Robson Laidler Accountants Limited
Fernwood House
Fernwood Road
Jesmond
Newcastle Upon Tyne
Tyne and Wear
England
NE2 1TJ

Bankers

Handlesbanken
Earl Grey House
75-85 Grey Street
Newcastle upon Tyne
NE2 1TJ

Virgin Money
5 Cattle Market
Hexham
NE46 1NJ

THE HEART OF THE CITY PARTNERSHIP

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THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022.

The trustees have adopted the provisions of 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 2015).

Objectives and activities

The charity aims to promote the advancement of education and learning in relation to the history and heritage of the area around Newcastle Cathedral; in particular Newcastle Castle, in Newcastle Upon Tyne. In addition, it seeks to promote the advancement of culture and heritage by the encouragement of the local community, and visitors to the City, to appreciate and enjoy the history and fabric of these buildings. It endeavours to preserve and protect Newcastle Castle as a building of historic interest and public importance and specifically the Grade 1 Listed Buildings and Scheduled Ancient Monuments known as the Black Gate and Castle Keep.

Background to Current Activities

The Heart of the City Partnership (HOCP) leases Newcastle Castle from Newcastle City Council at a peppercorn rent and operates the heritage asset as a predominantly paid-for visitor attraction. By following a 4-year rolling strategic plan, financial protocols and strict budget management safeguarding the future of Newcastle Castle is best achieved through ensuring the buildings remain in use and their significance, cultural and wider commercial benefits for the city are understood and appreciated by the public as well as the local businesses. As such, in 2022, Newcastle Castle looked to offer itself principally as a paid-for visitor attraction, open 7 days per week during school holidays and 5 days outside of these. Opening hours were normally 10am to 5pm and in any given year full closure of the attraction on a normal opening day is only permitted for a maximum of 10 days through the year this being to facilitate all-day venue hires e.g. weddings, as they occur but balancing the public benefit derived from being open as a place to visit.

Newcastle Castle is aware that admission fees can exclude people with low disposable incomes and is keen to ensure access to this heritage asset is possible for all. Our admission charges structure allows discounts for certain priorities e.g. unwaged, families, disabled, senior citizens, armed forces, NHS etc.. In non-pandemic years our doors have opened free of charge for at least 2 days (Heritage Open Days) and one evening (The Late Shows) and we plan to continue this from 2023. Admission fees are benchmarked against similar attractions in the region.

COVID-19 Impact

Due to the Coronavirus COVID-19 pandemic, HOCP temporarily closed Newcastle Castle operations prior to lockdown 1.0. This was to protect staff and volunteers as well as the public. Newcastle Castle re-opened to the public on 24th July 2020 with new safety measures, booking processes, additional staffing and kitemark qualification from VisitBritain's Good to Go Scheme and the COVID-19 Secure venue certification. A reasonable rate of customer return was experienced versus expectation however numbers were significantly down on 2019. Considering almost 54% of our paying admissions are overseas visitors alongside factoring in low customer sentiment and confidence across the industry, this is unsurprising. When local restrictions were introduced in September bookings fell to almost zero overnight and continued at a very low level throughout those restrictions until Lockdown 2.0 closed Newcastle Castle once again. Newcastle Castle re-opened for its first visitor after Lockdown 3.0 on 22nd May 2021. Newcastle Castle has, since then, been operating on a pre-COVID basis with free-flow visitor exploration reinstated and walk-in admissions being encouraged. During 2022 we increased our opening hours from that of 2021, moving back to 7 day per week opening during the holiday periods, and are looking to increase this further in 2023, where we will have 7 day per week operations from April – October.

A funding plan is in place, where we are actively seeking funding from several potential sources. We remain vigilant to new sources of funding becoming available and adapting and developing our offerings to bring in further business. This is important to build further resilience into the organisation and operations whilst we also continually review, revise, and adapt short, medium and long-term plans through our rolling 4-Year Strategic Plan.

Currently, HOCP have no other operational activities aside from Newcastle Castle, however, visioning for the future will take place over the next few years to inform the road ahead.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Principal Sources of Funding

As the tapering grant for Newcastle Castle ended in 2017, a strategy was developed allowing the business to work towards financial self-sufficiency between 2016 to 2019 and beyond. 2019 saw the organisation generate a small surplus, one year ahead of plan, which, when measured against previous years indicated the organisation was on a path to a stable and self-sustaining operational model, equally bolstered by the significant public benefit from its core activities through admissions, learning and outreach.

However, given the impact of the Coronavirus / COVID-19 pandemic in 2020 and 2021 performances, the principal sources of funding for 2021 were grant-aid and admissions, similar to 2020. During 2022 applications were made for both core funding and project-based work. The successful applications were for project-based work and include money towards working with a school on a British Values Project and the creation of a Medieval Tavern Night. The Medieval Tavern Night was a success with 5 of these events selling out. We are looking to continue these events into 2023, as well as develop the tavern night as a corporate offer.

Whilst our bids placed for core funding in 2022 were unsuccessful, we will be looking to apply to various other funding bodies to help cover these costs in 2023.

Notable Items from the Accounts

The organisation ends 2022 with a deficit but a reasonable cash balance. Whilst the organisation retains reasonable unreserved funds at the end of 2022 and with prudent and cautious budget and strategy measures in place for 2023 the organisation remains positive regarding the opportunities for further growth. Attracting grant funding to strengthen and maintain that position will be an area of focus for 2023 and beyond.

Our Staff & Volunteers

HOCP' currently have 22 staff members. Staff roles covered senior management, supervisory management, marketing, venue hire, retail display and purchasing, learning, informal learning, finance and front-of-house. The whole team was supported by strong leadership through management who were in turn supported by the board of trustees and a sub-committee of the board, the Business Management Committee (BMC). Staff were further supported by our team of volunteers. The volunteer-base has reduced in size over the last few years due to the pandemic, and is currently around 10 strong, with around 8 being very regularly active. The volunteers were involved in several aspects of the running of the Castle including delivering:

- Learning – around 10 volunteers came in regularly to deliver tours to schools, assist in workshops and carry out FREE family activities. Towards the end of 2022 we saw an uptick in volunteer applications for 2023 as well.
- Events – We have a small pool of around 5 volunteers assisting with the delivery of our events program.
- Re-enactment – We have a small group of around 10 volunteers called the Newcastle Array who provide live historical interpretation onsite at the Castle Keep. In 2022 we undertook 4 events both at the Castle itself, and at other sites such as Norham Castle. We are looking to expand this to 4 full onsite events in 2023 along with participation on at least one day in each week of every school holiday

Work Placements

In 2022 we restarted the practice of taking on students on work placements. In total we had 16 students complete a work placement at Newcastle Castle, including 3 long term placements from Universities.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Public Benefit

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

Referring to our objectives and activities, achieving and maintaining independent financial sustainability is core to preserving and protecting the buildings we operate. Keeping the buildings in the hearts and minds of local communities and those from further afield is a key engagement target. As in 2020, 2021 continued to be a challenging year for this and other areas of public benefit due to the challenges raised by the Coronavirus COVID-19 pandemic. The 4 years of performance including and prior to 2019 sees the organisation making progress towards achieving these and our proposed 2020 calendar of out-of-hours events as well as our actual general admissions, digital engagement through blogs, vlogs and social media following were proof of this. Never-the-less the core issue faced in 2022 was of ensuring survival of the organisation so that it could continue to deliver public benefit in the future. The organisation therefore struck a balance in direction of resources towards maintaining income through seeking core grant funding, project grant funding to upgrade experience and growing our other income-generating service offerings including education, outreach, events, and venue hire.

Our formal (schools and groups) education provision, informal learning (outreach and early-years provision) and informal lifelong learning (interpretation, events, talks, lectures etc) is at the heart of delivering our ability to preserve and protect Newcastle Castle, by nurturing and fostering understanding of the building's historical significance, as well as promoting the advancement of culture and heritage. In 2022 we welcomed a total of 3667 pupils to the Castle as part of formal educational groups, with a total of 99 separate group bookings accounting for this. 71% of these visits were full day bookings between 10am and 2pm led by our learning staff and volunteers, using our workshops and resources, including the Harbottle Suite. We also saw a return to schools booking Outreach visits from the Castle into their classrooms, with a total of 13 Outreach visits booked in 2022. The Outreach Officer was also integral to the events program, delivering a successful pilot of Medieval Newcastle Walking Tours which we are continuing in 2023 and being integral to securing the funding and organising the Medieval Tavern Night events which proved extremely popular in the second half of 2022.

In addition to the primary offer, to ensure that those not engaged actively in visiting heritage attractions are included and drawn into the fold, we would normally offer a range of immersive, interactive experiences and events, such as film nights, talks, lectures, theatre shows and workshops on carefully selected days and evenings. These are usually aimed at children, families and adults and work towards attracting and involving different audiences to just the 'heritage consumers'. In 2020 and 2021 this income stream was largely dormant, but in 2022 we recruited a part time Events Programming Assistant for 2 days per week to restart our events program. This events program brought in just over £33,000 in income in 2022, giving an idea of how successful it was in engaging with audiences despite the lull from Covid and the fact that we only had a member of staff in place for 10 months of the year. We hope to build on this success in 2023, incorporating Tavern Nights and Walking Tours into our general range of film nights, theatre and other events.

Venue hire / private hire offered people a way to engage and interact with their heritage whilst providing an additional income stream to support the sustainability of Newcastle Castle and the delivery of the charitable objects. Some bookings which were due to take place in 2022, were moved into 2023 due to the continued impact Covid -19 had on client's finances.

Our retail offer, in the times we have been open in 2020, provided further educational resources (books, toys etc) relating to the Castle and its direct surroundings. By having local suppliers and crafters such as The Crafty Bag and Turn It Up sell their products via the retail store, Newcastle Castle involved local communities and displayed their culture to locals and people from afar, alike. Equally, money made from the retail offer supported the overall sustainability of Newcastle Castle and the delivery of the HOCP charitable objects.

We continue to explore avenues of partnership working with Newcastle Cathedral and some of the areas of current discussion include joint ticketing, staff resourcing and a joint learning offer.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

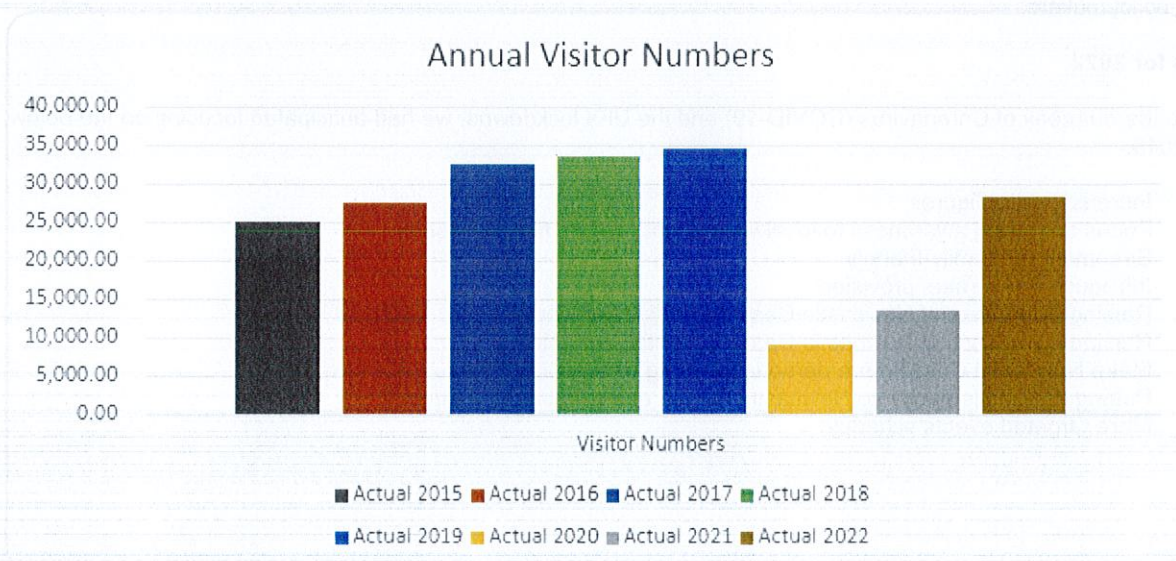
The volunteers were involved in several aspects of the running of the Castle including delivering:

- **Learning** – around 8 volunteers came in regularly to deliver tours to schools, assist in workshops and carry out FREE family activities. (Pre-COVID-19 assisting with school session delivery and during COVID-19 the group of volunteers have kept together and supported each other using virtual meetings and the like. Most of this group have now returned to volunteering, with around 2 still primarily engaging through regular weekly online meetings)
- **Events** – Our events program has started back up, but we have yet to replace the small pool of volunteers who assisted with events. This will be a priority going forwards.
- **Re-enactment** – We have a small group of around 10 volunteers called the Newcastle Array who provide live historical interpretation including displays of medieval food, games, demonstration of trades such as leatherwork & portrayal of members of Newcastle's Town Militia. No re-enactment events were carried out in 2020 or 2021. These were put on hold until further notice due to COVID-19 safety measures on site. Most of the Newcastle Array are now actively volunteering again and we have a small number of events planned for 2022.

Achievements and performance

Pre-COVID, 2019 visitor numbers for the 4th year running increased by 4.13% from 2018 to 34690 paying visitors. 2019 shows an increase of 5.7% in ticketed admissions numbers from 2017. 2016 saw a total 27664 paying visitors with 2019 figures representing a 20.25% increase on that year. Our UK to non-UK visitor split over 2018 and 2019 was 46% UK to 54% non-UK averaged across the years. Clearly this was significantly lower in 2020 and 2021 due to the major drop in visitors from overseas to the UK. 2021 ticketed admissions numbers (excludes learning programme admissions and out-of-hours events admissions) unsurprisingly, due to closure and impact from pandemic decreased significantly from previous years.

In 2022 we saw a significant increase in visitor numbers and a move back towards pre-covid levels. The total visitor numbers for 2022 was 28,279, a 77% increase on 2021. Whilst visitors numbers are down on 2019, this is to be expected due to a change in operations, and the introduction of seasonal opening hours. In 2022 we opened 81% of the days, and saw 81% of visitors compared to 2019. This shift back towards pre-covid levels we hope will continue into 2023, where we will look to increase 7 day per week operation to April – October (not just school holidays) and continue to increase our visitor numbers.



THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

At the end of 2021 our newsletter subscribers numbered 2585. By the end of 2022 this had increased to 3344 subscribers. Generally, subscribers appear to be persons who are interested in Newcastle Castle's out-of-normal hours programme of events, talks, lectures, film nights and the like. We also introduced a Medieval Tavern Night newsletter following the success and regular sell out of these events. This is updated as and when tavern night events are put on sale. As of the end of 2021 our average open rate for newsletters was 38.2%, by the end of 2022 this had increased to 39.0%.

In 2020 the Newcastle Castle website was refreshed with a new online booking system added which also allowed people to purchase digital guidebooks and audio guides.

Unique visitors to the website in 2022 increased by 72%, rising from 45,000 to 77,000. This was accompanied by 159,000 page views a 56% increase on the previous year. Across the year social media engagement consisted of 12,288 Facebook business page followers (a rise of 923), 4450 twitter followers (a rise of 109) and 3876 Instagram followers (a rise of 442). We also looked to utilise our Tik Tok and LinkedIn accounts, each having a following of 243 and 266 respectively. This is something we are looking to grow and utilise more moving into 2023.

We also continued to use Google My Business in 2022. During the last quarter of 2022 we appeared in 93,936 searches and saw 153,000 visits to our business profile. We are currently ranked 11th out of 296 things to do in Newcastle on TripAdvisor, with an overall rating of 4.5 stars from 961 reviews. Our Castle podcast was released in 2021, with approximately 2000 subscribers. We were unable to maintain a regular podcast in 2022, and as such this is not a priority for marketing in 2023.

We believe that alternative, out-of-hours cultural event programming can attract a more diverse audience and introduce them to the history and heritage of the site. Whilst in 2019 we put on 56 film nights, 9 theatre nights (across 3 shows), 4 music nights across 4 local performers, 10 talks and several other cultural activities, out of hours, like workshops and tours the impact of the pandemic meant we were only able to put on one Valentine's film night in 2020. We were able to increase this level with the reintroduction of our events programme in late 2021, and hosted four talks and two evening tours, as well as some half term/ school holiday craft activities. In 2022 we hosted 16 talks, 25 films nights, 8 after hours tours, 9 city walking tours, 2 theatre nights, 2 music nights, 4 tavern nights and 6 other events. While this isn't at the same level as 2019 it has nonetheless been significantly higher than in the aftermath of the pandemic and shows a return to normal operations. It has also brought in a significant extra income of around £33,000 in total.

Throughout the pandemic we have supported DMOs, local authority other organisations within our sector, DCMS, the Bank of England and the Chamber of Commerce by giving timely and critical feedback and intelligence to help inform policymakers.

Focus for 2022

Prior to the outbreak of Coronavirus (COVID-19) and the UK's lockdowns, we had anticipated focusing on the below, as in 2019.

1. Increase visitor figures
2. Focus on raising awareness to local visitors and visitors from overseas
3. Become more family-friendly
4. Introduce Early Years provision
5. Raising awareness of Newcastle Castle as a wedding venue
6. Raising awareness of Newcastle Castle as a venue for hire
7. Make Newcastle Castle more personable using Castle Characters
8. Putting the Castle back into Newcastle as part of the lifeblood of the city
9. More targeted events schedule

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

As the environment has changed dramatically due to the Coronavirus outbreak and the post-lockdown business sphere is very different, we will be looking to focus on the following in 2023:

1. Growth of income streams reintroduced in 2021 and 2022 having been halted due to health and safety concerns during 2020.
2. Growth of our main source of income via admissions ticketing. We will introduce an annual pass and change our Gift Aid scheme to encourage repeat visits and offer better value for money.
3. Operational stabilisation through maximising revenue from income streams and grant funding
4. Maximise value for money through staff engagement on-site
5. Further develop the venue hire offer especially for weddings, corporate hire and corporate sponsorship
6. Actively seek core funding and community engagement funding
7. Longer-term planning

As with many visitor attractions, Newcastle Castle relies predominantly on visitor admissions income to fund operations and other areas of public benefit. We anticipate audience recovery towards near 2019 levels no earlier than end of 2023 but recognise that the situation is fluid. 2022 visitor numbers show a significant increase on 2021 figures, and 2023 figures to end of the first quarter show a positive outlook towards delivering a growth in admissions income and numbers. We know that we must communicate effectively to our audiences about our offer.

Financial review

The results for the year are shown on the Statement of Financial Activities. Incoming resources totalled £389,508 (2021: £310,283) of which £379,625 is considered to be unrestricted in nature.

Resources expended totalled £418,742 (2021: £396,828) such that overall the charity accrued a deficit of £29,324 (2021: £86,545 deficit). At 31 December 2022, the charity has closing reserves totalling £212,582 (2021: £241,816) of which £210,156 (2021: £239,390) are unrestricted. Free reserves, being unrestricted reserves less that tied up in fixed assets, stood at £202,591 (2021: £225,878).

Reserves and Investment Policy

The trustees have agreed that at all times they will endeavour to keep six months running costs of the charity to be held in reserve, readily available. They have also agreed to endeavour to generate a sustainable, low risk return through investments with an acceptable level of risk. Such returns to be drawn down to the trading account at the discretion of BMC or the board of trustees, to fund projects or business proceedings.

Structure, governance and management

Governing Document

HOCP is a Private Company Limited by Guarantee incorporated under the Companies Act 2006 and is a registered Charity. The objects for which HOCP was incorporated and its powers are contained within its Articles of Association.

Recruitment of Trustees

Trustees are recruited as per the Articles of Association. Trustees recruited, but not from the appointing bodies, are recruited around the skills, knowledge and experience required to help steer the organisation.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Organisational structure

The Articles of Association provide that; The business of HOCP shall be managed by the Trustees, being the Members of HOCP, who may exercise its powers. The number of Trustees to be appointed as Directors of HOCP shall not be less than 6 and shall not be more than 12 of whom:

- Up to two shall be appointed by Newcastle City Council
- Up to 2 shall be appointed by the Dean & Chapter of Newcastle Cathedral
- Up to 2 shall be appointed by the Society of Antiquaries of Newcastle upon Tyne

The most senior manager, the Chief Executive Officer, is appointed by the Trustees for the purpose of ensuring the future sustainability of Newcastle Castle and promoting and developing the wider objects of the charity. Trustee meetings are held quarterly with BMC meeting at minimum 6 times per year to specifically inform the direction of Newcastle Castle and to support the Chief Executive Officer.

Policy Notes

Existing policies have been reviewed in line with our policy schedule:

- Trustee Code of Practice
- Reserves
- Safeguarding
- IT and Information Security
- Card Holder Information
- Health and Safety
- Financial Controls
- Operating Reserves & Investment Policy

and the following new policies have been introduced:

- Rehabilitation of Offenders
- Staff Welfare Policy

Key Management Remuneration

Key management remuneration is determined by the Trustees.

Related Parties

There are no related parties.

Risk Management

HOCP takes a comprehensive and systematic approach to risk-management, identifying significant risks under 6 main headings: strategic/business, HR / resources, property, operational, governance & financial. Procedures are in place to mitigate or otherwise manage the most significant risks identified and a Risk Register is in place. The Risk Register is regularly reviewed and updated and when new risks are identified policies and / or procedures are developed to mitigate the risk.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of trustees' responsibilities

The trustees (who are also the directors of HOCP for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

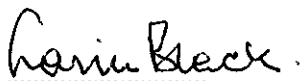
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Auditor

The auditors, Robson Laidler Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The trustees' report was approved by the Board of Trustees.



Mr GM Black

Trustee

Date: 18.7.2023

THE HEART OF THE CITY PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE HEART OF THE CITY PARTNERSHIP

Opinion

We have audited the financial statements of The Heart of the City Partnership (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE HEART OF THE CITY PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HEART OF THE CITY PARTNERSHIP

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

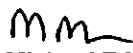
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The risk of material misstatement due to error or fraud is deemed to be low within the entity as the Trustees operate strong internal controls to mitigate any such risk. Substantive testing is performed on all material balances and therefore any irregularities should be identified or considered as insignificant. The audit was therefore considered capable of identifying irregularities only to the extent of the substantive testing performed and from discussions with management.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Michael T Moran BA FCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited

Statutory Auditor

26 July 2023
.....

Fernwood House
Fernwood Road
Jesmond
Newcastle Upon Tyne
Tyne and Wear
England
NE2 1TJ

Robson Laidler Accountants Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE HEART OF THE CITY PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

Current financial year

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	2	10,770	9,883	20,653	153,771
<u>Charitable activities</u>					
Ticket sales		240,129	-	240,129	115,016
Investments	3	291	-	291	147
Other trading activities	4	128,435	-	128,435	41,349
Total income		379,625	9,883	389,508	310,283
<u>Expenditure on:</u>					
Raising funds	5	39,818	9,883	49,701	14,817
Charitable activities	6	369,041	-	369,041	382,011
Total resources expended		408,859	9,883	418,742	396,828
Net expenditure for the year/ Net movement in funds		(29,234)	-	(29,234)	(86,545)
Fund balances at 1 January 2022		239,390	2,426	241,816	328,361
Fund balances at 31 December 2022		210,156	2,426	212,582	241,816

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

All income and expenditure derive from continuing activities.

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

THE HEART OF THE CITY PARTNERSHIP

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

FOR THE YEAR ENDED 31 DECEMBER 2022

Prior financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	2	51,120	102,651	153,771
<u>Charitable activities</u>				
Ticket sales		115,016	-	115,016
Investments	3	147	-	147
Other trading activities	4	41,349	-	41,349
Total income		<u>207,632</u>	<u>102,651</u>	<u>310,283</u>
<u>Expenditure on:</u>				
Raising funds	5	12,049	2,768	14,817
Charitable activities	6	161,115	220,896	382,011
Total resources expended		<u>173,164</u>	<u>223,664</u>	<u>396,828</u>
Gross transfers between funds		1,019	(1,019)	-
Net expenditure for the year/ Net movement in funds		35,487	(122,032)	(86,545)
Fund balances at 1 January 2021		<u>203,903</u>	<u>124,458</u>	<u>328,361</u>
Fund balances at 31 December 2021		<u><u>239,390</u></u>	<u><u>2,426</u></u>	<u><u>241,816</u></u>

THE HEART OF THE CITY PARTNERSHIP

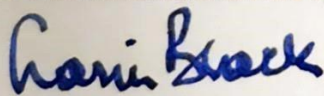
BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		7,565		13,512
Current assets					
Stocks	12	8,952		7,512	
Debtors	13	16,218		11,420	
Cash at bank and in hand		202,784		240,886	
		227,954		259,818	
Creditors: amounts falling due within one year	14	(22,937)		(31,514)	
Net current assets			205,017		228,304
Total assets less current liabilities			212,582		241,816
Income funds					
Restricted funds	15		2,426		2,426
Unrestricted funds - general			210,156		239,390
			212,582		241,816

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

The financial statements were approved by the Trustees on 18 July 2023



Mr GM Black
Trustee

Company registration number 06373460

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

The Heart of the City Partnership is a private company limited by guarantee incorporated in England and Wales. The registered office is Fernwood House, Fernwood Road, Jesmond, Newcastle upon Tyne, NE2 1TJ, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

Heart of the City Partnership meets the definition of a public benefit entity entry under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Going concern

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

1.3 Charitable funds

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

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

1.4 Income

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

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

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Computers	33% on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.9 Cash and cash equivalents

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

1.10 Taxation

As a charity, the company is exempt from tax on income and gains to the extent that these are applied to charitable objects. No tax charges have arisen in the charity.

1.11 Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Donations and legacies

	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	329	-	329	218	-	218
Grants	10,441	9,883	20,324	50,902	102,651	153,553
	<u>10,770</u>	<u>9,883</u>	<u>20,653</u>	<u>51,120</u>	<u>102,651</u>	<u>153,771</u>
Grants receivable for core activities						
Government restart	-	-	-	20,000	-	20,000
HMRC Charities	-	-	-	2,477	-	2,477
Job retention scheme	-	-	-	4,129	-	4,129
Tiered restrictions	-	-	-	5,485	-	5,485
Winter business	-	-	-	18,811	-	18,811
Culture recovery fund	-	-	-	-	102,651	102,651
Omicron Hospitality and Leisure grant	6,667	-	6,667	-	-	-
NLHF steps to sustainability	-	9,883	9,883	-	-	-
Zedra Trust	1,500	-	1,500	-	-	-
Henry Riley LLP	875	-	875	-	-	-
Other	1,399	-	1,399	-	-	-
	<u>10,441</u>	<u>9,883</u>	<u>20,324</u>	<u>50,902</u>	<u>102,651</u>	<u>153,553</u>

3 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Interest receivable	<u>291</u>	<u>147</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Other trading activities

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Other income	20,861	4,813
Event income	39,445	5,030
Venue income	34,904	17,120
Retail	33,225	14,386
	<u>128,435</u>	<u>41,349</u>

5 Raising funds

	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Raising funds						
Operating charity shops	15,224	-	15,224	8,250	167	8,417
Other trading activities	24,594	9,883	34,477	3,799	2,601	6,400
	<u>39,818</u>	<u>9,883</u>	<u>49,701</u>	<u>12,049</u>	<u>2,768</u>	<u>14,817</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Charitable activities

	Charitable activities 2022 £	Charitable activities 2021 £
Staff costs	268,256	257,607
Depreciation and impairment	7,750	8,807
Rates and water	1,379	571
Insurance	6,605	6,263
Light and heat	9,651	5,199
Telephone	2,003	1,749
Postage and stationery	1,038	1,205
Marketing and publicity	29,415	35,968
Sundries	3,008	10,614
Travelling	289	304
Training	1,575	872
Repairs	23,842	40,595
Card machine charges	7,160	4,151
	<u>361,971</u>	<u>373,905</u>
Share of support costs (see note 7)	3,470	4,866
Share of governance costs (see note 7)	3,600	3,240
	<u>369,041</u>	<u>382,011</u>
Analysis by fund		
Unrestricted funds - general	369,041	161,115
Restricted funds	-	220,896
	<u>-</u>	<u>220,896</u>

7 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Payroll fees	1,570	-	1,570	1,112	-	1,112
Professional fees	1,900	-	1,900	3,754	-	3,754
Audit fees	-	3,600	3,600	-	3,240	3,240
	<u>3,470</u>	<u>3,600</u>	<u>7,070</u>	<u>4,866</u>	<u>3,240</u>	<u>8,106</u>
Analysed between						
Charitable activities	<u>3,470</u>	<u>3,600</u>	<u>7,070</u>	<u>4,866</u>	<u>3,240</u>	<u>8,106</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Trustees' remuneration and benefits

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

There were no trustee's expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Management and administration	20	17

Employment costs

	2022 £	2021 £
Wages and salaries	247,556	237,502
Social security costs	12,133	12,106
Other pension costs	8,567	7,999
	<u>268,256</u>	<u>257,607</u>

Key management remuneration totalled £46,968 (2021: £45,600)

There were no employees whose annual remuneration was more than £60,000.

10 Taxation

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

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Tangible fixed assets

	Computers £
Cost	
At 1 January 2022	33,313
Additions	1,803
	<u>35,116</u>
At 31 December 2022	35,116
Depreciation and impairment	
At 1 January 2022	19,801
Depreciation charged in the year	7,750
	<u>27,551</u>
At 31 December 2022	27,551
Carrying amount	
At 31 December 2022	<u>7,565</u>
At 31 December 2021	<u>13,512</u>

12 Stocks

	2022 £	2021 £
Finished goods and goods for resale	8,952	7,512
	<u>8,952</u>	<u>7,512</u>

13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	2,186	3,976
Other debtors	1,184	-
Prepayments and accrued income	12,848	7,444
	<u>16,218</u>	<u>11,420</u>

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	3,914	-
Trade creditors	474	4,681
Other creditors	3,139	15,124
Accruals and deferred income	15,410	11,709
	<u>22,937</u>	<u>31,514</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Restricted funds

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

	Balance at 1 January 2022	Movement in funds		Balance at 31 December 2022
	£	Incoming resources	Resources expended	£
CCTV	218	-	-	218
Defibrillator	1,644	-	-	1,644
Explorers	430	-	-	430
Costumes	134	-	-	134
A Medieval Tavern Experience	-	9,883	(9,883)	-
	<u>2,426</u>	<u>9,883</u>	<u>(9,883)</u>	<u>2,426</u>

CCTV

The charity received a grant of £1,000 in 2018 from Wm Webster Trust and a grant of £4,000 in 2020 from Newcastle City Council for the installation of a CCTV system.

Defibrillator

The charity received a grant of £1,644 in 2019 from Monument Ward Committee for the installation of a defibrillator in the castle and cathedral area.

Explorers Road

The charity is working to become part of a multi-stop touring route through the cultural and historical heart of England by Visit Britain and received a grant of £595 from NGL.

Costumes for Live Interpretations

The charity received a grant of £1,243 from CO-OP to buy costumes for live interpretations and relevant events.

Tavern Note

The charity received a grant from The Social Enterprise Academy as part of their Steps to Sustainability funding for the creation of a medieval tavern night, to help generate income through paid for events, and corporate venue hire

16 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:					
Tangible assets	7,565	-	7,565	13,512	13,512
Current assets/(liabilities)	202,591	2,426	205,017	225,878	228,304
	<u>210,156</u>	<u>2,426</u>	<u>212,582</u>	<u>239,390</u>	<u>241,816</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

Accounts

Charity Registration No. 1165434

Company Registration No. 06373460 (England and Wales)

THE HEART OF THE CITY PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE HEART OF THE CITY PARTNERSHIP

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr GM Black	
	Ms SK Ward	
	Mr J Grundy	
	Mr P Wood	
	Mr E Jubb	
	Dr DB Cook	
	Dr RM Pears	
	Mr G Scott	
	Ms L Conlon	
	Councillor J Stephenson	(Appointed 18 June 2021)
	The Very Reverend GV Miller	(Appointed 12 October 2021)
Charity number	1165434	
Company number	06373460	
Registered office	Fernwood House Fernwood Road Jesmond Newcastle upon Tyne United Kingdom NE2 1TJ	
Auditor	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle Upon Tyne Tyne and Wear England NE2 1TJ	
Bankers	Handlesbanken Earl Grey House 75-85 Grey Street Newcastle upon Tyne NE2 1TJ	
	Virgin Money 5 Cattle Market Hexham NE46 1NJ	

THE HEART OF THE CITY PARTNERSHIP

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THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charity aims to promote the advancement of education and learning in relation to the history and heritage of the area around Newcastle Cathedral; in particular Newcastle Castle, in Newcastle Upon Tyne. In addition, it seeks to promote the advancement of culture and heritage by the encouragement of the local community, and visitors to the City, to appreciate and enjoy the history and fabric of these buildings. It endeavours to preserve and protect Newcastle Castle as a building of historic interest and public importance and specifically the Grade 1 Listed Buildings and Scheduled Ancient Monuments known as the Black Gate and Castle Keep.

Background to Current Activities

The Heart of the City Partnership (HOCP) leases Newcastle Castle from Newcastle City Council at a peppercorn rent and operates the heritage asset as a predominantly paid-for visitor attraction. By following a 4-year rolling strategic plan, financial protocols and strict budget management safeguarding the future of Newcastle Castle is best achieved through ensuring the buildings remain in use and their significance, cultural and wider commercial benefits for the city are understood and appreciated by the public as well as the local businesses. As such, in 2021, Newcastle Castle looked to offer itself principally as a paid-for visitor attraction, open 7 days per week during school holidays and 5 days outside of these. Opening hours were normally 10am to 5pm and in any given year full closure of the attraction on a normal opening day is only permitted for a maximum of 10 days through the year this being to facilitate all-day venue hires e.g. weddings, as they occur but balancing the public benefit derived from being open as a place to visit. COVID-19 Lockdown measures severely affected the number of days we were able to open and generate income. We were closed for around 5 months of 2021 thus reducing income generating capacity by 5/12ths. Newcastle Castle's first day open to the public in 2021 was 22nd May.

Newcastle Castle is aware that admission fees can exclude people with low disposable incomes and is keen to ensure access to this heritage asset is possible for all. Our admission charges structure allows discounts for certain priorities e.g. unwaged, families, disabled, senior citizens, armed forces, NHS etc.. In non-pandemic years our doors have opened free of charge for at least 2 days (Heritage Open Days) and one evening (The Late Shows) and we plan to continue this from 2023. Admission fees are benchmarked against similar attractions in the region.

COVID-19 Impact

Due to the Coronavirus COVID-19 pandemic, HOCP temporarily closed Newcastle Castle operations prior to lockdown 1.0. This was to protect staff and volunteers as well as the public. Newcastle Castle re-opened to the public on 24th July 2020 with new safety measures, booking processes, additional staffing and kitemark qualification from VisitBritain's Good to Go Scheme and the COVID-19 Secure venue certification. A reasonable rate of customer return was experienced versus expectation however numbers were significantly down on 2019. Considering almost 54% of our paying admissions are overseas visitors alongside factoring in low customer sentiment and confidence across the industry, this is unsurprising. When local restrictions were introduced in September 2020 bookings fell to almost zero overnight and continued at a very low level throughout those restrictions until Lockdown 2.0 closed Newcastle Castle once again.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

COVID-19 Impact

In all Newcastle Castle was closed in 2020 due to COVID-19 restrictions for 6 months and business as usual significantly disrupted by local restrictions for around 90 days. Newcastle Castle re-opened for its first visitor after Lockdown 3.0 on 22nd May 2021. Newcastle Castle has, since then, been operating on a pre-COVID basis with free-flow visitor exploration reinstated and walk-in admissions being encouraged, however many COVID-19 safety measures including cleaning regimes, provision of hand sanitising stations and other staff measures have remained in place to provide staff, volunteer and public assurance. Newcastle Castle remained open to the end of the year, though mainly on 5 days per week instead of 7.

2021 therefore saw a loss of 5 trading months. A funding plan is in place, where we are actively seeking funding from several potential sources as well as making timely applications for government-led grant schemes that we are eligible for and remaining vigilant to new sources of funding becoming available and adapting and developing our offerings to bring in further business. Our funding strategy is at the core of what we do in bringing Castle operations back towards a norm and provide resilience whilst we also continually review, revise, and adapt short, medium and long-term plans through our rolling 4-Year Strategic Plan.

Currently, HOCP have no other operational activities aside from Newcastle Castle, however, visioning for the future will take place over the next few years to inform the road ahead.

Public Benefit

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

Referring to our objectives and activities, achieving and maintaining independent financial sustainability is core to preserving and protecting the buildings we operate. Keeping the buildings in the hearts and minds of local communities and those from further afield is a key engagement target. As in 2020, 2021 continued to be a challenging year for this and other areas of public benefit due to the challenges raised by the Coronavirus COVID-19 pandemic. The 4 years of performance including and prior to 2019 saw the organisation making progress towards achieving these and our proposed 2020 calendar of out-of-hours events as well as our actual general admissions, digital engagement through blogs, vlogs and social media following were proof of this. Nevertheless the core issue faced in 2021 was of ensuring survival of the organisation so that it could continue to deliver public benefit in the future. The organisation therefore struck a balance in direction of resources towards maintaining income through seeking core grant funding, project grant funding to upgrade experience and restoring our other income-generating service offerings including education, outreach, events, and venue hire.

Our formal (schools and groups) education provision, informal learning (outreach and early-years provision) and informal lifelong learning (interpretation, events, talks, lectures etc) is at the heart of delivering our ability to preserve and protect Newcastle Castle, by nurturing and fostering understanding of the building's historical significance, as well as promoting the advancement of culture and heritage. In early 2020 we encouraged a record number of visits from local schools, and we targeted travel groups as well as individual visitors to the City. Our schools programme actively supported the National Curriculum and whilst a paid for service it was charged at a fair price, benchmarked against other cultural organisations within the area, to ensure it was accessible to all schools whilst covering the core costs to deliver it. Mid to late 2020 saw an adaptation of this offering to hybrid digital and on-site learning, where digital supported the on-site learning experience both pre and post visit. 2021 saw an encouraging restart to schools visiting on-site and this trend is gathering pace in the first quarter of 2022.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Public Benefit (continued)

In addition to the primary offer, to ensure that those not engaged actively in visiting heritage attractions are included and drawn into the fold, we would normally offer a range of immersive, interactive experiences and events, such as film nights, talks, lectures, theatre shows and workshops on carefully selected days and evenings. These are usually aimed at children, families and adults and work towards attracting and involving different audiences to just the 'heritage consumers'. Newcastle Castle would normally play host to a wide range of alternative cultural events, ghost hunts, re-enactments and provide unique corporate and personal venue hire experiences as well as filming on location hire. Monies made from these income streams usually support the overall sustainability of Newcastle Castle and the delivery of the HOCP charitable objects. 2021 saw many of these areas being re-instated and 2022 will now build further upon them to bring them back closer to 2019 pre-COVID 19 levels.

Venue hire / private hire offered people a way to engage and interact with their heritage whilst providing an additional income stream to support the sustainability of Newcastle Castle and the delivery of the charitable objects. Many bookings made for 2020 including corporate and weddings took place in 2021 whilst some are due to take place in 2022.

Our retail offer, in the times we have been open in 2020, provided further educational resources (books, toys etc) relating to the Castle and its direct surroundings. By having local suppliers and crafters such as The Crafty Bag and Turn It Up sell their products via the retail store, Newcastle Castle involved local communities and displayed their culture to locals and people from afar, alike. Equally, money made from the retail offer supported the overall sustainability of Newcastle Castle and the delivery of the HOCP charitable objects.

Work placements

We are taking on work placements again, with some provisos, School work placements are only being accepted on Monday, Thursday and Friday to ensure work placements are not onsite when we are closed with a very limited office staff. So far in 2022 we have had three long term university work placements and one three-day school work placements, with more booked for later in the year.

Our Staff & Volunteers

HOCP's staff-base remained consistent with 2019 at 15 persons. All but two staff were furloughed in Lockdown 1.0 with the majority returning to work by July 2020. No staff were re-placed on furlough since July 2020. It is the passion, dedication, professionalism and determination of this tightly knit staff base along with the support of The Board of Trustees and the Business Management Committee that has seen The Heart of the City Partnership successfully survive the onslaught brought on by COVID-19 in 2020 and 2021. They have worked through significant operational and organisational change moving into new ways of working and presenting our services. The Board of Trustees have every confidence that this team will lead the organisation through future years. Staff roles covered senior management, supervisory management, marketing, venue hire, retail display and purchasing, learning, informal learning, finance and front-of-house.

The whole team was supported by strong leadership through management who were in turn supported by the board of trustees and a sub-committee of the board, the Business Management Committee (BMC). Staff were further supported by our team of volunteers. The volunteer-base has reduced in size over the last two years due to the pandemic, and is currently around 10 strong, with around 8 being very regularly active.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

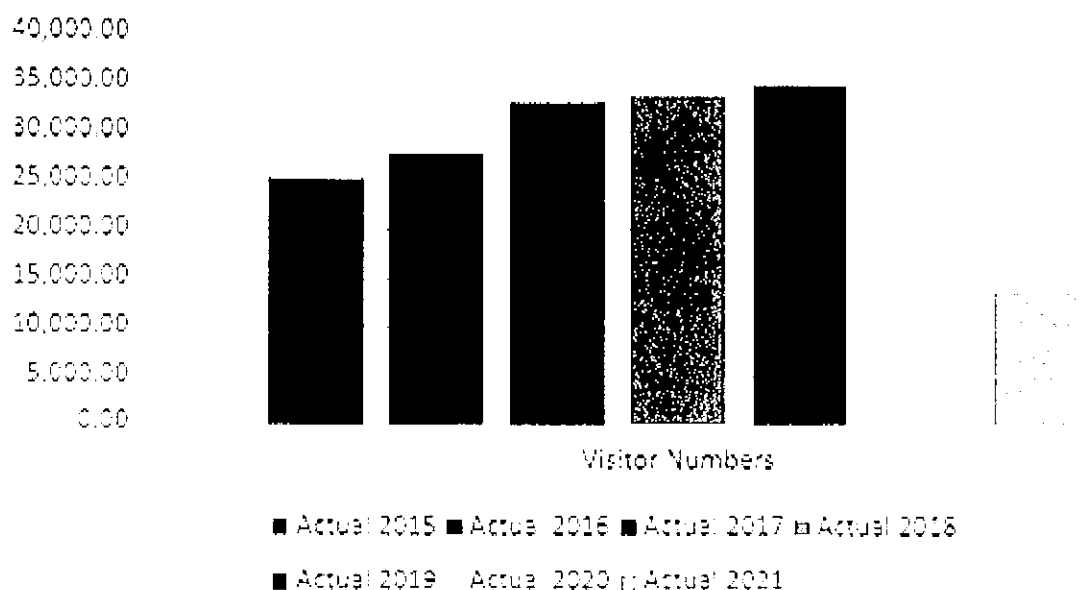
The volunteers were involved in several aspects of the running of the Castle including delivering:

- **Learning** – around 8 volunteers came in regularly to deliver tours to schools, assist in workshops and carry out FREE family activities. (Pre-COVID-19 assisting with school session delivery and during COVID-19 the group of volunteers have kept together and supported each other using virtual meetings and the like. Most of this group have now returned to volunteering, with around 2 still primarily engaging through regular weekly online meetings)
- **Events** – Our events program has started back up, but we have yet to replace the small pool of volunteers who assisted with events. This will be a priority going forwards.
- **Re-enactment** – We have a small group of around 10 volunteers called the Newcastle Array who provide live historical interpretation including displays of medieval food, games, demonstration of trades such as leatherwork & portrayal of members of Newcastle's Town Militia. No re-enactment events were carried out in 2020 or 2021. These were put on hold until further notice due to COVID-19 safety measures on site. Most of the Newcastle Array are now actively volunteering again and we have a small number of events planned for 2022.

Achievements and performance

2021 ticketed admissions numbers (excludes learning programme admissions and out-of-hours events admissions) unsurprisingly, due to closure and impact from pandemic decreased significantly from previous years. However, 2021 did see an increase of 74.63% from 2020 rising from 9116 visitors to 15919 visitors though the number of weeks closed in each year due to lockdowns was similar. Pre-COVID, 2019 visitor numbers for the 4th year running increased by 4.13% from 2018 to 34690 paying visitors. 2019 shows an increase of 5.7% in ticketed admissions numbers from 2017. 2016 saw a total 27664 paying visitors with 2019 figures representing a 20.25% increase on that year. Our UK to non-UK visitor split over 2018 and 2019 was 46% UK to 54% non-UK averaged across the years. Clearly this was significantly lower in 2020 and 2021 due to the major drop in visitors from overseas to the UK. This trend seems to be waning now and we are starting to see a shift change towards greater numbers of international visitors and anticipate this continuing into 2022.

Annual Visitor Numbers



THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

At the end of 2020 we had maintained our e-newsletter subscriber levels at just over 2019 end of year levels, closing at 1754 subscribers. By the end of 2021 this had increased to 2585. Generally, subscribers appear to be persons who are interested in Newcastle Castle's out-of-normal hours programme of events, talks, lectures, film nights and the like. Given the lack of ability to deliver any of these in 2020 and limitations on it for 2021 a drop-off in subscribers was forecast however it is a notable success that we have managed to maintain and increase readership through diversifying the content that we put out via the newsletter to include informative blogs, vlogs, podcasts, information about other offerings in the area / online and updates castle opening days and times. In 2019 our newsletter open rate averaged 32.8%, a very acceptable industry average. In 2020 that average fell slightly to 30.8% but given the circumstances this was not concerning. Currently, as of end 2021, our open rate is at 38.2%, which may be attributed to the return of our events programme and other activities.

In 2020 the Newcastle Castle website was refreshed with a new online booking system added which also allowed people to purchase digital guidebooks and audio guides. The website saw 45,410 unique visits in 2021, a 8.12% increase on 2020. This was accompanied by 101,891 pageviews, a 54.39% increase on 2020 suggesting far greater online engagement due to the increase and diversification of online content. Across the year social media engagement consisted of 11,635 Facebook business page followers, a rise of around 480 Twitter followers to 4341 and a rise of 1141 Instagram followers to 4341. We also increased our social media engagement through creating a TikTok account and actively increasing our use of LinkedIn to engage a business audience. Our TikTok followers are currently at 50, with 203 likes, and our LinkedIn followers currently are 184. We will continue to use these platforms into 2022 to engage with new audiences. 2021 also saw a continued focus on use of Google MyBusiness to engage customers across Google's platform and to raise profile. Currently, almost 74% of customers were searching directly for us. We appeared in search results on average 450k times per quarter across all Google search platforms and including Google Maps. Our photos which appear across these platforms are very successful in gaining engagement. We were proud to be ranked 7 places higher than 2020 as no. 6 out of 128 things to do in Newcastle on TripAdvisor in 2021, whilst also receiving a Traveller's Choice 2021 Award from them and had an overall rating of 4.7 out of 5 with 923 total reviews. In 2021 we started a podcast called Castle Stories which attracted an audience of approximately 2000 subscribers. This was being released once every 3 weeks, although this has not happened so far in 2022 due to the large uptake in school numbers putting pressure on staff time however it will be revived during 2022.

We believe that alternative, out-of-hours cultural event programming can attract a more diverse audience and introduce them to the history and heritage of the site. Whilst in 2019 we put on 56 film nights, 9 theatre nights (across 3 shows), 4 music nights across 4 local performers, 10 talks and several other cultural activities, out of hours, like workshops and tours the impact of the pandemic meant we were only able to put on one Valentine's film night in 2020. We were able to increase this level with the reintroduction of our events programme in late 2021, and hosted four talks and two evening tours, as well as some half term/ school holiday craft activities. In 2022 we have a larger range of events booked in, so far consisting of 22 film nights (some of which may end up being multiple night runs), 18 talks, 9 after hours tours, 3 music nights and one large scale re-enactment event. We have also started offering medieval walking tours of Newcastle and have received seed funding to launch a series of medieval tavern nights. We are also aiming to have small scale, but regular events hosted by the Newcastle Array re-enactment group.

Throughout the pandemic we have supported Destination Management Organisations (DMOs), the Local Authority, other organisations within our sector, the Department for Digital, Culture, Media & Sport (DCMS), the Bank of England and the Chamber of Commerce by giving timely and critical feedback and intelligence to help inform policymakers and policy decisions.

Financial review

The results for the year are shown on the Statement of Financial Activities. Incoming resources totalled £310,283 (2020: £472,264) of which £207,632 is considered to be unrestricted in nature.

Resources expended totalled £396,828 (2020: £318,647) such that overall the charity accrued a deficit of £86,545 (2020: £153,617 surplus). At 31 December 2021, the charity has closing reserves totalling £241,816 (2020: £328,361) of which £203,903 (2020: £239,390) are unrestricted. Free reserves, being unrestricted reserves less that tied up in fixed assets, stood at £190,391 (2020: £196,515).

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Reserves and Investment Policy

The trustees have agreed that at all times they will endeavour to keep six months running costs of the charity to be held in reserve, readily available. Currently the cash reserves are held in our two bank accounts and at this stage Trustees are not considering any other investment options. If and when circumstances change/allow, Trustees will consider low risk options to maintain the real value of the Cash Reserves.

Principal Sources of Funding

A tapering grant from Newcastle City Council ended in 2017, so a strategy was developed allowing the business to work towards financial self-sufficiency between 2016 to 2019 and beyond. 2019 saw the organisation generate a small surplus, one year ahead of plan, which, when measured against previous years indicated the organisation was on a path to a stable and self-sustaining operational model, equally bolstered by the significant public benefit from its core activities through admissions, learning and outreach.

However, given the impact of the Coronavirus / COVID-19 pandemic in 2020 and 2021 performances, the principal sources of funding for 2021 were grant-aid and admissions, similar to 2020. From mid-late 2021 we saw a more operational 'norm' return, and our other principal sources of funding including retail, learning provision, venue hire, events and donations began to return. These offerings will be expanded upon in 2022 to levels hopefully like pre-COVID 2019. Grants were predominantly sourced from the Heritage Emergency Fund, Culture Recovery Fund 1.0 and Culture Recovery Fund 2.0 as well as tourism and hospitality grants made available by central government and administered through local authorities.

Notable Items from the Accounts

The organisation ends 2021 with a deficit but a reasonable cash balance. This, in the main part, being due to Cultural recovery Fund (CRF) Round 1 funding being recognised in full in 2020 accounts but the money being funds to cover core costs from Oct 2020 to Mar 2021 and thus effectively spanning two financial years. Whilst the organisation retains reasonable unreserved funds at the end of 2021 and with prudent and cautious budget and strategy measures in place for 2022 the organisation remains in a reasonable position. However, with inflation rising significantly and household budgets feeling the 'cost of living crisis' combined with foreign tourism predicted to be lower than pre-COVID 19, 2022 will likely be a difficult and unpredictable year. Grant funding to strengthen and maintain that position will be a primary concern given the volatile visitor economy at present.

Focus for 2021

In 2020, prior to the outbreak of Coronavirus (COVID-19) and the UK's lockdowns, we had anticipated focusing on the below, as in 2019.

- Increase visitor figures
- Focus on raising awareness to local visitors and visitors from overseas
- Become more family-friendly
- Introduce Early Years provision
- Raising awareness of Newcastle Castle as a wedding venue
- Raising awareness of Newcastle Castle as a venue for hire
- Make Newcastle Castle more personable using Castle Characters
- Putting the Castle back into Newcastle as part of the lifeblood of the city
- More targeted events schedule

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

As the environment has changed dramatically due to the Coronavirus outbreak the post-COVID 19 pandemic's business sphere will be very different. Therefore, we will be looking to focus on the following in 2022:

- Reintroduction of income streams, halted due to health and safety concerns
- Operational stabilisation through maximising revenue from income streams and grant funding
- Maximise value for money through staff engagement on-site
- Further develop the venue hire offer especially for weddings, corporate hire and corporate sponsorship
- Actively seek core funding and community engagement funding
- Longer-term planning

As with many visitor attractions, Newcastle Castle relies predominantly on visitor admissions income to fund operations and other areas of public benefit. We anticipate audience recovery towards near 2019 levels no earlier than 2023 but recognise that the situation is fluid. 2022 visitor numbers currently look like they will be less than 2019, mainly due to us not operating on a 7 day a week opening schedule as we did in 2019. However, average visitors per day seem to be on par with January, February, March and April in 2019. We know that we must communicate effectively to our audiences about our offer and our continued COVID-19 safety measures.

Structure, governance and management Governing Document

HOCP is a Private Company Limited by Guarantee incorporated under the Companies Act 2006 and is a registered Charity. The objects for which HOCP was incorporated and its powers are contained within its Articles of Association.

Induction and training of new trustees

Trustees are recruited as per the Articles of Association. There are 3 appointed bodies, Newcastle City Council, Newcastle Cathedral and The Society of Antiquaries of Newcastle upon Tyne. Each of these appointed bodies appoints two trustees to a board of twelve. A further six trustees are recruited independently. Recruitment of these trustees takes into account the skills, knowledge and experience required to help steer the organisation.

Organisational structure

The Articles of Association provide that The business of HOCP shall be managed by the Trustees, who are also the Members of HOCP, who may exercise its powers. The number of Trustees to be appointed as Directors of HOCP shall not be less than 6 and shall not be more than 12 of whom:

- Up to two shall be appointed by Newcastle City Council
- Up to 2 shall be appointed by the Dean & Chapter of Newcastle Cathedral
- Up to 2 shall be appointed by the Society of Antiquaries of Newcastle upon Tyne

The most senior manager, the Chief Executive Officer, is appointed by the Trustees for the purpose of ensuring the future sustainability of Newcastle Castle and promoting and developing the wider objects of the charity. Trustee meetings are held quarterly with BMC meeting at minimum 6 times per year to specifically inform the direction of Newcastle Castle and to support the Chief Executive Officer.

Policy Notes

Existing policies have been reviewed in line with our policy schedule and the following new policies have been introduced:

- Equal Opportunities
- Rehabilitation of Offenders
- Staff Welfare

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Key Management Remuneration

Key management remuneration is determined by the Trustees.

Related Parties

There are no related parties.

Risk Management

HOCIP takes a comprehensive and systematic approach to risk-management, identifying significant risks under 6 main headings: strategic/business, HR / resources, property, operational, governance & financial. Procedures are in place to mitigate or otherwise manage the most significant risks identified and a Risk Register is in place. The Risk Register is regularly reviewed and updated and when new risks are identified policies and / or procedures are developed to mitigate the risk.

Statement of trustees' responsibilities

The trustees, who are also the directors of The Heart of the City Partnership for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

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

Auditor

The auditors, Robson Laidler Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

THE HEART OF THE CITY PARTNERSHIP

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees' report was approved by the Board of Trustees.



Mr GM Black ✓
Trustee

Date: 12.7.2022

THE HEART OF THE CITY PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE HEART OF THE CITY PARTNERSHIP

Opinion

We have audited the financial statements of The Heart of the City Partnership (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE HEART OF THE CITY PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HEART OF THE CITY PARTNERSHIP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The risk of material misstatement due to error or fraud is deemed to be low within the entity as the Trustees operate strong internal controls to mitigate any such risk. Substantive testing is performed on all material balances and therefore any irregularities should be identified or considered as insignificant. The audit was therefore considered capable of identifying irregularities only to the extent of the substantive testing performed and from discussions with management.

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

THE HEART OF THE CITY PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HEART OF THE CITY PARTNERSHIP

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Michael T Moran BA FCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited

Statutory Auditor

20 July 2022

Fernwood House
Fernwood Road
Jesmond
Newcastle Upon Tyne
Tyne and Wear
England
NE2 1TJ

Robson Laidler Accountants Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE HEART OF THE CITY PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

Current financial year

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<u>Income and endowments from:</u>					
Donations and legacies	2	51,120	102,651	153,771	376,143
<u>Charitable activities</u>					
Ticket sales		115,016	-	115,016	70,673
Investments	3	147	-	147	573
Other trading activities	4	41,349	-	41,349	24,875
Total income		207,632	102,651	310,283	472,264
<u>Expenditure on:</u>					
Raising funds	5	12,049	2,768	14,817	9,977
Charitable activities	6	161,115	220,896	382,011	308,670
Total resources expended		173,164	223,664	396,828	318,647
Net incoming/(outgoing) resources before transfers		34,468	(121,013)	(86,545)	153,617
Gross transfers between funds		1,019	(1,019)	-	-
Net income/(expenditure) for the year/ Net movement in funds		35,487	(122,032)	(86,545)	153,617
Fund balances at 1 January 2021		203,903	124,458	328,361	174,744
Fund balances at 31 December 2021		239,390	2,426	241,816	328,361

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

All income and expenditure derive from continuing activities.

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

THE HEART OF THE CITY PARTNERSHIP

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	2	164,200	211,943	376,143
<u>Charitable activities</u>				
Ticket sales		70,673	-	70,673
Investments	3	573	-	573
Other trading activities	4	24,875	-	24,875
Total income		260,321	211,943	472,264
<u>Expenditure on:</u>				
Raising funds	5	9,678	299	9,977
Charitable activities	6	222,568	86,102	308,670
Total resources expended		232,246	86,401	318,647
Net incoming/(outgoing) resources before transfers		28,075	125,542	153,617
Gross transfers between funds		4,158	(4,158)	-
Net income/(expenditure) for the year/ Net movement in funds		32,233	121,384	153,617
Fund balances at 1 January 2020		171,670	3,074	174,744
Fund balances at 31 December 2020		203,903	124,458	328,361

THE HEART OF THE CITY PARTNERSHIP

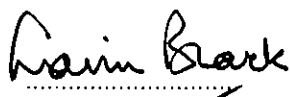
BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		13,512		7,388
Current assets					
Stocks	12	7,512		10,682	
Debtors	13	11,420		110,522	
Cash at bank and in hand		240,886		234,463	
		259,818		355,667	
Creditors: amounts falling due within one year	14	(31,514)		(34,694)	
Net current assets			228,304		320,973
Total assets less current liabilities			241,816		328,361
Income funds					
Restricted funds	15		2,426		124,458
Unrestricted funds - general			239,390		203,903
			241,816		328,361

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

The financial statements were approved by the Trustees on



Mr GM Black
Trustee

Company Registration No. 06373460

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

The Heart of the City Partnership is a private company limited by guarantee incorporated in England and Wales. The registered office is Fernwood House, Fernwood Road, Jesmond, Newcastle upon Tyne, NE2 1TJ, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

Heart of the City Partnership meets the definition of a public benefit entity entry under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Going concern

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

1.3 Charitable funds

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

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

1.4 Income

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

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

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Computers	33% on cost
-----------	-------------

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

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.9 Cash and cash equivalents

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

1.10 Taxation

As a charity, the company is exempt from tax on income and gains to the extent that these are applied to charitable objects. No tax charges have arisen in the charity.

1.11 Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Donations and legacies

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	218	-	218	272	-	272
Grants	50,902	102,651	153,553	163,928	211,943	375,871
	<u>51,120</u>	<u>102,651</u>	<u>153,771</u>	<u>164,200</u>	<u>211,943</u>	<u>376,143</u>
Grants receivable for core activities						
Government restart	20,000	-	20,000	-	-	-
HMRC Charities	2,477	-	2,477	-	-	-
Job retention scheme	4,129	-	4,129	39,409	-	39,409
Tiered restrictions	5,485	-	5,485	-	-	-
Winter business	18,811	-	18,811	-	-	-
Culture recovery fund	-	102,651	102,651	-	206,700	206,700
Heritage fund	-	-	-	79,100	-	79,100
Newcastle CC	-	-	-	42,419	4,000	46,419
Costumes for live interpretations	-	-	-	-	1,243	1,243
Tourism	-	-	-	3,000	-	3,000
	<u>50,902</u>	<u>102,651</u>	<u>153,553</u>	<u>163,928</u>	<u>211,943</u>	<u>375,871</u>

3 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Interest receivable	<u>147</u>	<u>573</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Other trading activities

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Other income	4,813	8,178
Event income	5,030	3,650
Venue income	17,120	1,816
Retail	14,386	11,231
	<u>41,349</u>	<u>24,875</u>

5 Raising funds

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
<u>Raising funds</u>						
Operating charity shops	8,250	167	8,417	7,588	299	7,887
Other trading activities	3,799	2,601	6,400	2,090	-	2,090
	<u>12,049</u>	<u>2,768</u>	<u>14,817</u>	<u>9,678</u>	<u>299</u>	<u>9,977</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Charitable activities

	Charitable activities 2021 £	Charitable activities 2020 £
Staff costs	257,607	237,741
Depreciation and impairment	8,807	2,855
Rates and water	571	605
Insurance	6,263	6,365
Light and heat	5,199	5,704
Telephone	1,749	1,881
Postage and stationery	1,205	449
Marketing and publicity	35,968	10,723
Sundries	10,614	3,956
Travelling	304	311
Training	872	180
Repairs	40,595	15,921
Card machine charges	4,151	3,446
	<u>373,905</u>	<u>290,137</u>
Share of support costs (see note 7)	4,866	15,293
Share of governance costs (see note 7)	3,240	3,240
	<u>382,011</u>	<u>308,670</u>
Analysis by fund		
Unrestricted funds - general	161,115	222,568
Restricted funds	220,896	86,102
	<u>382,011</u>	<u>308,670</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Payroll fees	1,112	-	1,112	3,246	-	3,246
Professional fees	3,754	60	3,814	12,047	-	12,047
Audit fees	-	3,180	3,180	-	3,240	3,240
	<u>4,866</u>	<u>3,240</u>	<u>8,106</u>	<u>15,293</u>	<u>3,240</u>	<u>18,533</u>
Analysed between Charitable activities	<u>4,866</u>	<u>3,240</u>	<u>8,106</u>	<u>15,293</u>	<u>3,240</u>	<u>18,533</u>

Governance costs includes payments to the auditors of £3,180 (2020: £3,240) for audit fees.

8 Net movement in funds

	2021 £	2020 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	3,240	3,240
Depreciation of owned tangible fixed assets	<u>8,807</u>	<u>2,855</u>

9 Trustees' remuneration and benefits

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

There were no trustee's expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Management and administration	<u>17</u>	<u>17</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10	Employees	(Continued)	
	Employment costs	2021	2020
		£	£
	Wages and salaries	237,502	220,028
	Social security costs	12,106	10,147
	Other pension costs	7,999	7,566
		<u>257,607</u>	<u>237,741</u>
	Key management remuneration totalled £45,600 (2020: £41,600)		
	There were no employees whose annual remuneration was more than £60,000.		
11	Tangible fixed assets	Computers	
		£	
	Cost		
	At 1 January 2021		19,289
	Additions		14,931
	Disposals		(907)
	At 31 December 2021		<u>33,313</u>
	Depreciation and impairment		
	At 1 January 2021		11,901
	Depreciation charged in the year		8,807
	Eliminated in respect of disposals		(907)
	At 31 December 2021		<u>19,801</u>
	Carrying amount		
	At 31 December 2021		<u>13,512</u>
	At 31 December 2020		<u>7,388</u>
12	Stocks	2021	2020
		£	£
	Finished goods and goods for resale	<u>7,512</u>	<u>10,682</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

13 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	3,976	600
Prepayments and accrued income	7,444	109,922
	<u>11,420</u>	<u>110,522</u>

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	-	3,969
Trade creditors	4,681	5,497
Other creditors	15,124	13,772
Accruals and deferred income	11,709	11,456
	<u>31,514</u>	<u>34,694</u>

15 Restricted funds

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

	Balance at 1 January 2021 £	Movement in funds			Balance at 31 December 2021 £
		Incoming resources £	Resources expended £	Transfers £	
CCTV	218	-	-	-	218
Defibrillator	1,644	-	-	-	1,644
Explorers	430	-	-	-	430
Costumes	1,243	-	(1,109)	-	134
Culture Recovery Fund 20	120,923	-	(124,719)	3,796	-
Culture Recovery Fund 21	-	102,651	(97,836)	(4,815)	-
	<u>124,458</u>	<u>102,651</u>	<u>(223,664)</u>	<u>(1,019)</u>	<u>2,426</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:						
Tangible assets	13,512	-	13,512	7,388	-	7,388
Current assets/ (liabilities)	225,878	2,426	228,304	196,515	124,458	320,973
	<u>239,390</u>	<u>2,426</u>	<u>241,816</u>	<u>203,903</u>	<u>124,458</u>	<u>328,361</u>

CCTV

The charity received a grant of £1,000 in 2018 from Wm Webster Trust and a grant of £4,000 in 2020 from Newcastle City Council for the installation of a CCTV system.

Defibrillator

The charity received a grant of £1,644 in 2019 from Monument Ward Committee for the installation of a defibrillator in the castle and cathedral area.

Explorers Road

The charity is working to become part of a multi-stop touring route through the cultural and historical heart of England by Visit Britain and received a grant of £595 from NGI.

Costumes for Live Interpretations

The charity received a grant of £1,243 from CO-OP to buy costumes for live interpretations and relevant events.

Culture Recovery Fund 20

This relates to a grant received from The National Lottery Heritage Fund in 2020 towards staff salaries and other running costs of the charity.

Culture Recovery Fund 21

This relates to a grant received from The National Lottery Heritage Fund in 2021 towards staff salaries and other running costs of the charity.

17 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

Accounts

REGISTERED COMPANY NUMBER: 06373460 (England and Wales)
REGISTERED CHARITY NUMBER: 1165434

"OFFICE COPY"
REGISTERED & RETURNED

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
THE HEART OF THE CITY PARTNERSHIP

Robson Laidler Accountants Limited
Statutory Auditor
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
NE2 1TJ

THE HEART OF THE CITY PARTNERSHIP

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Detailed Statement of Financial Activities	22 to 23

THE HEART OF THE CITY PARTNERSHIP

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Registered Company number
6373460

Registered Charity number
1165434

Registered Office
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
United Kingdom
NE2 1TJ

Trustees
Added as Trustees in 2020:

BELL, Gerald - 30/01/2020

No Change:
BLACK, Gavin Macfarlane (Chair)
WARD, Susan Katharine
GRUNDY, John
COOK, David Burford, Doctor
PEARS, Richard Malcolm, Dr
WOOD, Peter
SCOTT, George
CONLON, Linda
JUBB, Eric
GODDARD, John

Resigned:
McGUINNESS, Kim

Auditors
Robson Laidler Accountants Limited
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
NE2 1TJ

Bankers
Handelsbanken
Earl Grey House
75-85 Grey Street
Newcastle upon Tyne
NE1 6EF

Virgin Money
5 Cattle Market
Hexham
NE46 1NJ

THE HEART OF THE CITY PARTNERSHIP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity aims to promote the advancement of education and learning in relation to the history and heritage of the area around Newcastle Cathedral; in particular Newcastle Castle, in Newcastle Upon Tyne. In addition, it seeks to promote the advancement of culture and heritage by the encouragement of the local community, and visitors to the City, to appreciate and enjoy the history and fabric of these buildings. It endeavours to preserve and protect Newcastle Castle as a building of historic interest and public importance and specifically the Grade 1 listed buildings and Scheduled Ancient Monuments known as the Black Gate and Castle Keep.

Background to current activities

The Heart of the City Partnership (HOCP) leases Newcastle Castle from Newcastle City Council at a peppercorn rent and operates the heritage asset as a predominantly paid-for visitor attraction. By following a 4-year rolling strategic plan, financial protocols and strict budget management safeguarding the future of Newcastle Castle is best achieved through ensuring the buildings remain in use and their significance, cultural and wider commercial benefits for the city are understood and appreciated by the public as well as the local businesses. As such, in 2020, Newcastle Castle looked to offer itself principally as a paid-for visitor attraction, open 362 days of the year from 10am to 5pm, closing only for a maximum of 10 additional days to facilitate all-day venue hires e.g. weddings, as they occur. However, the Coronavirus / COVID-19 pandemic changed that offer significantly. Detail on this is covered in the section COVID-19 Impact of this report. Newcastle Castle is aware that admission fees can exclude people with low disposable incomes and is keen to ensure access to this heritage asset is possible for all. Our admission charges structure allows discounts for certain priorities e.g. unwaged, families, disabled, senior citizens, armed forces, NHS etc. In non-pandemic years our doors have opened free of charge for at least 2 days (Heritage Open Days) and one evening (The Late Shows) and we plan to continue this from 2021.

Public benefit

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities. Referring to our objectives and activities, achieving and maintaining independent financial sustainability is core to preserving and protecting the buildings we operate. Keeping the buildings in the hearts and minds of local communities and those from further afield is a key engagement target. 2020 has been a challenging year for this and other areas of public benefit due to the challenges raised by the Coronavirus COVID-19 pandemic. The 4 years of performance including and prior to 2019 sees the organisation making progress towards achieving and our proposed 2020 calendar of out-of-hours events as well as our actual general admissions, digital engagement through blogs, vlogs and social media following are proof of this. Never-the-less the core issue faced in 2020 was of ensuring survival of the organisation so that it could continue to deliver public benefit in the future. The organisation therefore struck a balance in direction of resources towards maintaining income through seeking core grant funding, project grant funding to upgrade experience and adapt service offerings to the new 'pandemic' environment whilst amending other service offerings like the learning offer to allow uptake via virtual methods.

Our formal (schools and groups) education provision, informal learning (outreach and early-years provision) and informal lifelong learning (interpretation, events, talks, lectures etc) is at the heart of delivering our ability to preserve and protect Newcastle Castle, by nurturing and fostering understanding of the building's historical significance, as well as promoting the advancement of culture and heritage. In early 2020 we encouraged a record number of visits from local schools, and we targeted travel groups as well as individual visitors to the City. Our schools programme actively supported the National Curriculum and whilst a paid for service it was charged at a fair price, benchmarked against other cultural organisations within the area, to ensure it was accessible to all schools whilst covering the core costs to deliver it. Mid to later 2020 has seen an adaptation of this offering which is now being rolled out which will allow more versatility in our on and offsite engagement with and support of national learning as well as with the diverse communities that surround us.

THE HEART OF THE CITY PARTNERSHIP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

Public benefit

In addition to the primary offer, to ensure that those not engaged actively in visiting heritage attractions are included and drawn into the fold, we would normally offer a range of immersive, interactive experiences and events, such as film nights, talks, lectures, theatre shows and workshops on carefully selected days and evenings. These are usually aimed at children, families and adults and work towards attracting and involving different audiences to just the 'heritage consumers'.

Newcastle Castle would normally play host to a wide range of alternative cultural events, ghost hunts, re-enactments and provide unique corporate and personal venue hire experiences as well as filming on location hire. Monies made from these income streams usually support the overall sustainability of Newcastle Castle and the delivery of the HOCP charitable objects. Whilst several location filming sessions took place, in general, 2020 gave us very little chance to deliver any of these other opportunities but they will be revived in 2021 and 2022 when it is safe to do so.

Venue hire / private hire offered people a way to engage and interact with their heritage whilst providing an additional income stream to support the sustainability of Newcastle Castle and the delivery of the charitable objects. Many bookings made for 2020 including corporate and weddings were moved to future years upon the request of the client.

Our retail offer, in the times we have been open in 2020, provided further educational resources (books, toys etc) relating to the Castle and its direct surroundings. By having local suppliers and crafters such as The Crafty Bag and Turn It Up sell their products via the retail store, Newcastle Castle involved local communities and displayed their culture to locals and people from afar, alike. Equally, money made from the retail offer supported the overall sustainability of Newcastle Castle and the delivery of the HOCP charitable objects.

Our staff and Volunteers

HOCP's staff-base remained consistent with 2019 at 15 persons. Staff roles covered senior management, supervisory management, marketing, venue hire, retail display and purchasing, learning, informal learning, finance and front-of-house. The whole team was supported by strong leadership through management who were in turn supported by the board of trustees and a sub-group of the board, the Business Management Committee (BMC). Staff were further supported by a team of up to 40 volunteers about half of whom were active on a regular basis. The volunteers were involved in several aspects of the running of the Castle including delivering:

- **Learning:** around 12 volunteers came in regularly to deliver tours to schools, assist in workshops and carry out FREE family activities. (Pre-COVID-19 assisting with school session delivery and during COVID-19 the group of volunteers have kept together and supported each using virtual meetings and the like. Most are happy to return to full volunteering once the vaccine programme is rolled out.)

- **Events:** a pool of volunteers assisted staff during events by taking responsibility for such tasks as setting up and taking down chairs and tables, guiding customers, checking tickets, and selling refreshments. 1 event was held pre-COVID-19. The full years programme was put on hold until further notice due to COVID-19 safety measures on site.

- **Re-enactment:** We have a small group of around 12 volunteers called the Newcastle Array who provided live historical interpretation including displays of medieval food, games, demonstration of trades such as leatherwork & portrayal of members of Newcastle's Town Militia. No re-enactment events were carried out in 2020. These were put on hold until further notice due to COVID-19 safety measures on site.

- **Work Placements:** These were put on hold until further notice due to COVID-19 safety measures on site.

THE HEART OF THE CITY PARTNERSHIP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES COVID-19 Impact

Due to the Coronavirus COVID-19 pandemic, HOCP temporarily closed Newcastle Castle operations prior to lockdown 1.0. This was to protect staff and volunteers as well as the public. Newcastle Castle re-opened to the public on 24th July 2020 with new safety measures, booking processes, additional staffing and kitemark qualification from VisitBritain's Good to Go Scheme and the COVID-19 Secure venue certification. A reasonable rate of customer return was experienced versus expectation however numbers were significantly down on 2019. Considering almost 54% of our paying admissions are overseas visitors alongside factoring in low customer sentiment and confidence across the industry, this is unsurprising. When local restrictions were introduced in September bookings fell to almost zero overnight and continued at a very low level throughout those restrictions until Lockdown 2.0 closed Newcastle Castle once again. Never-the-less the open period allowed us to top up some vital reserves. Since November 2020 Newcastle Castle has been unable to re-open either due to restrictions or lockdown 3.0. Following the February 2021 government announcements on the easing of restrictions over time we now anticipate re-opening on 21st May 2021.

Whilst the pandemic has had a significant effect on operations and will affect them going forward, HOCP have been prudent putting all non-essential staff on furlough leave where possible, mothballing where necessary, utilising cash reserves and attracting numerous specialist COVID-19 government grants totalling £388,647 to be used towards core running costs and towards service adaptation and development. This included grant from the Heritage Emergency Fund and the Culture Recovery Fund (Round 1). A short-term COVID-19 strategy is in place alongside a funding plan where we are actively seeking funding from the Culture Recovery Fund (Round 2), The Sir James Knott Trust, other independent funding organisations as well as making timely applications for government-led grant schemes that we are eligible for. Our funding strategy is at the core of what we do and alongside our short-term strategy for re-opening and staffing will help ensure the organisations resilience whilst we also continually review, revise and adapt short, medium and long-term plans.

Operations and service offerings have adapted significantly since Lockdown 1.0 and a return to a more 'normal' style of visitation is being delivered through a four phase re-opening plan. It is clear that a number of benefits from re-evaluating how we work, and deliver have come from this including the introduction of: an online booking system, English and foreign language audio guides, digital guidebooks, digital schools materials for curriculum learning alongside virtual school visits all of which are now starting to bed in in terms of uptake. Adapting our service offerings has made us further consider who our audiences are and are not and how we might therefore engage a broader audience base. A review of the rolling 4-year strategic plan for example looks at introducing more community engagement, additional digital engagement through podcasts, blogs and vlogs and an ongoing revised marketing campaign to attract a more 'home-grown' audience during 2021 and 2022 whilst tourism from overseas comes back to full strength hopefully by 2023.

Currently, HOCP have no other operational activities aside from Newcastle Castle, however, visioning for the future will take place over the next few years to inform the road ahead.

ACHIEVEMENT AND PERFORMANCE Charitable activities

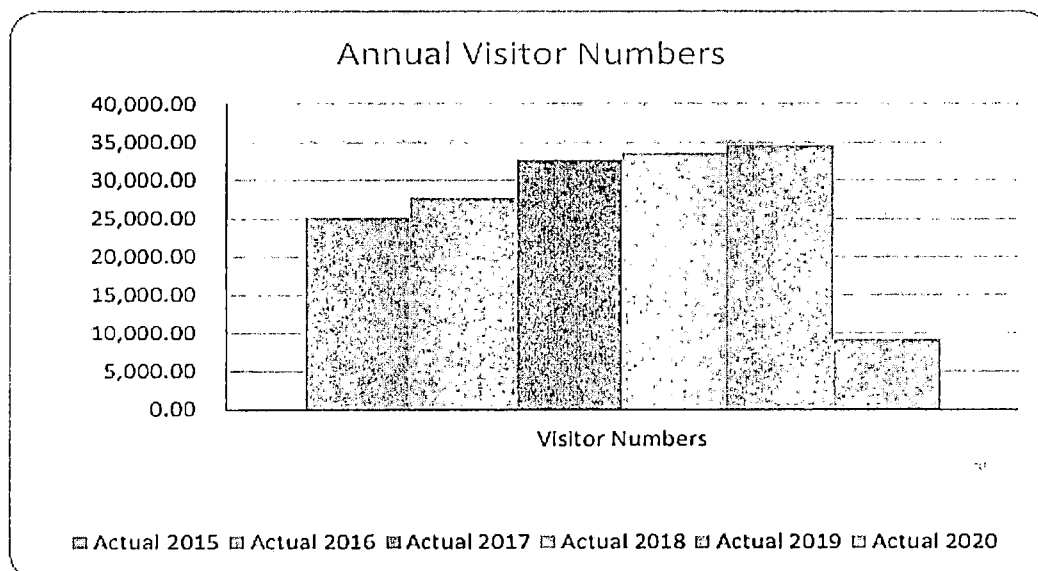
The audited accounts show a significant end-of-year surplus produced in 2020 with the major source of income, not surprisingly being grant funding, due to the pandemic. It should be noted however that most of that surplus is restricted by nature as being part of time restricted and output measured grant funding. What unrestricted funds remain are subject to our reserves policy but will be utilised to help sustain the organisation into 2022 with hopeful support from grant funders who will see the measured successes made prior to 2020.

2020 ticketed admissions numbers (excludes learning programme admissions and out-of-hours events admissions) unsurprisingly decreased significantly from previous years. Pre-COVID, 2019 numbers increased however, for the 4th year running by 4.13% from 2018 to 34,690 paying visitors. 2019 shows an increase of 5.7% in ticketed admissions numbers from 2017. 2016 saw a total 27,664 paying visitors with 2019 figures representing a 20.25% increase on that year. Our UK to non-UK visitor split over 2018 and 2019 was 46% UK to 54% non-UK averaged across the years. Clearly this was significantly lower in 2020 due to the major drop in visitors from overseas to the UK.

THE HEART OF THE CITY PARTNERSHIP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE



In 2019, recognising that not all may be able to afford the admission fees levied by Newcastle Castle, we opened its doors to over 2500 free admissions over 2020. In 2020 this just was not possible with the vastly reduced opening days and hours we had available. This will however be carried on in the future. At the end of 2020 we had maintained our e-newsletter subscriber levels at just over 2019 end of year levels, closing at 1754 subscribers. Generally, subscribers appear to be persons who are interested in Newcastle Castle's out-of-normal hours programme of events, talks, lectures, film nights and the like. Given the lack of ability to deliver any of these in 2020 a drop-off in subscribers would have forecast however it is a notable success that we have managed to maintain and fractionally increase readership through diversifying the content that we put out via the newsletter to include informative blogs, information about other offerings in the area / online and updates on what we think will happen when with castle opening. In 2019 our newsletter open rate averaged 32.8%, a very acceptable industry average. In 2020 that average fell slightly to 30.8% but given the circumstances this was not concerning.

The Newcastle Castle website was refreshed with a new online booking system added which also allowed people to purchase digital guidebooks and audio guides. The website saw 42000 unique visits in 2020. This accompanied by 66,000 pageviews. A drop on previous years not unsurprising given the impact of the pandemic. Across the year social media engagement consisted of a rise of around 2400 Facebook business page followers to 1000, a rise of around 150 Twitter followers to 3862 and a rise of just over 370 Instagram followers to 2900. 2020 saw more resources focused on use of Google MyBusiness to engage customers across Google's platform and to raise profile. Almost 70% of customers were searching directly for us. We appeared in search results on average 450k times per quarter across all Google search platforms and including Google Maps. Our photos which appear across these platforms are very successful in gaining engagement. We were proud to be ranked 1 place higher than 2019 as no. 13 out of 128 things to do in Newcastle on TripAdvisor this year, whilst also receiving a Traveller's Choice 2020 Award from them and had an overall rating of 4.5 out of 5 with 870 total reviews. We believe that alternative, out-of-hours cultural event programming can attract a more diverse audience and introduce them to the history and heritage of the site. Whilst in 2019 we put on 56 film nights, 9 theatre nights (across 3 shows), 4 music nights across 4 local performers, 10 talks and several other cultural activities, out of hours, like workshops and tours the impact of the pandemic meant we were only able to put on one Valentine's film night. We will continue this tentatively in 2021 and to a greater extent in 2022.

Charitable activities

Throughout the pandemic we have supported DMOs, local authority other organisations within our sector, the Bank of England and the Chamber of Commerce by giving timely and critical feedback and intelligence to help inform policymakers.

THE HEART OF THE CITY PARTNERSHIP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

Financial position

The results for the year are shown on the Statement of Financial Activities. Incoming resources totalled £472,264 (2019: £347,253) of which £260,321 is considered to be unrestricted in nature.

Resources expended totalled £318,647 (2019: £330,918) such that overall the charity accrued a surplus of £153,617 (2019: £16,335). At 31 December 2020, the charity has closing reserves totalling £328,361 (2019: £174,744) of which £203,903 (2019: £171,670) are unrestricted. Free reserves, being unrestricted reserves less that tied up in fixed assets, stood at £196,515 (2019: £165,585).

Principal funding sources

As the tapering grant for Newcastle Castle ended in 2017, a strategy was developed allowing the business to work towards financial self-sufficiency between 2016 to 2019 and beyond. 2019 saw the organisation generate a small surplus, one year ahead of plan, which, when measured against previous years indicated the organisation was on a path to a stable and self-sustaining operational model, equally bolstered by the significant public benefit from its core activities through admissions, learning and outreach.

However, given the impact of the Coronavirus / COVID-19 pandemic on 2020, the principle sources of funding for 2020 were grant-aid and admissions, not as previous years. On a return to a more operational 'norm', which looks likely to start in mid-2021 the principle sources of funding will expand gradually again to include retail, learning provision, venue hire, events and donations.

As with many other similar organisations the national progress against the Coronavirus Pandemic will significantly affect our 2021 outturn. We recognise this is an external factor over which we have very little influence, but we continually review, revise and adapt to the ever-changing situation to ensure the best chance of maximising every opportunity.

Notable Items from the Accounts

Although the organisation ends 2020 with a significant surplus, the majority of the surplus earned this year is tied up as restricted funds, this being due to Culture Recovery Fund (Round 1) grant funds being fully entitled and therefore necessarily recognised in our 2020 audited accounts. However, the grant fund covers two accounting periods from Oct 2020 through to end Mar 2021 hence the restricted nature of the funds being brought over into 2021. Whilst the organisation retains reasonable unreserved funds at the end of 2020 and with prudent and cautious budget and strategy measures in place for 2021 the organisation remains in a reasonable position to see the likely difficult year of 2021 through however grant funding to strengthen and maintain that position will be a primary concern given the volatile visitor economy at present.

Reserves policy

The trustees have agreed that at all times they will endeavour to keep six months running costs of the charity to be held in reserve, readily available. They have also agreed to endeavour to maintain the real value of any funds set aside and to generate a sustainable, low risk return through investments with an acceptable level of risk. Such returns to be drawn down to the trading account at the discretion of BMC or the board of trustees, to fund projects or business proceedings.

THE HEART OF THE CITY PARTNERSHIP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

FUTURE PLANS

Prior to the outbreak of Coronavirus (COVID-19) and the UK's lockdowns, we had anticipated focusing on the below, as in 2019.

1. Increase visitor figures
2. Focus on raising awareness to local visitors and visitors from overseas
3. Become more family-friendly
4. Introduce Early Years provision
5. Raising awareness of Newcastle Castle as a wedding venue
6. Raising awareness of Newcastle Castle as a venue for hire
7. Make Newcastle Castle more personable using Castle Characters
8. Putting the Castle back into Newcastle as part of the lifeblood of the city
9. More targeted events schedule

As the environment has changed dramatically due to the Coronavirus outbreak and the post-lockdown business sphere will be very different, we will be looking to focus on the following in 2021:

1. Re-opening in a COVID-Secure manner
2. Re-open and recovery strategy
3. Operational stabilisation through maximising revenue from income streams and grant funding
4. Longer-term planning

As with many visitor attractions, Newcastle Castle relies predominantly on visitor admissions income to fund operations and other areas of public benefit. From March 2020 through 2021 we anticipate vastly reduced capacity for visitor throughput as well as a vastly reduced audience willing to physically visit. We anticipate that the audience willingness will steadily rise and in segments, with the first segment being a local and regional audience, then national moving to international mid-2021 onwards. We anticipate audience recovery towards near 2019 levels no earlier than 2022 but recognise that the situation is fluid. We know that we must communicate effectively to our audiences about the measures we still have in place to ensure their safety during castle visit. This will be critical in raising sentiment to come and willingness to pay.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

HOCP is a Private Company Limited by Guarantee incorporated under the Companies Act 2006 and is a registered Charity. The objects for which HOCP was incorporated and its powers are contained within its Articles of Association.

Organisational structure

The Articles of Association provide that; The business of HOCP shall be managed by the Trustees, being the Members of HOCP, who may exercise its powers. The number of Trustees to be appointed as Directors of HOCP shall not be less than 6 and shall not be more than 12 of whom:

- Up to two shall be appointed by Newcastle City Council
- Up to 2 shall be appointed by the Dean & Chapter of Newcastle Cathedral
- Up to 2 shall be appointed by the Society of Antiquaries of Newcastle upon Tyne

The most senior manager, the Chief Executive Officer, is appointed by the Trustees for the purpose of ensuring the future sustainability of Newcastle Castle and promoting and developing the wider objects of the charity. Trustee meetings are held quarterly with BMC meeting at minimum 6 times per year to specifically inform the direction of Newcastle Castle and to support the Chief Executive Officer.

Induction and training of new trustees

Trustees are recruited as per the Articles of Association. Trustees recruited, but not from member parties, are recruited around the skills, knowledge and experience required to help steer the organisation.

Policy Notes

A safeguarding policy has been put in place. This is reviewed annually.

THE HEART OF THE CITY PARTNERSHIP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

Key management remuneration is determined by the Trustees.

Risk management

HOCF takes a comprehensive and systematic approach to risk-management, identifying significant risks under 6 main headings: strategic/business, HR / resources, property, operational, governance & financial. Procedures are in place to mitigate or otherwise manage the most significant risks identified and a Risk Register is in place. The Risk Register is regularly reviewed and updated and when new risks are identified policies and / or procedures are developed to mitigate the risk.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Heart of the City Partnership for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Robson Laidler Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

09/04/2021

Approved by order of the board of trustees on and signed on its behalf by:



Mr G M Black - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE HEART OF THE CITY PARTNERSHIP

Opinion

We have audited the financial statements of The Heart of the City Partnership (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE HEART OF THE CITY PARTNERSHIP

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The risk of material misstatement due to error or fraud is deemed to be low within the entity as the Trustees operate strong internal controls to mitigate any such risk. Substantive testing is performed on all material balances and therefore any irregularities should be identified or considered as insignificant. The audit was therefore considered capable of identifying irregularities only to the extent of the substantive testing performed and from discussions with management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE HEART OF THE CITY PARTNERSHIP**

Use of our report

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

MMoran

Michael T Moran (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited
Statutory Auditor
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
NE2 1TJ

Date: *9 April 2021*

THE HEART OF THE CITY PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	164,200	211,943	376,143	2,858
Charitable activities					
Ticket sales		70,673	-	70,673	231,620
Other trading activities	4	24,875	-	24,875	111,950
Investment income	5	<u>573</u>	<u>-</u>	<u>573</u>	<u>825</u>
Total		260,321	211,943	472,264	347,253
EXPENDITURE ON					
Raising funds		9,678	299	9,977	39,776
Charitable activities					
General running costs		36,816	18,766	55,582	69,039
Staff costs		170,405	67,336	237,741	213,251
Professional fees		<u>15,347</u>	<u>-</u>	<u>15,347</u>	<u>8,852</u>
Total		232,246	86,401	318,647	330,918
NET INCOME		28,075	125,542	153,617	16,335
Transfers between funds	15	<u>4,158</u>	<u>(4,158)</u>	<u>-</u>	<u>-</u>
Net movement in funds		32,233	121,384	153,617	16,335
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>171,670</u>	<u>3,074</u>	<u>174,744</u>	<u>158,409</u>
TOTAL FUNDS CARRIED FORWARD		<u>203,903</u>	<u>124,458</u>	<u>328,361</u>	<u>174,744</u>

The notes form part of these financial statements

THE HEART OF THE CITY PARTNERSHIP (REGISTERED NUMBER: 06373460)

BALANCE SHEET
31 DECEMBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	10	7,388	6,085
CURRENT ASSETS			
Stocks	11	10,682	14,718
Debtors	12	110,522	6,790
Cash at bank and in hand		<u>234,463</u>	<u>174,848</u>
		355,667	196,356
CREDITORS			
Amounts falling due within one year	13	(34,694)	(27,697)
NET CURRENT ASSETS		<u>320,973</u>	<u>168,659</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>328,361</u>	<u>174,744</u>
NET ASSETS		<u>328,361</u>	<u>174,744</u>
FUNDS	15		
Unrestricted funds		203,903	171,670
Restricted funds		<u>124,458</u>	<u>3,074</u>
TOTAL FUNDS		<u>328,361</u>	<u>174,744</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 09/04/2021 and were signed on its behalf by:


.....
Mr G M Black - Trustee

The notes form part of these financial statements

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. STATEMENT OF COMPLIANCE

Heart of the City Partnership is an incorporated charity (charity number: 1165434). The registered office is based at Fernwood House, Fernwood Road, Jesmond, Newcastle upon Tyne.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs. Additional disclosures have been made in the Report of the Trustees in relation to the potential impact the Covid-19 pandemic may have on future operations and the measures in place to reduce this impact. The Trustees have considered a period of 12 months from the balance sheet date and consider no further disclosures relating to the charity's ability to continue as a going concern need to be made.

Heart of the City Partnership meets the definition of a public benefit entity entry under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial accounts are prepared in Sterling (£).

The financial statements are rounded to the nearest £1.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income received by way of grants, donations and gifts is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income.

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

Expenditure

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

As a charity, the company is exempt from tax on income and gains to the extent that these are applied to charitable objects. No tax charges have arisen in the charity.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	272	619
Grants	<u>375,871</u>	<u>2,239</u>
	<u>376,143</u>	<u>2,858</u>

4. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Retail	11,231	33,612
Venue income	1,816	23,392
Event income	3,850	33,131
Other trading activities	<u>8,178</u>	<u>21,815</u>
	<u>24,875</u>	<u>111,950</u>

5. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	<u>573</u>	<u>825</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets	2,855	2,068
Audit fees	<u>3,240</u>	<u>3,807</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

8. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	220,028	194,291
Social security costs	10,147	9,420
Other pension costs	<u>7,566</u>	<u>6,540</u>
	<u>237,741</u>	<u>210,251</u>

Key management remuneration totalled £41,600 (2019: £37,712)

The average monthly number of employees during the year was as follows:

	2020	2019
	<u>17</u>	<u>15</u>
Management and administration		

No employees received emoluments in excess of £60,000.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	619	2,239	2,858
Charitable activities			
Ticket sales	231,620	-	231,620
Other trading activities	111,950	-	111,950
Investment income	<u>825</u>	<u>-</u>	<u>825</u>
Total	345,014	2,239	347,253
EXPENDITURE ON			
Raising funds	39,776	-	39,776
Charitable activities			
General running costs	68,874	165	69,039
Staff costs	213,251	-	213,251
Professional fees	<u>8,852</u>	<u>-</u>	<u>8,852</u>
Total	330,753	165	330,918
NET INCOME	14,261	2,074	16,335
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>157,409</u>	<u>1,000</u>	<u>158,409</u>
TOTAL FUNDS CARRIED FORWARD	<u>171,670</u>	<u>3,074</u>	<u>174,744</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

10. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 January 2020	15,131
Additions	<u>4,158</u>
At 31 December 2020	<u>19,289</u>
DEPRECIATION	
At 1 January 2020	9,046
Charge for year	<u>2,855</u>
At 31 December 2020	<u>11,901</u>
NET BOOK VALUE	
At 31 December 2020	<u>7,388</u>
At 31 December 2019	<u>6,085</u>

11. STOCKS

	2020	2019
	£	£
Stocks	<u>10,682</u>	<u>14,718</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	600	2,226
Prepayments and accrued income	<u>109,922</u>	<u>4,564</u>
	<u>110,522</u>	<u>6,790</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	5,497	8,561
Social security and other taxes	3,969	3,680
Other creditors	13,772	2,509
Accruals and deferred income	<u>11,456</u>	<u>12,947</u>
	<u>34,694</u>	<u>27,697</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
Fixed assets	7,388	-	7,388	6,085
Current assets	231,209	124,458	355,667	196,356
Current liabilities	(34,694)	-	(34,694)	(27,697)
	<u>203,903</u>	<u>124,458</u>	<u>328,361</u>	<u>174,744</u>

15. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	171,670	28,075	4,158	203,903
Restricted funds				
CCTV installation	1,000	(782)	-	218
Defibrillator	1,644	-	-	1,644
Explorers Road	430	-	-	430
Costumes for Live Interpretations	-	1,243	-	1,243
Culture Recovery Fund	-	125,081	(4,158)	120,923
	<u>3,074</u>	<u>125,542</u>	<u>(4,158)</u>	<u>124,458</u>
TOTAL FUNDS	<u>174,744</u>	<u>153,617</u>	<u>-</u>	<u>328,361</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	260,321	(232,246)	28,075
Restricted funds			
CCTV installation	4,000	(4,782)	(782)
Costumes for Live Interpretations	1,243	-	1,243
Culture Recovery Fund	206,700	(81,619)	125,081
	<u>211,943</u>	<u>(86,401)</u>	<u>125,542</u>
TOTAL FUNDS	<u>472,264</u>	<u>(318,647)</u>	<u>153,617</u>

THE HEART OF THE CITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	157,409	14,261	171,670
Restricted funds			
CCTV installation	1,000	-	1,000
Defibrillator	-	1,644	1,644
Explorers Road	-	430	430
	<u>1,000</u>	<u>2,074</u>	<u>3,074</u>
TOTAL FUNDS	<u>158,409</u>	<u>16,335</u>	<u>174,744</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	345,014	(330,753)	14,261
Restricted funds			
Defibrillator	1,644	-	1,644
Explorers Road	<u>595</u>	<u>(165)</u>	<u>430</u>
	<u>2,239</u>	<u>(165)</u>	<u>2,074</u>
TOTAL FUNDS	<u>347,253</u>	<u>(330,918)</u>	<u>16,335</u>

CCTV

The charity received a grant of £1,000 in 2018 from Wm Webster Trust and a grant of £4,000 in 2020 from Newcastle City Council for the installation of a CCTV system.

Defibrillator

The charity received a grant of £1,644 in 2019 from Monument Ward Committee for the installation of a defibrillator in the castle and cathedral area.

Explorers Road

The charity is working to become part of a multi-stop touring route through the cultural and historical heart of England by Visit Britain and received a grant of £595 from NGI.

Costumes for Live Interpretations

The charity received a grant of £1,243 from CO-OP to buy costumes for live interpretations and relevant events.

Culture Recovery Fund

This relates to a grant received from the Heritage Fund towards staff salaries and other running costs of the charity.

THE HEART OF THE CITY PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. MOVEMENT IN FUNDS - continued

Transfers between funds

Culture Recovery Fund

The transfer relates to the purchase of capital equipment covered by the Heritage Fund grant.

16. RELATED PARTY DISCLOSURES

Included within creditors at the year end is a £nil (2019: £180) owed to Newcastle City Council.

Newcastle City Council has provided a grant of £1,644 to purchase a defibrillator and a grant of £4,000 to purchase a CCTV system.

17. POST BALANCE SHEET EVENTS

Since the end of the financial year, due to the impact of the Coronavirus and the related Government policies on social distancing, the charity has been forced to temporarily close. The Trustees are aware of the potential financial impact of these measures and have made additional disclosure within the Trustees report in relation to this.

THE HEART OF THE CITY PARTNERSHIP

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	272	619
Grants	<u>375,871</u>	<u>2,239</u>
	376,143	2,858
Other trading activities		
Retail	11,231	33,612
Venue income	1,816	23,392
Event income	3,650	33,131
Other trading activities	<u>8,178</u>	<u>21,815</u>
	24,875	111,950
Investment income		
Deposit account interest	573	825
Charitable activities		
Ticket sales	<u>70,673</u>	<u>231,620</u>
Total incoming resources	472,264	347,253
EXPENDITURE		
Other trading activities		
Shop purchases	7,887	16,096
Events and resources	<u>2,090</u>	<u>23,680</u>
	9,977	39,776
Charitable activities		
Wages	220,028	194,291
Social security	10,147	9,420
Pensions	7,566	6,540
Rates and water	605	907
Insurance	6,365	5,513
Light and heat	5,704	6,025
Telephone	1,881	1,954
Postage and stationery	449	1,573
Marketing and publicity	10,723	15,270
Sundries	3,956	3,374
Travelling	311	862
Training	180	4,596
Repairs	15,921	24,916
Card machine charges	3,446	3,534
Depreciation of tangible fixed assets	<u>2,855</u>	<u>2,068</u>
	290,137	280,843

This page does not form part of the statutory financial statements

THE HEART OF THE CITY PARTNERSHIP

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Support costs		
Management		
Payroll fees	3,246	1,465
Professional fees	12,047	5,027
Audit fees	<u>3,240</u>	<u>3,807</u>
	<u>18,533</u>	<u>10,299</u>
Total resources expended	<u>318,647</u>	<u>330,918</u>
Net income	<u>153,617</u>	<u>16,335</u>

This page does not form part of the statutory financial statements