

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

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### 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

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# 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

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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

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#### 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**

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### **Our Staff & Volunteers**

HOCPC 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

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#### 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.

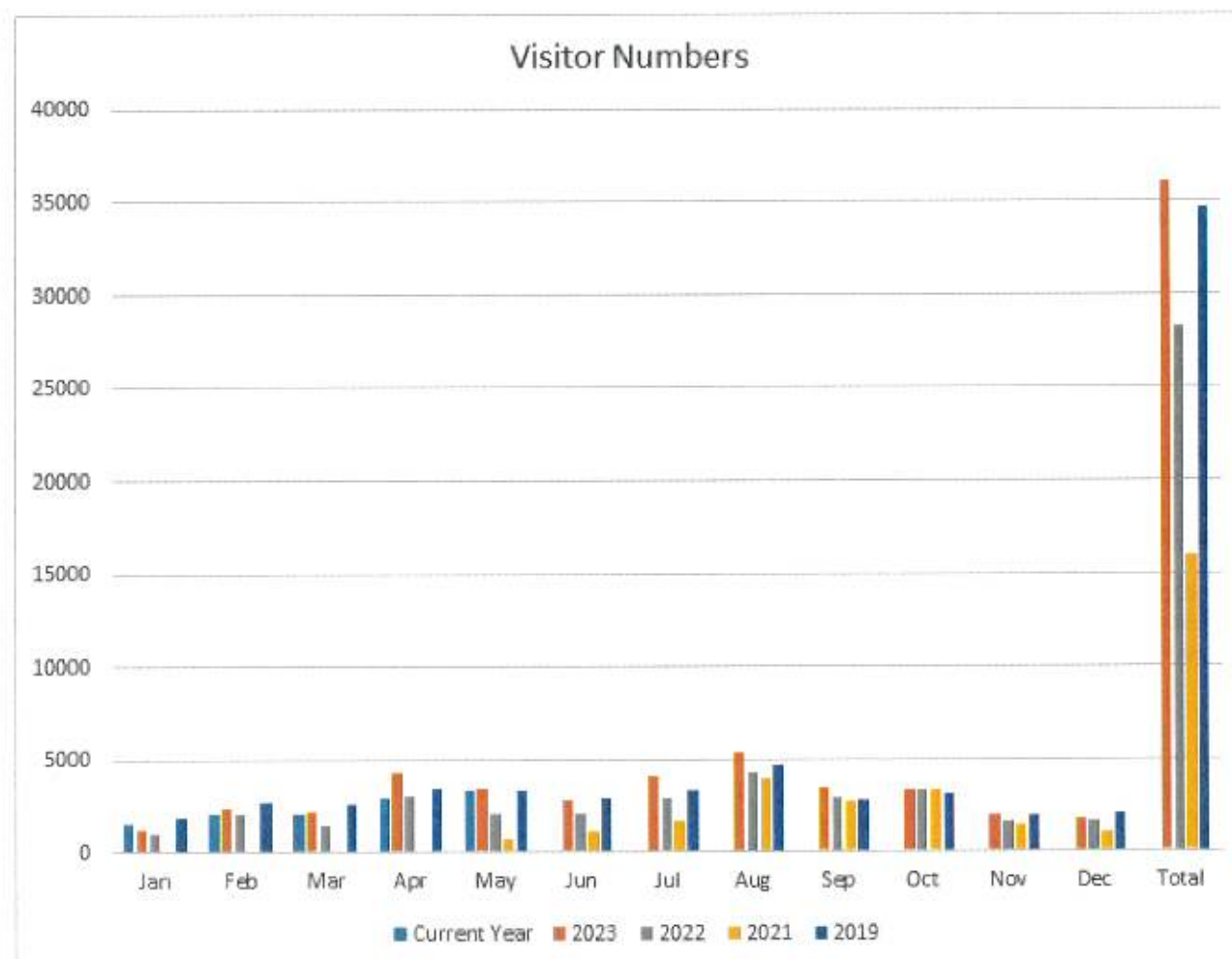
We also aim to engage with schools located in deprived areas, in 2023 approximately 43% of schools that we worked with were in the top 30% more deprived areas in the UK (decile 1, 2, or 3)

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.

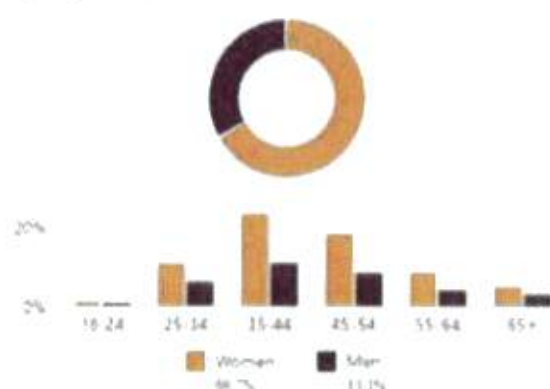
Facebook followers

13,615

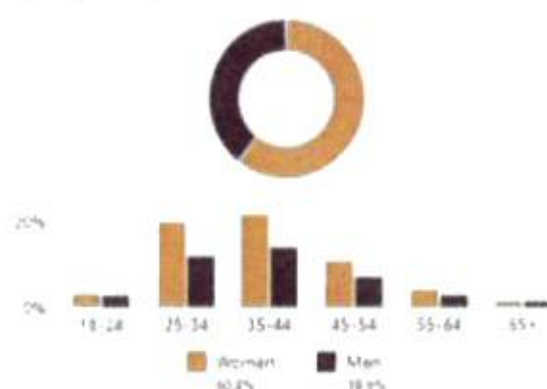
Instagram followers

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

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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

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### 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

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#### 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

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#### **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

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

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

# THE HEART OF THE CITY PARTNERSHIP

## BALANCE SHEET

AS AT 31 DECEMBER 2023

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

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

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#### 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

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#### 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 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 £
<b>Direct costs</b>		
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>
<b>Share of support and governance costs (see note 6)</b>		
Support	4,601	3,470
Governance	3,876	3,600
	<u>399,977</u>	<u>369,041</u>
<b>Analysis by fund</b>		
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>
<b>Analysed between:</b>		
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

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#### 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 £
<b>Cost</b>	
At 1 January 2023	35,116
Additions	660
Disposals	(1,740)
At 31 December 2023	<u>34,036</u>
<b>Depreciation and impairment</b>	
At 1 January 2023	27,551
Depreciation charged in the year	7,028
Eliminated in respect of disposals	(1,740)
At 31 December 2023	<u>32,839</u>
<b>Carrying amount</b>	
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	<u>5,185</u>	<u>8,952</u>

### 12 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
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
	2,426	1,200	(1,126)	2,500

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

# 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 £
<b>Fund balances at 31 December 2022 are represented by:</b>			
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).