

Company registration number: 11533203

Charity registration number: 1182534

URBAN GREEN NEWCASTLE

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

Urban Green Newcastle

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Urban Green Newcastle

Reference and Administrative Details

Trustees

J P Beirne
K Culverhouse
P Collings (resigned 23 June 2022)
G A Tiller
A D Schofield
E Ritchie
R Cameron
V M Keen
N J Emmerson
B Aitken
P A Cresswell
I Ali (resigned 25 May 2022)
R Higgins (resigned 25 May 2022)
M Wilton (appointed 28 October 2022)

Key Management Personnel

C Pyrah - Chief Operating Officer from 11 July 2022,
J Riley - Interim CEO (to 11 July 2022),
B Hooper - Parks and Allotments Director,
M Chapman - Enterprise Director,

Registered Office

Ouseburn Parks
Visitors Centre
Red Walk
Newcastle upon Tyne
Tyne and Wear
NE7 7BQ
The charity is incorporated in England and Wales.

Urban Green Newcastle

Reference and Administrative Details

Company Registration Number	11533203
Charity Registration Number	1182534
Solicitors	Womble Bond Dickinson The Spark Draymans Way Helix Newcastle upon Tyne NE4 5DE
Bankers	Handelsbanken Newcastle upon Tyne Earl Grey House 75 - 85 Grey Street Newcastle upon Tyne NE1 6EF
Auditor	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Urban Green Newcastle

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2023.

Structure, governance and management

Nature of governing document

Urban Green Newcastle (previously known as Newcastle Parks and Allotments Limited until 29 January 2019 and previously as Newcastle Parks and Allotments Trust until 5 December 2019) is constituted as a registered charity and company under guarantee in accordance with its Memorandum and Articles of Association dated 23 August 2018 and last amended 2 April 2019. The company gained registered charitable status with the Charity Commission on 19 March 2019.

Members

The Members of Urban Green Newcastle are Newcastle City Council; and at least five and no more than eleven other Members comprising body corporates, public corporations, charitable organisations and similar organisations and partnerships that have an interest in the objects of Urban Green Newcastle. Members are appointed by the trustees. The current members are Newcastle City Council, Connected Voice, National Trust, Newcastle University, Natural History Society of Northumbria, Newcastle upon Tyne Hospitals NHS Foundation Trust, and Northumbria University.

Recruitment and appointment of trustees

Urban Green Newcastle has up to two trustees nominated by Newcastle City Council and between six and eleven appointed trustees. Nominated trustees are nominated in writing by Newcastle City Council. Appointed trustees are appointed by the board based on their skills and experience and following a public advertisement of the vacancy and a transparent appointment basis. Where there are two nominated trustees in office there must be no less than eleven appointed trustees. Where there is one (or no) nominated trustees in office there must be no less than six appointed trustees.

Urban Green Newcastle

Trustees' Report

Organisational structure

The Board of Trustees met six times during the year to take strategic decisions. Several areas of responsibility are delegated to the three sub-committees of the Board:

Finance, Audit and Risk – finance, external audit, and strategic risks

Compliance – statutory matters including safeguarding, health and safety, data protection and complaints.

Nominations and Remuneration – general affairs of the Board and personnel matters.

Our Urban Green Newcastle staff are structured into three departments (Operations, Enterprise, and Parks and Allotments), and led by the Chief Executive.

Urban Green Connect

This is an advisory panel to help the charity engage with the wider community and it met four times during the past year. The group advises us on how best to reach out to and involve local people, how to be inclusive, and how we can truly make a difference. Trustees appoint the Chair of the group, who is a trustee, and ensure that all other members of the group reside in Newcastle upon Tyne or surrounding areas or represent the interests of a particular group of residents in the city and are appointed following a transparent selection process. During 2022/3, new members were welcomed into the group following a further round of recruitment. The 15 members (in addition to Trustees) cover a diverse range of interests from across the city, including residents and support groups, community organisations, health, older people, those with disabilities, police, students, and businesses. During the year, they have provided invaluable input into several initiatives and proposals, including the Allotments Show, the Springbank project with the NHS Trust, and helped shape delivery and outreach going forwards.

Objectives and activities

Objects and aims

Urban Green Newcastle is established for public benefit, especially for the residents of and visitors to Newcastle upon Tyne and the surrounding areas to:

- maintain, protect and improve parks, open spaces, woodlands and recreational spaces;
- advance health by promoting participation in sport and other outdoor recreation;
- provide recreation and leisure facilities, including allotments; and
- advance education in the conservation, protection and improvement of the natural environment; the history, culture, heritage and traditions of the North East; and the arts, especially in parks.

Urban Green Newcastle

Trustees' Report

Our vision and ambitions

The value of public green space and allotments to both people and the environment is well-documented and irrefutable. Their contributions to public health, and their benefits for physical and mental well-being, have never been clearer. They play a key role in conserving the rich culture and heritage of our city. At a time of climate crisis and major loss of wildlife, their importance in 'trapping' carbon and enhancing biodiversity has never been higher.

The parks and allotments of Newcastle are therefore an invaluable resource for the city, with the power to improve places and enrich people's lives in so many ways. These principles drive the vision and ambitions of Urban Green Newcastle.

Our vision is for more people to enjoy and benefit from beautiful, vibrant open spaces, which are safe, welcoming, and provide a great environment for wildlife and people which is valued by all.

Our ambitions reflect the consultations carried out with the people of Newcastle during the time of transition from Newcastle City Council into a new independent charity. They are:

- More people are enjoying beautiful and vibrant open-spaces and feeling the benefits to their health and wellbeing and that of their families and communities. In the future we will see more people of all ages, and from a wide range of backgrounds, enjoying the parks and allotments in the city. The parks will always be free to access and to enjoy. There will be exciting large-scale events and venues, art and cultural activities and opportunities for sport and exercise. We will encourage children and young people to explore nature through educational activities in parks and allotments.
- Parks and allotments are safe and welcoming for all. We will invest in them to create beautiful, clean, safe and well-maintained open spaces. Income from facilities and activities will be reinvested so people from all our city's diverse communities can enjoy the parks and allotments. People notice the difference and public satisfaction is high.
- Local people feel connected and committed to parks and allotments. Our visitors and volunteers are passionate about all the city's parks and allotments. We are giving people opportunities to come together, get involved and feel proud of their parks, allotments, and green spaces. We offer opportunities for employment and volunteering.
- Partner organisations value the parks and allotments and are committed to helping maintain and develop them. We will build close relationships with organisations and businesses in the city and involve as many partners as possible in using and investing in the estate.
- The parks and allotments will help conserve and improve our environment. We will help in the fight against climate change and ensure that the parks and allotments are managed in a way which benefits wildlife, conserves our rich heritage, and reduces pollution.

Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

Urban Green Newcastle

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Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

Newcastle's parks and allotments benefit from a significant amount of support from volunteers and partnerships have been at the heart of much of our work. We continued to expand our volunteering offer across the estate, including self-guided volunteering and regular ranger-led groups. These included Urban Green Clean, an initiative that provides volunteers across the city with litter picking equipment. Urban Green volunteers during the year completed over 5,800 hours with activities ranging from bulb and tree planting to ranger-led activities, Pets Corner volunteering, litter-picking and nature education volunteering.

Working with the National Citizen Service (NCS), Newcastle United Foundation and Catch 22 over 280 young people from across the city took part in 12 days of social action. We have also taken new approaches to increasing capacity, working with The Skill Mill, Probation Service and Youth Justice Board. Teams from the Probation Service and Youth Justice Board have this year increased both the number of days and the parks in which they work. Over the calendar year 2022 this has equated to over 8 FTEs of additional capacity looking after Exhibition Park, Leazes Park and Walker Park.

During the year we also focussed on developing training and skills opportunities by hosting four Kickstarter placements as part of the government scheme to help young people into work and providing placements and training for animal care students at Pet's Corner. We also worked closely with local communities and organisations including Summerhill Trust, Healthworks, Friends of Groups, Green Gym, Better Days and West End Women & Girls. Crucial to the future of the parks are the many Friends of Groups who range from independent registered charities to more informal groupings.

Achievements and performance

This year ensuring that the estate continued to be cared for, safe and welcoming to all continued to be our priority and we also made progress against the five strategic aims in our corporate strategy 2021-2026.

Value, care for and improve our parks and allotments

The parks have four Green Flag Awards. UGN doubled the number of Green Flags in 2020 and we maintained this number after 2023 assessments. We established or strengthened several partnerships to work with our team of park rangers, community gardeners, and engagement and volunteering staff; these relationships are vital to our work making the estate safe, cared for and attractive to all. UGN continued to work in partnership with the Office of the Northumbria Police and Crime Commissioner. A help point was installed and extensive work to improve sight lines was completed in Leazes Park; the Police and Crime Commissioner attended a UGN Board meeting in February 2023. Other successful partnerships included placements and training for animal care students offered at Pets Corner; and multiple relationships established with local groups (such as Summerhill Trust, West End Women and Girls, Healthworks, Elders Council, Better Days, Smile for Life, Friends of Groups) providing a range of activities across parks and allotments.

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Tree safety management was a priority during the year. Work continued to address a 10-year backlog of tree safety works across the estate and we have now invested more than £320,000 in trees since we were established in 2019. The tree estate benefited from a variety of management interventions whilst, at the same time, we started to implement an improved tree safety assessment regime more aligned to a charitable model.

A second management priority was playgrounds and play areas. UGN has now invested over £480,000 in equipment, repairs, and renovations, either directly or in partnership with Newcastle City Council. Damage caused by arson and anti-social behaviour is a significant challenge and reduces the resources available to fund new or improved play areas. We continued in-house play area inspection services with our dedicated Play Ranger and an upskilled wider team. Fundraising initiatives in partnership with the local community were established to provide new equipment in some parks.

Our flagship Beelines Initiative, funded by the Green Recovery Challenge Fund, continued throughout the year, ending in May 2023. In partnership with Northumberland Wildlife Trust, 3,700 trees were planted (target 2,500), 18 hectares of nectar rich grassland created and improved, nearly 42,000 bulbs planted (target 25,000) and 1,815 sqm of pollinator friendly borders created (target 750 sqm). The education and engagement programme saw 9,000 attendances at events and education sessions, with 4,500 people taking part in activities to explore nature (40% of which took place in low IMD areas). These events focussed on children under 11 and included 16 schools and six community groups who looked at plants, pollinators, and their conservation. The project logged more than 3,000 volunteer hours, sustained 10 existing jobs and created five new jobs. Flower borders have been rejuvenated with pollinator friendly planting schemes in Leazes, Exhibition, Heaton and Walker Parks and a variety of blossom trees have been planted, including support for the Queen's Green Canopy.

We are responsible for about 60 buildings in parks including former park lodges, bowling pavilions, a variety of huts and depots, listed buildings and sports facilities. A range of other community buildings exist within allotments. Work during the year concentrated on getting the basics right so that the buildings meet statutory safety standards. Renovations funded by the LGA Foundation allowed us to open Springbank Pavilion, Leazes Park as a new community venue in spring 2022. We also commissioned a condition survey at the Banqueting Hall and carried out remedial works at Deep Dene House to prevent further deterioration. Works to secure Western Lodge in Leazes Park were also carried out.

With support from National Heritage Lottery Fund, at Walker Park, and Sustrans, at Walker Riverside and Tyne Riverside Parks, we were able to resurface more than 2 kilometres of footpaths and cycleways. The Sustrans project also enabled other improvements to the visitor infrastructure including gates, signage, and benches.

Other works included a programme of allotment infrastructure repairs following the damage caused to fencing in the winter storms of 2021/22, repairs to the stone setts around Leazes Park lake and supporting NCC in drainage improvements at Havannah Nature Reserve (including commissioning Havannah's first Conservation Management Plan).

Develop a rich, diverse, and exemplary visitor experience across our estate

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Our two Urban Green Cafés in Exhibition and Paddy Freeman's Parks continued to welcome a wide range of people to the city's parks. We work with local suppliers wherever possible, supporting the local economy, flying the flag for North-East producers, and reducing food miles. The cafes provide free of charge, accessible, public toilet facilities in both parks and many customers, especially in Paddy Freeman's Park, have commented that they are able use the park again as a result. We also host several food and drink concessions in the parks to provide a greater choice for park users and worked with tenants operating cafes and restaurants from park buildings in Exhibition, Heaton, Leazes, Tyne Riverside and Jesmond Dene Parks.

Our programme of events and activities enjoyed a first full year unencumbered by restrictions caused by COVID-19 and associated lockdowns and an Events Strategy was completed in late 2022 after consultation with Urban Green Connect and key stakeholders. Major community event highlights included the popular Born Free Lions exhibition in Exhibition Park, and the Queen's Platinum Jubilee Beacon event in Hodgkin Park where we worked with members of the west end community to create a free family event with carnival performances, live music, community stalls, local street food and the lighting of a beacon. Most of the programme was organised by third parties using parks and events spaces – community-based events, larger music and arts activities, fun runs, sporting events, theatre and cinema. Unfortunately, the death of Queen Elizabeth II in September 2022 led to our allotment show being cancelled for the third year in succession, but we were able to celebrate the plot winners online throughout the autumn. Preparations took place through the year to relaunch the event in 2023.

Provide opportunities for enhancing health and wellbeing across our estate

This year saw the unveiling of Urban Green's cultural programme including a creative well-being programme supported by the Newcastle Hospitals Charity, LGA Foundation and Community Foundation based at Springbank Pavilion in Leazes Park. In the first four months over 200 participants (65% from deprived wards) took part in 30 sessions. Downloadable activities to do at home have allowed a further 240 online participants.

The allotments are a vital resource generating health benefits across the city. We continued to manage over 60 sites across the city providing advice and guidance to allotment associations as well as managing some sites directly. This included supporting associations and users, as well as coordinating repairs and maintenance.

We continued to collaborate with Newcastle City Council on the design, coordination and delivery of sport and physical activity programmes in parks within the Urban Green Newcastle estate. Projects to improve tennis courts and football pitches were developed during the year (with works to improve the sites taking place in 2023).

Seek opportunities to combat climate change and enhance the environment

UGN is committed to be carbon net-negative by 2031 and varied activities contributed towards this objective during the year. Prominent was a diversity of tree-planting initiatives, with local communities, scouts, volunteer groups and other partners that saw UGN plant 8,300 trees during the year. To date (at the time of writing) we have planted over 11,500 trees. Specific grant-funded initiatives included a continued partnership with North East Community Forest and Trees for Cities to carry out extensive planting.

We also signed the first S106 in the city to offer off-site biodiversity net gain managed by UGN and started to convert our vehicle fleet to electric with the purchase of the first electric van.

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Various wetland and riverine management schemes were undertaken. We created a partnership with Northumbria Water, Environment Agency, Tyne Rivers Trust, and Newcastle City Council to look at options for a major habitat creation initiative at Tyne Riverside Park addressing flood management issues, such as subsidence, run-off, and rising mine water, which have been unresolved since 1980. This project secured funding from the Environment Agency's Natural Environment Investment Readiness Fund.

National profile for the city's new model for managing parks came from the Future Parks Accelerator conference in October 2022 and ongoing interest from the Department for Levelling Up, Housing and Communities Select Committee and we have worked closely with the cohort of Future Parks Accelerator places to share learning and best practice.

Develop the resources and organisational capability to deliver our vision

During the year the average number of staff (excluding those on casual contracts) employed by Urban Green Newcastle was 37 FTE and Newcastle Parks Enterprises was 5.5 FTE, meaning the group had 42.5 FTE (2022: 35 FTE). At 31 March 2023 there were 47 individual employees in the group (2022: 67 employees) with 30 employed by the charity and 17 employed by its trading company. During the year there were 21 (2022: 46) individual new starters whilst 41 (2022: 15) people left the group. Wages for permanent or fixed-term employees comply with the Real Living Wage.

An important achievement was establishing a programme for education, training, and skills. Highlights included four Kickstart traineeships being completed in our Ranger and Pet's Corner teams and hosting placement and voluntary positions across the organisation.

Whilst our charity continued to deliver a wide range of projects, initiatives and activities across the estate, important work took place to strengthen our internal systems and processes. During the year Trustees approved or re-approved a range of policies covering key areas of responsibility including finance, employment, health and safety, safeguarding, complaints, and data protection.

Donors, grant funders and sponsors

Thank you to the following organisations and partners who have provided financial and in-kind support to Urban Green Newcastle through the year:

Access – The Foundation for Social Investment

Awards for All

Better Days

Catch 22

Cicarelli

Community Foundation

Environment Agency

Urban Green Newcastle

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Exhibition and Brandling Parks Community Trust

Friends of Denton Dene

Friends of Gosforth Central Park

Friends of Heaton and Armstrong Parks

Friends of Jesmond Dene

Friends of Leazes Park

Friends of Nunsmoor Park

Friends of Paddy Freemans

Friends of Sugley Dene

Future Parks Accelerator, a collaboration between the National Lottery Heritage Fund, National Trust and the Department of Levelling Up, Housing and Communities

GoodGym

Gosforth Garden Village Tennis Club

Greening Wingrove

Groundwork NE and Cumbria

Hadrian Trust

Healthworks

Heaton Model Boat Club

Kickstart Scheme

Kirkley Hall

LGA Foundation

Lord Lieutenant of Tyne and Wear

Microsoft

National Citizenship Service

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National Lottery Heritage Fund

National Trust

Natural History Society for Northumbria

Newcastle Allotments Working Group

Newcastle City Council

Newcastle United Football Foundation

Newcastle University

North East Community Forest

Northumberland Wildlife Trust

Northumbria Police and Crime Commissioner

Northumbria University

Northumbria Water

One Landscapes

Ouseburn Farm

Probation Service

Ringtons

Summerhill Trust

Sustrans

Take Ten Minutes

The Bostey

The Government's Green Recovery Challenge Fund. The fund was developed by Defra and its Arm's-Length Bodies. It is being delivered by The National Lottery Heritage Fund in partnership with Natural England, the Environment Agency and Forestry Commission

The Skill Mill

The Social Investment Business

Urban Green Newcastle

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Trees for Cities

Tyne Rivers Trust

Walker Workers

West End Women and Girls

YMCA

And all the many other people and organisations who have helped and supported us over the year.

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Trustees' Report

Financial review

Total income for the year was £3,609,698 (2022: £3,304,903). Income was generated as follows:

	2023	2022
	£	£
Grants and donations	1,184,237	476,336
Cafes	451,376	372,004
Property	344,902	364,047
Car parking	279,268	202,145
Other income	65,845	23,438
Events	49,355	90,900
Newcastle City Council	1,234,715	1,776,033
Total income	3,609,698	3,304,903

The strategic aim leading to the establishment of the charity was for it to generate additional income and reduce reliance on Newcastle City Council. It is pleasing to report that the proportion of income generated by the charity increased from 46% in 2022 to 66% in 2023. This was driven by a significant increase in grants and donations. Our commercial income streams show mixed performance: events income fell because of challenges in securing event licences and property income dipped as the leases on some allotment sites were ended by our landlord. Car parking performed strongly in a year largely free of COVID-19 restrictions, which also benefitted our cafes.

Total expenditure was £3,384,619 (2022: £2,980,637) and was invested as follows:

	2023	2022
	£	£
Parks	2,137,162	1,900,759
Pets Corner	152,921	121,469
Allotments	79,890	70,016
Enterprise	355,708	364,833
Cafes	595,490	487,567
Governance	63,450	35,993
	3,384,619	2,980,637

Most investment was focused on the parks and allotment estate and the total increased from £2,092,244 in 2022 to £2,369,974 in 2023. This was allocated to the following areas of activity:

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	2023	2022
	£	£
Parks maintenance	614,626	807,155
Beelines project	429,068	157,295
Rubbish	316,287	260,888
Grass cutting	280,066	230,655
Trees	219,587	163,681
Playgrounds	159,611	281,085
Sustrans project	117,918	-
Pets Corner	152,921	121,469
Allotments	79,890	70,016
	2,369,974	2,092,244

At the end of the year the charity had total reserves of £1,807,356 (2022: £395,277). Restricted funds carried forward totalled £815,748 (2022: £619,780) and unrestricted funds carried forward were £991,608 (2022: deficit of £224,503).

Policy on reserves

In June 2020, trustees reviewed the forecast income streams, expenditure commitments and working capital requirements arising from Urban Green Newcastle's responsibility for managing and maintaining 33 parks and approximately 60 allotment sites across Newcastle-upon-Tyne. This led to the formal adoption of a reserves policy.

The trustees wish to ensure that they could maintain the parks and allotments estate for at least 6 months in the event of a significant loss of income or another catastrophic event. This would allow time to develop a response, for example making significant structural changes to the charity. The trustees are committed to an operating model that reduces the charity's dependence on income from Newcastle City Council and diversifies income from property, trading, and philanthropic sources. In addition, plans for the coming years allow for general reserves to be increased to provide 9-12 months cover for commitments on repairs to the buildings and other capital infrastructure across our estate. Further, Urban Green Newcastle's financial agreement with Newcastle City Council provides income specifically to invest in our estate and to address a historic shortfall in repairs and maintenance; the trustees have created an unrestricted, designated fund to manage the balances of this income.

At current levels of activity, the unrestricted general cash reserves should be approximately £1 million. Currently, the general reserve (free reserve) is £570,414 (2022: deficit of £482,184). The trustees will review the policy and progress towards meeting the target level of reserves annually.

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Principal funding sources

The principal funding sources during the year were:

- A 10-year contribution agreement with Newcastle City Council provided £1,234,715 (2022: £1,776,033).
- A variety of grants from trust, foundations and companies generated £1,184,237 (2022: £476,336).
- Property income generated £673,525 (2022: £656,017) from letting of buildings, allotments and car parking charges.
- Sales of goods and services through Urban Green cafes generated £448,580 (2022: £365,177).

Key Management Personnel

The board have considered who the Key Management Personnel (KMP) of the charity, as noted in the Reference and Administration section. Together with the board, these KMP are those in charge of directing and controlling, running, and operating the activities of the charity on a day-to-day basis. The pay of the KMP is reviewed annually. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the charity can afford any proposed increases. The board then agree any uplift to remuneration.

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Going concern

Urban Green Newcastle was established in April 2019 and supported by a 10-year financial agreement with Newcastle City Council to provide up to £9.5 million of support, a figure later revised down to £7.7 million when it was clear that the charity could reclaim more VAT than envisaged. The level of financial assistance available annually to UGN was determined using a financial model created prior to the establishment of the charity and the transfer of parks and allotments to it. The Council conducted an appraisal of a formal request for financial support from UGN before the start of each financial year which determined how much finance could be drawn down in the period.

The financial model was predicated on the assumption that UGN would be able to create new commercial income streams to offset a reduction in Council financial support, allowing the charity to be self-financed by the end of its tenth year. This has not happened for various reasons: the model under-estimated certain costs (especially due to the poor condition of the estate inherited by UGN) and was overly optimistic about how quickly and at what scale commercial income could be generated. But the main challenge was that the charity was launched less than 12 months before the COVID-19 pandemic and associated lockdowns. This shifted focus away from developing new income streams, concentrated organisational capacity on managing the impacts of the lockdowns on our estate, its visitors, and our staff, and increased our costs.

The medium-term impact is that whilst UGN has made significant progress towards financial sustainability our development is not following the financial model. The Trustees have kept the Council fully apprised of the financial realities facing the charity and highlighted the departure from the financial model during the appraisal process for financial support in 2021, when more funding was drawn down than anticipated by the model.

At 31 March 2023, UGN had drawn down £6,730,774 of assistance over four years and there was £977,453 of funding remaining. In February 2023 the Council agreed to UGN's request to draw down the remaining funding for use during the financial year ending 31 March 2024.

At the same time, the Council asked UGN to prepare a new 5-year business plan describing a path towards sustainability. This has been produced with consultancy support for The Cranfield Trust. The new plan, covering the period 2024-2029, is based on a detailed understanding of the costs of maintaining the estate and possibilities for income generation.

This new plan forecasts an operating deficit of £1.65 million in financial year 2024-25 falling to £1 million in financial year 2028-29; the cumulative deficit over the five years of the plan is £6.7 million. Whilst UGN had free, cash reserves of £570,414 on 31 March 2023 these will be used to support operations in the 12 months to March 2024. Current cash flow forecasts suggest that the charity has insufficient cash reserves to operate past April 2024 if it does not receive additional support from funders. Given the level of financial assistance required and our close working relationship, the only realistic source of funding is the Council.

Our Trustees and Chief Executive have held discussions with Newcastle City Council's Chief Executive and Directors, including the Chief Finance Officer over the last 12 months. These have been constructive, and the Council is aware of the challenges and timescales faced by the charity. An offer of additional assistance of £1,026,326 had been made and is under discussion by the Trustees.

Trustee have therefore concluded that there is material uncertainty over the charity's ability to continue as a going concern until this offer has been reviewed. Until that time the Trustees cannot definitively continue to fulfil their statutory obligations for the next 12 months from the date the accounts were signed.

Urban Green Newcastle

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Plans for future periods

A corporate strategy for the next 10 years was completed by the Key Management Personnel and launched in spring 2021. Our new business plan 2024-2029 continues to deliver against the strategic aims described in our corporate strategy.

Aims and key objectives for future periods

Aim 1: Value, care for and improve our parks and allotments.

Aim 2: Develop a rich, diverse and exemplary visitor experience across our estate.

Aim 3: Provide opportunities for enhancing health and wellbeing across our estate.

Aim 4: Seek opportunities to combat climate change and enhance the environment.

Aim 5: Develop the resources and organisational capability to deliver our vision.

Activities planned to achieve aims

Value, care for and improve parks and allotments

To achieve this, we will:

- Continue a programme of maintenance to improve the safety and appearance of parks and allotments focusing in particular on trees and playgrounds.
- Establish management principles and plans for improving parks, in partnership with key stakeholders and in consultation with local communities.
- Improve the quality of allotments, in consultation with key stakeholders, to ensure that these are safe, welcoming spaces which promote the benefits of local food.
- Address the poor condition of buildings and structures across the estate and develop a programme of repair and investment.
- Work with partners and key stakeholders to facilitate improved long-term and sustainable management and maintenance across our estate and ensure statutory compliance.

Develop a rich, diverse and exemplary visitor experience across the estate

To achieve this, we will:

- Create vibrant and accessible parks, with improved facilities, a greater range of events and activities, and increased opportunities for recreation and play.
- Improve understanding of the stories and significance of heritage assets, and implement a programme to both conserve them, and bring them to life. Build a creative arts and cultural offer across the estate which excites, stimulates, and provides an emotional connection for visitors.
- Encourage meaningful and fulfilling community engagement in activities and events, including the planning of parks.

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- Raise understanding and awareness of our parks and allotments through improved communications, interpretation, and marketing.

Provide opportunities for enhancing health and wellbeing across the estate

To achieve this, we will:

- Facilitate opportunities for local food production and raise awareness and understanding of the benefits of healthy eating.
- Stimulate greater participation in physical activity and sports, including a wide range of opportunities to suit all abilities.
- Explore partnerships to promote mental health and wellbeing across parks and allotments.
- Increase opportunities for a rich and diverse volunteering offer.

Seek opportunities to combat climate change and enhance the environment

To achieve this, we will:

- Adopt and apply sustainability principles to all our activities and develop a carbon reduction plan.
- Improve our woodland management, tackling the backlog of maintenance, creating plans, and continue our a tree planting strategy.
- Support the development of city-wide green infrastructure plans, in conjunction with Newcastle City Council and partners.
- Increase understanding of the biodiversity across the estate, improving habitat management and implementing strategies for vulnerable species.
- Strengthen the systems for flood management and improve waterway management across the estate.

Develop the resources and organisational capability to deliver our vision

To achieve this, we will:

- Maintain robust policies, systems and processes for the charity and its commercial trading elements.
- Create a positive, safe, and engaged culture in the workplace for staff, including proactive training and development.
- Ensure financial resilience and sound stewardship of resources, including the development of investment plans for commerce, property, and new facilities.
- Maximise fundraising by creating opportunities for sponsorship and philanthropic giving.
- Work with key partners, including Newcastle City Council, to secure gains for green infrastructure through local and regional policy and development.
- Establish effective systems for measuring and reporting performance across all aspects of the charity.

Urban Green Newcastle

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Urban Green Newcastle for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

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

Urban Green Newcastle

Trustees' Report

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 20 December 2023 and signed on its behalf by:



James Beirne 20 Dec 2023 12:37:08 GMT (UTC +0)

.....
J P Beirne
Trustee

Urban Green Newcastle

Independent Auditor's Report to the Members of Urban Green Newcastle

Opinion

We have audited the financial statements of Urban Green Newcastle (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Emphasis of matter

We draw attention to note 1 of the financial statements, which indicates that there is a material uncertainty in the forecasts and projections over the timing and confirmation of future funding from the Council, and therefore the derived cashflows of the charitable company. As stated in note 1, the unknown impact of future funding post 31 March 2024, indicate that a material uncertainty exists, that may cast doubt on the charitable company's ability to continue as a going concern should these conditions occur.

Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements appears to be reasonable in the circumstances. Our evaluation of the trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included, review of their forecasts, their assumptions and their underlying business plan. However, for the reasons explained above and in note 1, there are inherent uncertainties in the timing and amount of the levels of income being forecast, and there is a consequential uncertainty regarding the willingness of the funders to provide additional support should income fall below the amounts being forecast.

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

Urban Green Newcastle

Independent Auditor's Report to the Members of Urban Green Newcastle

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 19), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Urban Green Newcastle

Independent Auditor's Report to the Members of Urban Green Newcastle

Auditor responsibilities for the audit of the financial statements

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

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

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.
- Reviewing financial statement disclosures and testing to support documentation.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment laws; and compliance with the UK Companies Act and Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK). For instance, the further removed non-compliance is from the event and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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 auditor's report.

Urban Green Newcastle

Independent Auditor's Report to the Members of Urban Green Newcastle

Use of our report

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



Simon Brown 20 Dec 2023 13:11:46 GMT (UTC +0)

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Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 20 December 2023

Azets Audit Services is a trading name of Azets Audit Services Limited.

Urban Green Newcastle

Consolidated Statement of Financial Activities for the Year Ended 31 March 2023

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	4	9,618	1,174,619	1,184,237	476,336
Charitable activities	5	1,908,240	-	1,908,240	2,432,050
Other trading activities	6	451,376	-	451,376	368,537
Other income	7	65,845	-	65,845	27,980
Total Income		<u>2,435,079</u>	<u>1,174,619</u>	<u>3,609,698</u>	<u>3,304,903</u>
Expenditure on:					
Raising funds	8	(519,688)	(15,696)	(535,384)	(390,510)
Charitable activities	9	<u>(2,014,274)</u>	<u>(834,961)</u>	<u>(2,849,235)</u>	<u>(2,590,127)</u>
Total Expenditure		<u>(2,533,962)</u>	<u>(850,657)</u>	<u>(3,384,619)</u>	<u>(2,980,637)</u>
Net (expenditure)/income		(98,883)	323,962	225,079	324,266
Transfers between funds		127,994	(127,994)	-	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes		<u>1,187,000</u>	<u>-</u>	<u>1,187,000</u>	<u>388,000</u>
Net movement in funds		1,216,111	195,968	1,412,079	712,266
Reconciliation of funds					
Total funds brought forward		<u>(224,503)</u>	<u>619,780</u>	<u>395,277</u>	<u>(316,989)</u>
Total funds carried forward	24	<u>991,608</u>	<u>815,748</u>	<u>1,807,356</u>	<u>395,277</u>

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 24.

Urban Green Newcastle

Comparative Consolidated Statement of Financial Activities for the Year Ended 31 March 2022

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2022 £
Income and Endowments from:				
Donations and legacies	4	18,940	457,396	476,336
Charitable activities	5	2,432,050	-	2,432,050
Other trading activities	6	368,537	-	368,537
Other income	7	27,980	-	27,980
Total income		<u>2,847,507</u>	<u>457,396</u>	<u>3,304,903</u>
Expenditure on:				
Raising funds	8	(390,510)	-	(390,510)
Charitable activities	9	<u>(2,244,357)</u>	<u>(345,770)</u>	<u>(2,590,127)</u>
Total expenditure		<u>(2,634,867)</u>	<u>(345,770)</u>	<u>(2,980,637)</u>
Net income		212,640	111,626	324,266
Transfers between funds		85,675	(85,675)	-
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes		<u>388,000</u>	<u>-</u>	<u>388,000</u>
Net movement in funds		686,315	25,951	712,266
Reconciliation of funds				
Total funds brought forward		<u>(910,818)</u>	<u>593,829</u>	<u>(316,989)</u>
Total funds carried forward	24	<u>(224,503)</u>	<u>619,780</u>	<u>395,277</u>

Urban Green Newcastle

(Registration number: 11533203)

Consolidated Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	16	421,194	427,036
Current assets			
Stocks	18	6,573	8,181
Debtors	19	916,678	349,725
Cash at bank and in hand	20	976,166	1,313,805
		1,899,417	1,671,711
Creditors: Amounts falling due within one year	21	(513,255)	(562,470)
Net current assets		1,386,162	1,109,241
Net assets excluding pension liability		1,807,356	1,536,277
Pension scheme liability	22	-	(1,141,000)
Net assets including pension liability		1,807,356	395,277
Funds of the group:			
Restricted income funds			
Restricted funds	24	815,748	619,780
Unrestricted income funds			
Unrestricted funds		991,608	(224,503)
Total funds	24	1,807,356	395,277

The financial statements on pages 25 to 60 were approved by the trustees, and authorised for issue on 20 December 2023 signed on their behalf by:


 James Beirne 20 Dec 2023 12:37:08 GMT (UTC +0)

 J P Beirne
 Trustee

Urban Green Newcastle

(Registration number: 11533203) Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	16	386,314	419,338
Investments		<u>1</u>	<u>1</u>
		<u>386,315</u>	<u>419,339</u>
Current assets			
Debtors	19	1,000,590	391,998
Cash at bank and in hand	20	<u>950,543</u>	<u>1,241,067</u>
		1,951,133	1,633,065
Creditors: Amounts falling due within one year	21	<u>(493,345)</u>	<u>(510,962)</u>
Net current assets		<u>1,457,788</u>	<u>1,122,103</u>
Net assets excluding pension liability		1,844,103	1,541,442
Pension scheme liability	22	<u>-</u>	<u>(1,141,000)</u>
Net assets including pension liability		<u>1,844,103</u>	<u>400,442</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	24	815,748	619,780
Unrestricted income funds			
Unrestricted funds		<u>1,028,355</u>	<u>(219,338)</u>
Total funds	24	<u>1,844,103</u>	<u>400,442</u>

The financial statements on pages 25 to 60 were approved by the trustees, and authorised for issue on 20 December 2023 signed on their behalf by:



James Beirne 20 Dec 2023 12:37:08 GMT (UTC +0)

J P Beirne
Trustee

Urban Green Newcastle

Consolidated Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash income		1,412,079	712,266
Adjustments to cash flows from non-cash items			
Depreciation	8	123,770	86,952
Adjustments for non cash items		<u>(1,141,000)</u>	<u>(330,000)</u>
		394,849	469,218
Working capital adjustments			
Decrease/(increase) in stocks	18	1,608	(8,181)
Increase in debtors	19	(566,953)	(57,409)
Decrease in creditors	21	(54,272)	(142,781)
Increase/(decrease) in deferred income		<u>5,057</u>	<u>(35,709)</u>
Net cash flows from operating activities		(219,711)	225,138
Cash flows from investing activities			
Purchase of tangible fixed assets	16	<u>(117,928)</u>	<u>(409,402)</u>
Net decrease in cash and cash equivalents		(337,639)	(184,264)
Cash and cash equivalents at 1 April		<u>1,313,805</u>	<u>1,498,069</u>
Cash and cash equivalents at 31 March		<u><u>976,166</u></u>	<u><u>1,313,805</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

1 Going concern

Urban Green Newcastle was established in April 2019 and supported by a 10-year financial agreement with Newcastle City Council to provide up to £9.5 million of support, a figure later revised down to £7.7 million when it was clear that the charity could reclaim more VAT than envisaged. The level of financial assistance available annually to UGN was determined using a financial model created prior to the establishment of the charity and the transfer of parks and allotments to it. The Council conducted an appraisal of a formal request for financial support from UGN before the start of each financial year which determined how much finance could be drawn down in the period.

The financial model was predicated on the assumption that UGN would be able to create new commercial income streams to offset a reduction in Council financial support, allowing the charity to be self-financed by the end of its tenth year. This has not happened for various reasons: the model under-estimated certain costs (especially due to the poor condition of the estate inherited by UGN) and was overly optimistic about how quickly and at what scale commercial income could be generated. But the main challenge was that the charity was launched less than 12 months before the COVID-19 pandemic and associated lockdowns. This shifted focus away from developing new income streams, concentrated organisational capacity on managing the impacts of the lockdowns on our estate, its visitors, and our staff, and increased our costs.

The medium-term impact is that whilst UGN has made significant progress towards financial sustainability our development is not following the financial model. The Trustees have kept the Council fully apprised of the financial realities facing the charity and highlighted the departure from the financial model during the appraisal process for financial support in 2021, when more funding was drawn down than anticipated by the model.

At 31 March 2023, UGN had drawn down £6,730,774 of assistance over four years and there was £977,453 of funding remaining. In February 2023 the Council agreed to UGN's request to draw down the remaining funding for use during the financial year ending 31 March 2024.

At the same time, the Council asked UGN to prepare a new 5-year business plan describing a path towards sustainability. This has been produced with consultancy support for The Cranfield Trust. The new plan, covering the period 2024-2029, is based on a detailed understanding of the costs of maintaining the estate and possibilities for income generation.

This new plan forecasts an operating deficit of £1.65 million in financial year 2024-25 falling to £1 million in financial year 2028-29; the cumulative deficit over the five years of the plan is £6.7 million. Whilst UGN had free, cash reserves of £570,414 on 31 March 2023 these will be used to support operations in the 12 months to March 2024. Current cash flow forecasts suggest that the charity has insufficient cash reserves to operate past April 2024 if it does not receive additional support from funders. Given the level of financial assistance required and our close working relationship, the only realistic source of funding is the Council.

Our Trustees and Chief Executive have held discussions with Newcastle City Council's Chief Executive and Directors, including the Chief Finance Officer over the last 12 months. These have been constructive, and the Council is aware of the challenges and timescales faced by the charity. An offer of additional assistance of £1,026,326 had been made and is under discussion by the Trustees.

Trustee have therefore concluded that there is material uncertainty over the charity's ability to continue as a going concern until this offer has been reviewed. Until that time the Trustees cannot definitively continue to fulfil their statutory obligations for the next 12 months from the date the accounts were signed.

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

2 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is: Ouseburn Parks, Visitors Centre, Red Walk, Newcastle upon Tyne, Tyne and Wear, NE7 7BQ

3 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Urban Green Newcastle meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the entity and rounded to the nearest £.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2023.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a surplus after tax for the financial year of £1,443,662 (2022 - Surplus of £717,429).

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimations and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are considered to be no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies which effect the amounts recognised in the financial statements

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as follows:

Depreciation is estimated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset.

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

Tyne & Wear Pension Fund - The present value of the Tyne & Wear Pension Fund defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the new cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £1,000.00 or more are initially recorded at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
IT equipment	3 years straight line
Office equipment	4 years straight line
Parks and allotments fixtures and fittings	5 years straight line
Buildings fixtures and fittings	5 years straight line

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Prepayments and accrued income relates to amounts paid in advance of services / goods being received and income received in advance of goods / services being provided respectively.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

In the prior year there was a designated unrestricted income fund in respect of backlog maintenance. This was due to Newcastle City Council providing the charity with £570,000 for each of its first 5 years for backlog maintenance and was ring-fenced in the accounts accordingly. As maintenance has been incurred this has been transferred into the unrestricted fund in the current year.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

Pensions and other post retirement obligations

The entity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The contributions payable are charged to the income and expenditure account.

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

The entity also operates a defined benefit pension scheme for employees.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

Changes in the net defined benefit asset or liability arising from employee service are recognised in profit or loss as a current service cost where it relates to services in the current period and as a past service cost where it relates to services in the prior periods. Costs relating to plan introductions, benefit changes, curtailments and settlements are recognised in profit or loss in the period in which they occur. The results of the pension scheme are reviewed on an annual basis and any net asset of the scheme is restricted to £Nil as future cash outflows are required in order to maintain the asset.

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

4 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Donations and legacies;			
Donations from companies, trusts and similar proceeds	9,618	32,925	42,543
Grants, including capital grants;			
Grants, including capital grants	-	1,141,694	1,141,694
	<u>9,618</u>	<u>1,174,619</u>	<u>1,184,237</u>
	Unrestricted funds General £	Restricted funds £	Total 2022 £
Donations and legacies;			
Donations from companies, trusts and similar proceeds	18,940	2,367	21,307
Grants, including capital grants;			
Grants, including capital grants	-	455,029	455,029
	<u>18,940</u>	<u>457,396</u>	<u>476,336</u>

5 Income from charitable activities

	Unrestricted funds General £	Total 2023 £
Contribution Agreement	1,234,715	1,234,715
Property Income	673,525	673,525
	<u>1,908,240</u>	<u>1,908,240</u>
	Unrestricted funds General £	Total 2022 £
Contribution Agreement	1,776,033	1,776,033
Property Income	656,017	656,017
	<u>2,432,050</u>	<u>2,432,050</u>

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

A contribution Agreement is in place with Newcastle City Council whereby they pay the charity an agreed sum each year to assist with the costs of the first 10 years of the management of the parks and allotments. After this 10 year period, there is no funding guaranteed from the Council.

Property income consists of money receivable from tenants of the allotments and other spaces managed by the charity.

6 Income from other trading activities

	Unrestricted	Total	Total
	General	2023	2022
	£	£	£
Sales of goods and services	448,580	448,580	365,177
Events income	2,796	2,796	3,360
	<u>451,376</u>	<u>451,376</u>	<u>368,537</u>

7 Other income

	Unrestricted	Total	Total
	funds	2023	2022
	General	£	£
	£	£	£
Other income	65,845	65,845	27,980

Other income includes monies for an insurance claim in 2023.

8 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted	Restricted	Total	Total
	funds	funds	2023	2022
	General	£	£	£
	£	£	£	£
Costs of goods sold	290,762	15,696	306,458	221,127
Staff Costs	228,926	-	228,926	169,383
	<u>519,688</u>	<u>15,696</u>	<u>535,384</u>	<u>390,510</u>

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

9 Expenditure on charitable activities

	Unrestricted		Total 2023	Total 2022
	General £	Restricted £	£	£
Marketing and publicity	-	-	-	28,531
Sundry expenses	37,684	6,859	44,543	10,972
Vehicles and other travel and subsistence expenses	1,034	276	1,310	20,238
Wages and salaries	828,890	242,982	1,071,872	898,555
Governance costs	14,747	1,167	15,914	35,941
Employers NI	85,897	15,216	101,113	85,103
Employers pensions	25,662	55,425	81,087	96,215
Property costs	324,149	47,600	371,749	401,682
VAT advice and IT support	1,728	1,167	2,895	11,425
Legal and professional	151,951	58,319	210,270	235,167
Direct expenses	542,532	405,950	948,482	766,298
	<u>2,014,274</u>	<u>834,961</u>	<u>2,849,235</u>	<u>2,590,127</u>

	Activity undertaken directly £	Activity support costs £	2023 £	2022 £
Direct costs	2,440,851	-	2,440,851	2,100,995
Support costs	-	392,470	392,470	453,191
Governance costs	-	15,914	15,914	35,941
	<u>2,440,851</u>	<u>408,384</u>	<u>2,849,235</u>	<u>2,590,127</u>

In addition to the expenditure analysed above, there are also governance costs of £15,914 (2022 - £36,491) which relate directly to charitable activities. See note 10 for further details.

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

10 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs £	Other support costs £	Total funds £
Premises costs	-	36,312	36,312
Office costs	2,214	-	2,214
Staff costs	-	182,200	182,200
Legal and professional costs	13,700	76,559	90,259
Support services	-	97,399	97,399
Total for 2023	15,914	392,470	408,384
Total for 2022	35,941	453,191	489,132

Governance costs

		Unrestricted funds General £	Total 2023 £
Audit fees			
Audit of the financial statements		13,700	13,700
Other governance costs		2,214	2,214
		<u>15,914</u>	<u>15,914</u>
	Unrestricted funds General £	Restricted funds £	Total 2022 £
Staff costs			
Wages and salaries	12,607	-	12,607
Social security costs	1,515	-	1,515
Pension costs	155	-	155
Audit fees			
Audit of the financial statements	6,216	584	6,800
Legal fees	12,608	-	12,608
Other governance costs	2,806	-	2,806
	<u>35,907</u>	<u>584</u>	<u>36,491</u>

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

11 Net incoming/outgoing resources

Net incoming resources for the year include:

	2023 £	2022 £
Audit fees	13,750	8,800
Depreciation of fixed assets	<u>123,770</u>	<u>86,952</u>

12 Trustees remuneration and expenses

During the year the group made the following transactions with trustees:

J P Beirne

£10,000 (2022: £10,000) of expenses were reimbursed to J P Beirne during the year.

J Beirne invoiced Urban Green Newcastle for support, mentoring and leadership services including supporting the Charity's executive team whilst the chief executive post was vacant; and coaching and mentoring support to the chief executive from time to time of the Charity.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

13 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	1,286,129	1,073,055
Social security costs	112,742	92,554
Pension costs	<u>84,128</u>	<u>97,923</u>
	<u>1,482,999</u>	<u>1,263,532</u>

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2023 No	2022 No
Management	4	4
Parks and Allotments	19	14
Enterprise	11	11
Operations	<u>8</u>	<u>6</u>
	<u>42</u>	<u>35</u>

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the group were £210,867 (2022 - £200,243).

14 Auditors' remuneration

	2023	2022
	£	£
Audit of the financial statements	<u>13,750</u>	<u>8,800</u>

15 Taxation

The group is a registered charity and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

16 Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Parks and allotments fixtures & fittings £	Office equipment £	Total £
Cost							
At 1 April 2022	41,500	183,617	53,270	53,880	191,388	19,238	542,893
Additions	<u>21,721</u>	<u>15,339</u>	<u>6,299</u>	<u>1,418</u>	<u>69,338</u>	<u>3,813</u>	<u>117,928</u>
At 31 March 2023	<u>63,221</u>	<u>198,956</u>	<u>59,569</u>	<u>55,298</u>	<u>260,726</u>	<u>23,051</u>	<u>660,821</u>
Depreciation							
At 1 April 2022	139	39,314	5,023	27,961	38,743	4,677	115,857
Charge for the year	<u>1,174</u>	<u>39,150</u>	<u>14,895</u>	<u>15,741</u>	<u>48,728</u>	<u>4,082</u>	<u>123,770</u>
At 31 March 2023	<u>1,313</u>	<u>78,464</u>	<u>19,918</u>	<u>43,702</u>	<u>87,471</u>	<u>8,759</u>	<u>239,627</u>
Net book value							
At 31 March 2023	<u>61,908</u>	<u>120,492</u>	<u>39,651</u>	<u>11,596</u>	<u>173,255</u>	<u>14,292</u>	<u>421,194</u>
At 31 March 2022	<u>41,361</u>	<u>144,303</u>	<u>48,247</u>	<u>25,919</u>	<u>152,645</u>	<u>14,561</u>	<u>427,036</u>

The parks and allotments managed by the charity are done so under 125 year leases granted by Newcastle City Council. As these spaces remain the property of the Council, no value has been recognised upon granting of the leases in the accounts of the charity.

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

Charity

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Parks and allotments fixtures & fittings £	Office equipment £	Total £
Cost							
At 1 April 2022	41,500	183,617	50,719	53,880	191,388	13,448	534,552
Additions	21,721	15,339	-	-	42,986	1,262	81,308
At 31 March 2023	63,221	198,956	50,719	53,880	234,374	14,710	615,860
Depreciation							
At 1 April 2022	139	39,314	4,895	27,961	38,743	4,162	115,214
Charge for the year	1,174	39,150	12,682	15,387	42,367	3,572	114,332
At 31 March 2023	1,313	78,464	17,577	43,348	81,110	7,734	229,546
Net book value							
At 31 March 2023	61,908	120,492	33,142	10,532	153,264	6,976	386,314
At 31 March 2022	41,361	144,303	45,824	25,919	152,645	9,286	419,338

The parks and allotments managed by the charity are done so under 125 year leases granted by Newcastle City Council. As these spaces remain the property of the Council, no value has been recognised upon granting of the leases in the accounts of the charity.

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

17 Fixed asset investments

Charity

	2023 £	2022 £
Shares in group undertakings and participating interests	<u>1</u>	<u>1</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2022	<u>1</u>	<u>1</u>
At 31 March 2023	<u>1</u>	<u>1</u>
Net book value		
At 31 March 2023	<u>1</u>	<u>1</u>
At 31 March 2022	<u>1</u>	<u>1</u>

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2023	2022	
Subsidiary undertakings					
Newcastle Parks Enterprises Limited Ouseburn Parks, Visitors Centre, Red Walk, Newcastle upon Tyne, NE7 7BQ	United Kingdom	Ordinary	100%	100%	Provision of a cafe and shop within Newcastle upon Tyne

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

Subsidiaries

The loss for the financial period of Newcastle Parks Enterprises Limited was £31,582 (2022 - £5,111) and the aggregate amount of capital and reserves at the end of the period was (£36,747) (2022 - (£5,164)).

18 Stock

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Stocks	<u>6,573</u>	<u>8,181</u>	<u>-</u>	<u>-</u>

19 Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	150,867	165,120	149,408	165,076
Due from group undertakings	-	-	87,326	67,237
Prepayments	11,847	41,238	9,892	16,318
Accrued income	707,231	143,367	707,231	143,367
VAT recoverable	37,207	-	37,207	-
Other debtors	<u>9,526</u>	<u>-</u>	<u>9,526</u>	<u>-</u>
	<u>916,678</u>	<u>349,725</u>	<u>1,000,590</u>	<u>391,998</u>

Included within amounts owed to group above, is a working capital loan of £38,316 made to the trading subsidiary, Newcastle Parks Enterprises Limited. It attracts interest at 2% above the Bank of England base rate and matures in June 2026.

As a result this balance is due after one year.

20 Cash and cash equivalents

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Cash on hand	3,976	5,786	3,840	5,065
Cash at bank	<u>972,190</u>	<u>1,308,019</u>	<u>946,703</u>	<u>1,236,002</u>
	<u>976,166</u>	<u>1,313,805</u>	<u>950,543</u>	<u>1,241,067</u>

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

21 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	207,899	174,324	205,314	139,832
Other taxation and social security	22,526	24,041	22,526	24,041
VAT	-	4,815	-	4,815
Other creditors	8,031	19,780	6,888	19,722
Accruals	200,712	270,480	184,530	253,522
Deferred income	74,087	69,030	74,087	69,030
	<u>513,255</u>	<u>562,470</u>	<u>493,345</u>	<u>510,962</u>

Deferred income

Group

	2023	2022
	£	£
Deferred income at 1 April 2022	(69,030)	(104,739)
Resources deferred in the period	74,087	69,030
Amounts released from previous periods	<u>69,030</u>	<u>104,739</u>
Deferred income at year end	<u>74,087</u>	<u>69,030</u>

Charity

	2023	2022
	£	£
Deferred income at 1 April 2022	(69,030)	(104,739)
Resources deferred in the period	74,087	69,030
Amounts released from previous periods	<u>69,030</u>	<u>104,739</u>
Deferred income at year end	<u>74,087</u>	<u>69,030</u>

22 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £84,128 (2022 - £94,923).

Contributions totalling £5,839 (2022 - 5,853) were payable to the scheme at the end of the year and are included in creditors.

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

Defined benefit pension schemes

Tyne & Wear Pension Fund

The date of the most recent comprehensive actuarial valuation was 31 March 2019. Upon transfer of the 125 year leases over the parks and allotments owned by Newcastle City Council, the LGPS liability was also transferred.

The LGPS is a defined benefit statutory scheme administered in accordance with Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. Full details of the benefits being valued are as set out in the Regulations as amended and summarised on the LGPS website and the Fund's membership booklet.

The date of the most recent comprehensive actuarial valuation was 31 March 2019. To assess the value of the Employer's liabilities at 31 March 2023, we have rolled forward the value of the Employer's liabilities calculated for the funding valuation as at 31 March 2023, using financial assumptions that comply with FRS 102.

The full actuarial valuation involved projecting future cashflows to be paid from the Fund and placing a value on them. These cashflows include pensions currently being paid to members of the Fund as well as pensions (and lump sums) that may be payable in future to members of the Fund or their dependents. These pensions are linked to inflation and will normally be payable on retirement for the life of the member or a dependant following a member's death.

It is not possible to assess the accuracy of the estimated value of liabilities as at 31 March 2023 without completing a full valuation. However, we are satisfied that the approach of rolling forward the previous valuation data to 31 March 2023 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as at the latest formal valuation. From the information we have received there appears to be no evidence that this approach is inappropriate.

Whilst the charity continues to account for the defined benefit pension scheme assets and liabilities in accordance with FRS 102 (and reports the actuary calculated figures within the accounts) the charity has signed a legal deed, dated 15 November 2021, with the Council for the pension scheme to be subsumed should a cessation event occur. A cessation event is where the charity has no active employees left in the defined benefit pension scheme, which would trigger the Section 75 'exit' debt to become immediately payable by the charity.

The council will therefore cover the historic liabilities of the defined benefit pension scheme and the charity will fund the cost of participating in the scheme until such time as the active members were consulted and their participation in the scheme ended.

Until such a time that all employees of the charity that are active members of the defined benefit pension scheme leave the scheme, then the charity will continue to account for the FRS 102 benefit pension scheme.

In the year ended 31 March 2023 the actuarial valuation for FRS 102 showed a surplus over liabilities at that date of £107,000. In accordance with FRS 102 paragraph 28.22, a pension scheme asset is recognised on the balance sheet only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. This condition was not met at the balance sheet date and therefore the surplus was not recognised.

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2023	2022
	£	£
Fair value of scheme assets	1,725,000	1,965,000
Present value of defined benefit obligation	<u>(1,618,000)</u>	<u>(3,106,000)</u>
	107,000	(1,141,000)
Pension asset value not recognised (as per FRS102 para 28.22)	<u>(107,000)</u>	<u>-</u>
Defined benefit pension scheme deficit	<u><u>-</u></u>	<u><u>(1,141,000)</u></u>

	2023
	£
Actuarial gain	1,294,000
Movement in asset value (not recognised)	<u>(107,000)</u>
	<u><u>1,187,000</u></u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2023
	£
Present value at start of year	3,106,000
Current service cost	30,000
Interest cost	84,000
Actuarial gains and losses	(1,594,000)
Benefits paid	(12,000)
Contributions by scheme participants	<u>4,000</u>
Present value at end of year	<u><u>1,618,000</u></u>

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2023
	£
Fair value at start of year	1,965,000
Interest income	53,000
Actuarial gains and losses	(300,000)
Employer contributions	15,000
Contributions by scheme participants	4,000
Benefits paid	<u>(12,000)</u>
Fair value at end of year	<u><u>1,725,000</u></u>

Analysis of assets

The major categories of scheme assets are as follows:

	2023	2022
	£	£
Cash and cash equivalents	2	2
Equity instruments	51	57
Government bonds	1	2
Property	11	8
Corporate bonds	20	19
Other	11	12
Multi Asset Credit	<u>4</u>	<u>-</u>
	<u><u>100</u></u>	<u><u>100</u></u>

Return on scheme assets

	2023	2022
	£	£
Return on scheme assets	<u>(247,000)</u>	<u>131,000</u>

The pension scheme has not invested in any of the group's own financial instruments or in properties or other assets used by the group.

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2023	2022
	%	%
Pension accounts revaluation rate	3.00	3.00
Discount rate	4.60	2.70
Future salary increases	4.10	4.50
Future pension increases	2.60	3.00
Inflation	2.60	3.00

Post retirement mortality assumptions

	2023	2022
	Years	Years
Current UK pensioners at retirement age - male	22.00	22.00
Current UK pensioners at retirement age - female	25.00	25.00
Future UK pensioners at retirement age - male	23.00	24.00
Future UK pensioners at retirement age - female	26.00	27.00

23 Commitments

Group

Other financial commitments

Operating leases:

The total amount of other financial commitments not provided in the financial statements was £Nil (2022 - £15,251).

Charity

Other financial commitments

Operating leases:

The total amount of other financial commitments not provided in the financial statements was £Nil (2022 - £15,251).

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

24 Funds

Group

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
Unrestricted						
Unrestricted Fund	(55,148)	2,435,079	(2,487,962)	1,099,639	-	991,608
Designated						
Backlog Maintenance	971,645	-	-	(971,645)	-	-
Pension	<u>(1,141,000)</u>	<u>-</u>	<u>(46,000)</u>	<u>-</u>	<u>1,187,000</u>	<u>-</u>
Total unrestricted funds	<u>(224,503)</u>	<u>2,435,079</u>	<u>(2,533,962)</u>	<u>127,994</u>	<u>1,187,000</u>	<u>991,608</u>
Restricted funds						
Northumbrian Water	16,217	-	(16,217)	-	-	-
Leazes Park	20,000	-	(918)	-	-	19,082
Tree Planting Fund	7,185	13,138	(15,348)	-	-	4,975
Havannah Nature Reserve	262	-	(2,007)	-	-	(1,745)
Fishermans Lodge	387,545	-	(26,586)	-	-	360,959
Pet's Corner Appeal	-	382	(382)	-	-	-
Brandling Park Refurbishment	40,410	-	-	-	-	40,410
National Lottery Community Fund	9,917	-	(9,917)	-	-	-
Blossoms Project	9,980	4,000	(9,980)	-	-	4,000
Beelines	99,765	343,236	(429,068)	-	-	13,933
LGA Foundation	828	2,844	(3,271)	-	-	401
Trees for Cities	1,523	-	(1,523)	-	-	-
North East Community Forest	7,924	-	(11)	-	-	7,913
Kickstart	1,236	27,223	(28,459)	-	-	-
Safer Parks Initiative	-	4,750	-	-	-	4,750
Social Investment Business Grant	16,988	-	(16,988)	-	-	-
Heritage Lottery Fund	-	130,798	(83,130)	(47,668)	-	-
NEIRF	-	28,890	(26,908)	-	-	1,982
S106	-	61,237	-	(61,237)	-	-
Fundraising	-	7,064	-	(7,064)	-	-

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
Queens Jubilee	-	15,000	(15,000)	-	-	-
Springbank	-	51,628	(39,603)	(12,025)	-	-
Northumbria Uni	-	7,425	(7,425)	-	-	-
Sustrans	-	477,004	(117,916)	-	-	359,088
Total restricted funds	<u>619,780</u>	<u>1,174,619</u>	<u>(850,657)</u>	<u>(127,994)</u>	<u>-</u>	<u>815,748</u>
Total funds	<u>395,277</u>	<u>3,609,698</u>	<u>(3,384,619)</u>	<u>-</u>	<u>1,187,000</u>	<u>1,807,356</u>

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

Charity

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
General						
Unrestricted Fund	(49,983)	1,967,813	(1,989,114)	1,099,639	-	1,028,355
Designated						
Backlog Maintenance	971,645	-	-	(971,645)	-	-
Pension	(1,141,000)	-	(46,000)	-	1,187,000	-
Total unrestricted funds	<u>(219,338)</u>	<u>1,967,813</u>	<u>(2,035,114)</u>	<u>127,994</u>	<u>1,187,000</u>	<u>1,028,355</u>
Restricted funds						
Northumbrian Water Limited	16,217	-	(16,217)	-	-	-
Heritage Lottery Fund - Walker Park	-	130,798	(83,130)	(47,668)	-	-
Leazes Park	20,000	-	(918)	-	-	19,082
Tree Planting Fund	7,185	13,138	(15,348)	-	-	4,975
Havannah Nature Reserve	262	-	(2,007)	-	-	(1,745)
Fishermans Lodge	387,545	-	(26,586)	-	-	360,959
Jesmond Dene Appeal	-	382	(382)	-	-	-
Brandling Park Refurbishment	40,410	-	-	-	-	40,410
National Lottery Community Fund	9,917	-	(9,917)	-	-	-
Blossoms Project	9,980	4,000	(9,980)	-	-	4,000
Beelines	99,765	343,236	(429,068)	-	-	13,933
LGA Foundation	828	2,844	(3,271)	-	-	401
Trees For Cities	1,523	-	(1,523)	-	-	-
North East Community Forest	7,924	-	(11)	-	-	7,913
Kickstart	1,236	27,223	(28,459)	-	-	-
Safer Parks Initiative	-	4,750	-	-	-	4,750
Reach Fund	16,988	-	-	-	-	16,988
NEIRF	-	28,890	(26,908)	-	-	1,982
Social Investment Business Grant	-	-	(16,988)	-	-	(16,988)
S106	-	61,237	-	(61,237)	-	-
Fundraising	-	7,064	-	(7,064)	-	-

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
Queens Jubilee	-	15,000	(15,000)	-	-	-
Springbank	-	51,628	(39,603)	(12,025)	-	-
Northumbria University	-	7,425	(7,425)	-	-	-
Sustrans	-	477,004	(117,916)	-	-	359,088
Total restricted funds	<u>619,780</u>	<u>1,174,619</u>	<u>(850,657)</u>	<u>(127,994)</u>	<u>-</u>	<u>815,748</u>
Total funds	<u>400,442</u>	<u>3,142,432</u>	<u>(2,885,771)</u>	<u>-</u>	<u>1,187,000</u>	<u>1,844,103</u>

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

The specific purposes for which the funds are to be applied are as follows:

Northumbrian Water Limited - To support and grow volunteering and to grow the fundraising capacity and capability.

Food Nation - To create orchards at Walker and St. Lawrence's Parks

Heritage Lottery Heritage Fund - Walker Park - Project to enhance the parks appeal to a broad range of users through the provision of improved facilities and the restoration and enhancement of existing fabric.

Leazes Park - To provide improved play facilities in the park.

Tree Planting Fund - Various grants to support tree planting across our parks.

Havannah Nature Reserve - Grants to install a path across the south grassland/heathland area at Havannah and Three Hills Nature Reserve.

Fisherman's Lodge - To repair Fisherman's Lodge in Jesmond Dene.

Heaton Park Playground - To provide improved play facilities in the park.

Pet's Corner Appeal - To provide improved facilities in the park.

Hadrian Trust - To support Urban Green Clean and other volunteering work.

Brandling Park Refurbishment - To provide improved facilities in the park.

The National Lottery Community Fund - To support Urban Green Clean and other volunteering work

Blossom Together -To create a meaningful, beautiful space in Exhibition Park for more people being able to connect with nature supported by National Trust and People's Postcode Lottery

Nineveh Trust - To support a Community Gardener post

Beelines - Partnership between UG and Northumberland Wildlife Trust. Enhancing environment for Pollinators and re-engaging the public.

Banks Community Fund - Big Water Country Park – to plant trees and clear some of the pathways

LGA Foundation - To provide café seating and planters at Exhibition Park

Trees for Cities -To provide funding for planting 1000 trees in Harbottle Park, Byker and providing volunteering opportunities

North East Community Forest - As part of the North East Community Forest– tree and hedgerow planting within Newcastle.

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

25 Analysis of net assets between funds

Group

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2023 £
Tangible fixed assets	421,194	-	421,194
Current assets	1,083,669	815,748	1,899,417
Current liabilities	(513,255)	-	(513,255)
Total net assets	<u>991,608</u>	<u>815,748</u>	<u>1,807,356</u>

	Unrestricted funds General £	Designated £	Restricted funds £	Total funds at 31 March 2022 £
Tangible fixed assets	427,036	-	-	427,036
Current assets	80,286	971,645	619,780	1,671,711
Current liabilities	(562,470)	-	-	(562,470)
Pension scheme liability	-	(1,141,000)	-	(1,141,000)
Total net assets	<u>(55,148)</u>	<u>(169,355)</u>	<u>619,780</u>	<u>395,277</u>

Charity

	Unrestricted General £	Restricted £	Total funds £
Tangible fixed assets	386,314	-	386,314
Fixed asset investments	1	-	1
Net current assets/(liabilities)	<u>642,040</u>	<u>815,748</u>	<u>1,457,788</u>
Total net assets	<u>1,028,355</u>	<u>815,748</u>	<u>1,844,103</u>

	Unrestricted General £	Designated £	Restricted £	Total funds at 31 March 2022 £
Tangible fixed assets	419,338	-	-	419,338
Fixed asset investments	1	-	-	1
Net current assets/(liabilities)	(469,322)	971,645	619,780	1,122,103
Pension scheme liability	-	(1,141,000)	-	(1,141,000)
Total net assets	<u>(49,983)</u>	<u>(169,355)</u>	<u>619,780</u>	<u>400,442</u>

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

26 Analysis of net funds

Group

	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	<u>1,313,805</u>	<u>(337,639)</u>	<u>976,166</u>
Net funds	<u>1,313,805</u>	<u>(337,639)</u>	<u>976,166</u>
	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	<u>1,498,069</u>	<u>(184,264)</u>	<u>1,313,805</u>
Net funds	<u>1,498,069</u>	<u>(184,264)</u>	<u>1,313,805</u>

27 Related party transactions

Charity

During the year the charity made the following related party transactions:

Northumberland Wildlife Trust

(Urban Green Newcastle has a trustee in common with Northumberland Wildlife Trust)

The Northumberland Wildlife Trust hold a lease at Prestwich Carr and as such pays an annual rent of £1,000 to Urban Green Newcastle. This amount was repaid in full during the year.

Furthermore, Urban Green Newcastle paid Northumberland Wildlife Trust £59,126 (2022- £41,465) for professional services towards 'Beelines Claim'.

At the year end, there was £nil (2022 - £22,703) in trade creditors. . At the balance sheet date the amount due to/from Northumberland Wildlife Trust was £Nil (2022 - £Nil).

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

Newcastle City Council

(There are Councillors on the Board of Urban Green Newcastle.)

As at 1 April 2019, the management of a number of parks and allotments within Newcastle upon Tyne was transferred by the Council to Urban Green Newcastle. Under the terms of the asset transfer agreement the charity entered into a 125 year lease. No value has been attached to the assets on lease given the restrictive use of the assets under the terms of the lease. To assist with this, a service level agreement was entered into with Urban Green invoicing Newcastle City Council for £1,234,715 gross during the year (2022 - £2,131,240).

Newcastle City Council also collect car parking income, charitable donations and rental income on behalf of the charity. During the year, amount totalling £279,268 (2022 - £231,194) were collected.

A further £41,647 (2022 - £nil) was received in the year as a result of insurance proceeds for a property now managed by Urban Green. In addition to this, Section106 grants of £61,237 (2022 - £nil) have also been recognised.

Grants were also provided by the Council totalling £131,993 (2022 - £nil) in addition to licence fees £250 (2022 - £nil) and event fees of £5,790 (2022 - £nil).

During the year, the council invoiced Urban Green Newcastle £887,146 (2022 - £989,467) for various services including repairs and water rates.

At the year end an amount of £55,866 is included within trade creditors (2022 - £73,700).. At the balance sheet date the amount due to/from Newcastle City Council was £Nil (2022 - £Nil).

Greenan Blueaye Limited and Ninkasi Pubco Limited

(Urban Green Newcastle is related to both Greenan Blueaye Limited and Ninkasi Pubco Limited by way of having directors in common.)

Greenan Blueaye Limited and Ninkasi Pubco Limited occupy land and buildings which are leased to and managed by Urban Green Newcastle. They are charged rent at a rate of £15,000 per annum (2022 - £15,000) under normal commercial terms. At the year end £4,500 was in trade debotrs (2022 - £4,500).

Also, in 2022, Urban Green Newcastle invoiced Greenan Blueage Limited and Ninkasi Pubco Limited £nil (2022- £483) for electricity charges.. At the balance sheet date the amount due to/from Greenan Blueaye Limited and Ninkasi Pubco Limited was £Nil (2022 - £Nil).

Urban Green Newcastle

Notes to the Financial Statements for the Year Ended 31 March 2023

Newcastle Parks Enterprises Limited

(Subsidiary of Urban Green Newcastle.)

During the year, Urban Green paid salaries to Newcastle Parks Enterprises totalling £221,394.47 (2022-£164,628).

Furthermore, during the year, Urban Green Newcastle invoiced Newcastle Parks Enterprises Limited £46,286 (2022-£24,567) for numerous costs including rent, repairs and maintenance, business and water rates.

As well as this a cash float totalling £184 (2022- £1,801) was provided from Urban Green Newcastle to Newcastle Parks Enterprises Limited.

Urban Green Newcastle also collected cash takings for Newcastle Parks Enterprises Limited, totalling £38,590 (2022- £35,658)

In the year, there was also transfer of £nil from Urban Green Newcastle relating to an insurance claim (2022-£15,808).

Additionally there is a loan to Newcastle Parks Enterprises Limited from Urban Green which is interest bearing at LIBOR+2%, totalling £38,317 (2022 - £38,317)

At the year end, there was an intercompany debtors balance of £49,009 (2022- £28,921). . At the balance sheet date the amount due from Newcastle Parks Enterprises Limited was £87,326 (2022 - £67,237).

Jim Beirne

Jim Beirne, chairman of Urban Green Newcastle was paid £10,000 (2022- £10,000) for support, mentoring and leadership services.. At the balance sheet date the amount due to/from Jim Beirne was £Nil (2022 - £Nil).

Wylam Brewery

(Wylam Brewery is a tenant of NPEL and has a mutual director)

During the year Newcastle Parks and Enterprises Limited paid Wylam Brewery £1,258 (2022- £nil) for beverages.. At the balance sheet date the amount due to/from Wylam Brewery was £Nil (2022 - £Nil).