

New-U Enterprises Ltd

**Annual Report and Financial Statements
For the year ended 30 November 2021**

**Company Registration Number: 11697528
Charity Number: 1186761**

New-U Enterprises Limited
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For the year ended 30 November 2021

Contents

Legal and administrative information	1
Report of the Trustees	2-4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the financial statements	8-13

**New-U Enterprises Ltd
Annual Report and Financial Statements
For the year ended 30 November 2021**

Legal and administrative information

Company Registration Number: 11697528

Charity Number: 1186761

Charity's principal address: 75 Castle Quarter
Norwich
Norfolk
NR1 3DD

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Trustees:

Simeon Archer	Chair
Louise Harriet Gardiner	Appointed 15 February 2021
Rev Heather Cracknell	Appointed 9 February 2021
Robert Bradley	
Julia Nix	

Strategic Director:

Sue Buffin

Independent Examiner:

D R Chilvers ACA FCCA
For and on behalf of Johnson Holmes & Co.
Chartered Certified Accountants
Towlers Court
30A Elm Hill
Norwich
NR3 1HG

**New-U Enterprises Ltd
Annual Report and Financial Statements
For the year ended 30 November 2021**

Report of the Trustees

The trustees present their report and financial statements for the year ended 30 November 2021.

Structure, governance and management

New-U Enterprises Ltd is a charitable company limited by guarantee, incorporated at Companies House on 26 November 2018 and registered with the Charities Commission on 5 December 2019.

The names of the trustees are given on page 1. New trustees are appointed following interview. The Trustee Board is advised by a Steering Group which consists of the Strategic Director, Finance Lead, Operational staff representative, Further Education Representative, Volunteer Representative, customer representative and up to 3 participants.

Objects and activities

The charitable objects of New-U Enterprises Ltd are: -

1. The relief of unemployment for the public benefit in such ways as may be thought fit, including assistance to find employment.
2. To advance in life and help young people through providing support and activities which develop their skills and capabilities to enable them to participate in society as mature and responsible individuals.
3. The protection and preservation of the environment for public benefit by:
 - a) The promotion of textile waste reduction, re-use, re-cycling, use of recycled products and use of surplus
 - b) Advancing the education of the public about aspects of waste generation, waste management and waste recycling
 - c) The relief of financial hardship by recycling and provision of clothes and other household items

A summary of the main activities undertaken by New-U Enterprises Ltd to achieve its charitable objects are: -

- Individualised work experience placements and employability workshops for disadvantaged unemployed people, in particular those with low level mental health issues and/or challenging backgrounds or complex barriers to overcome.
- These work placements take place in our clothes and accessories swap shop, open to the general public.
- Reduction of textile waste and encouraging the general public to put quality, undamaged items of clothing and accessories back into circulation as wearable items.
- Upcycle workshops to educate the wider public on the benefits to the environment on re-purposing and re-using textiles.
- Provision of clothing for families in need.
- Provision of smart clothing for any occasion.

**New-U Enterprises Ltd
Annual Report and Financial Statements
For the year ended 30 November 2021**

Report of the Trustees

New-U Enterprises Ltd enlists the help of volunteers to help run our shop and events and to provide mentoring to those completing work experience placements and employability workshops. Often, the shop volunteers are former participants and we strive to continue to enhance their skills and experience as they provide an invaluable source of support to our charity.

Achievements and performance

A summary of the main achievements of the charity during the year are: -

New-U tackles social inequality and climate change initiatives, a powerful and unique combination.

We provide work placements in our unique swap and loan shop in Castle Quarter, Norwich. The concept allows the wider public to contribute to sustainable fashion by re-using textiles and is the first of its kind in the UK to tackle the two issues simultaneously.

New-U has adapted to the changes on the high street as a result of COVID lockdowns and has risen to the challenge and remained continually open since March 2021 after the mandated lockdowns. Work placements remain our primary focus and we adapted the service and employability workshops to ensure participants felt safe following the pandemic.

Every activity administered by New-U is centred around the needs of the young person. Our experience shows that listening and believing in the person has an exceptionally high success rate at the start of their journey into work.

New-U Enterprises is an all-inclusive entity. Regardless of culture, wealth or climate change intentions anyone can use the shop and it is recognised as a safe and welcoming place open to all. Those on work placements take pride in knowing the work they are doing is encouraging the wider public to contribute towards reducing textile waste, and our units are somewhere where anyone can call in knowing they will receive a warm welcome and an affordable way to shop.

In April 2021 New-U acquired the 'Honesty Library' in Castle Quarter, close to the clothes and accessories swap shop. This venture enables the general public to swap books for books and gives young people on work experience placement another avenue for work experience. The space is widely used by community groups for upcycling events and a general meeting space.

The number of items swapped in New-U increased by 56% in 2021 compared to the same period in 2020. Approximately 300 customers swapped each month, reducing textile waste by keeping 2000+ items of clothing and accessories in circulation as wearable items every month. This equates to a monthly saving of over 4 hundred thousand kilos of CO2 and 6 million litres of water on the equivalent newly manufactured and transported items.

**New-U Enterprises Ltd
Annual Report and Financial Statements
For the year ended 30 November 2021**

Report of the Trustees

New-U offers bundles of clothing or free swap tokens to families in need via other support services and our smart clothes loan scheme remains open. This is mostly used for people requiring clothing for interview, but the scheme is available for anyone and any occasion.

In February 2021, two new Trustees were appointed. The Governing Board consists of five Trustees, with a diverse range of experience and expertise in employability, the environment, community initiatives, education/training and retail/leisure management.

New-U has maintained the target level of reserves during this challenging year to enable a strong operating position going into 2021/22, and with new grant funding streams confirmed for the future will continue to sustain and grow in order to help more young people into employment, and to reduce textile waste even further.

Between January and December 2019 New-U swapped over 30,000 items of clothing. This equates to a saving on the equivalent newly manufactured and transported items of 9 billion litres of water and 6 million kilograms of CO₂.

Financial review

The charitable company's reserves at 30 November 2021 were £68,285. It is our policy is to have a minimum of 6 months running costs in reserves. We have achieved this during this reporting period, having approximately 9 months running costs in reserve.

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees



.....
Simeon Archer (Chair)

25 July 2022

**New-U Enterprises Ltd
Annual Report and Financial Statements
For the year ended 30 November 2021**

Independent Examiner's Report

Independent Examiner's Report to the Trustees of New-U Enterprises Ltd

I report to the charity trustees on my examination of the accounts of the charity for the year ended 30 November 2021 which are set out on pages 6 to 13.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

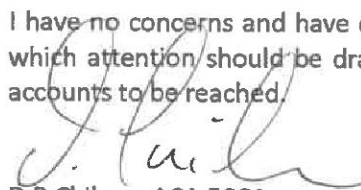
Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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



D R Chilvers ACA FCCA
for and on behalf of Johnson Holmes & Co.
Chartered Certified Accountants
Towlers Court, 30A Elm Hill, Norwich, NR3 1HG

25 July 2022

New-U Enterprises Ltd
Annual Report and Financial Statements
For the year ended 30 November 2021

Statement of Financial Activities
(including Income and Expenditure Account)

	Note	Unrestricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income:				
Donations and legacies	2	71,792	71,792	117,886
Charitable activities	3	13,946	13,946	14,965
Total incoming resources (gross income in the year)		85,738	85,738	132,851
Expenditure:				
Raising funds	6	86	86	1,172
Charitable activities	7	90,094	90,094	67,176
Total expenditure in the year		90,180	90,180	68,348
Net income/(expenditure) before tax for the year		(4,442)	(4,442)	64,503
Tax Payable		-	-	-
Net income/(expenditure)		(4,442)	(4,442)	64,503
Transfers between funds		-	-	-
Other gains/(losses)		-	-	(67)
Net movement in funds		(4,442)	(4,442)	64,436
Reconciliation of funds				
Total fund brought forward		72,727	72,727	8,291
Net movement in funds		(4,442)	(4,442)	63,436
Total funds carried forward		68,285	68,285	72,727

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities.
The notes on pages 8 to 13 form part of these accounts.

New-U Enterprises Ltd
Annual Report and Financial Statements
For the year ended 30 November 2021

Balance Sheet			
	Note	2021 £	2020 £
Current assets			
Stocks		-	-
Debtors	11	175	3,446
Cash in hand and at bank		73,317	69,298
Total current assets		73,492	72,744
Liabilities			
Creditors falling due within one year	12	(5,207)	(17)
Net current assets		68,285	72,727
Total net assets		68,285	72,727
Funds of the charity:			
Unrestricted funds	13	68,285	72,727
Total Charity funds		68,285	72,727

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

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

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

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

The financial statements were approved by the trustees and authorised for issue on 25 July 2022 and are signed on their behalf by:



Simeon Archer (Chair)

The notes on pages 8 to 13 form part of these accounts.

New-U Enterprises Ltd
Annual Report and Financial Statements
For the year ended 30 November 2021

Notes to the Financial Statements

1 Accounting policies

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

a) Basis of preparation

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)' (SORP) (effective January 2015), and the 'Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). They also comply with the reporting requirements of the Companies Act 2006 and the Charities Act 2011.

New-U Enterprises Ltd 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 note.

b) Preparation of the financial statements on a going concern basis

It is acknowledged that the COVID-19 Pandemic continues to create a degree of uncertainty in the Third Sector and also in the retail sector, along with increased financial hardship due to cost of living pressures that potentially restrict fundraising opportunities. New-U Enterprises Ltd is however in a strong position to fulfil its primary aims and objectives as there are more young people who are even further away from work and therefore our forecasted financial projections, which include confirmed, substantial grants from funding bodies, maintains a healthy financial position and liquidity for New-U Enterprises Limited. This position, allied to a good level of unrestricted reserves to help support the financial position, means that New-U Enterprises Ltd remains a going concern under current operating conditions.

c) Income recognition policies

Items of income are recognised and included in the financial statements when all of the following criteria are met:

- the charity has entitlement to the funds
- it is more likely than not that the trustees will receive the resources
- the monetary value can be measured with sufficient reliability.

d) Government grants

The charity has received government grants in the reporting period.

e) Donated goods

All clothing that the shop 'sells' on for points (or cash, occasionally) has been donated and has negligible realisable value due to the customary low value of items that have been donated. It is not reasonably practicable to measure its value and therefore is not classified as stock in hand under current assets.

New-U Enterprises Ltd
Annual Report and Financial Statements
For the year ended 30 November 2021

Notes to the Financial Statements

e) Donated goods continued

Shop fittings have been donated previously from the former leaseholder of the shop premises and are not recognised as assets on this basis. The fittings are largely purpose built for the shop premises and would remain with the lease, once the existing lease contract is terminated by either party.

Computer equipment and shop till technology has been donated previously by the former leaseholder of the shop premises, except for one laptop which was purchased second hand and has only negligible realisable value due to its age and condition.

f) Expenditure and liabilities

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

g) Grants with performance conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SOFA once the recipient of the grant has provided the specified service or output.

h) Grants payable without performance conditions

Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation must be recognised.

i) Stocks and work in progress

There is no certainty that any of the stock holds potential for transfer of economic benefits as it is there to be swapped, with the exception of a small proportion that is sold under jumble /sold in the shop as part of charitable activities.

j) Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

k) Creditors

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

New-U Enterprises Ltd
Annual Report and Financial Statements
For the year ended 30 November 2021

Notes to the Financial Statements

2 Income from donations

	2021 £	2020 £
General grants provided by government (note 4)	51,002	46,222
General grants provided by funders	20,790	71,664
Total	71,792	117,886

3 Income from charitable activities

	2021 £	2020 £
Fundraising	876	8,573
Online sales	5,965	2,088
Shop sales	6,877	3,921
Other	228	383
Total	13,946	14,965

4 Government grants

	2021 £	2020 £
COVID local grants	32,715	25,000
Job Retention Scheme	10,722	21,222
Kickstart Employment Scheme	7,565	-
Total	51,002	46,222

5 Donated goods, facilities and services

New-U Enterprises Ltd holds one short term licence to occupy a unit in the Castle Quarter, Norwich without paying any rent or occupancy fees - these licences are not recognised as benefits in kind or amortised as expenditure in the SOFA. Only one month notice is required for either party.

There are unpaid volunteers who help in the shop and support young people and another who also prepares payroll and provides basic financial and admin support.

New-U Enterprises Ltd
Annual Report and Financial Statements
For the year ended 30 November 2021

Notes to the Financial Statements

6 Expenditure on raising funds

	2021	2020
	£	£
Incurring seeking grants	-	990
Staging fundraising events	86	182
Total	86	1,172

7 Expenditure on charitable activities

	2021	2020
	£	£
Staff salary costs (note 9)	81,286	62,019
Shop running costs	3,873	1,861
Other costs	4,935	3,296
Total	90,094	67,176

8 Governance and support costs

	2021	2020
	£	£
Independent examiner's fees	1,500	-
Total	1,500	-

9 Staff costs

	2021	2020
	£	£
Salaries and wages	74,792	57,148
Social security costs	5,122	4,014
Pension costs (defined contribution scheme)	1,372	857
Total	81,286	62,019

New-U Enterprises Ltd
Annual Report and Financial Statements
For the year ended 30 November 2021

Notes to the Financial Statements

9 Staff costs continued

The total amount paid to key management personnel (includes trustees and senior management) for their services to the charity for 2021 £47,057 (2020 £32,226).

The employees work in the charitable activities part of the company. The total number of employees for 2021 were 6 (2020 were 4).

10 Defined contribution pension scheme

	2021	2020
	£	£
Amount of contributions recognised in the SOFA as an expense	1,372	857
Total	1,372	857

11 Debtors

	2021	2020
	£	£
Prepayments and accrued income	175	3,446
Total	175	3,446

12 Creditors – amounts falling due within one year

	2021	2020
	£	£
Accruals and deferred income	1,500	17
Taxation and social security	3,707	-
Total	5,207	17

New-U Enterprises Ltd
Annual Report and Financial Statements
For the year ended 30 November 2021

Notes to the Financial Statements

13 Analysis of charitable funds

	Balance at 1 December 2020 £	Incoming resources £	Expenditure £	Transfers £	Balance at 30 November 2021 £
Unrestricted funds	72,727	85,738	(90,180)	-	68,285
Total funds	72,727	85,738	(90,180)	-	68,285