

# Financial Statements

## Newground Together

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**For the year ended 31 March 2020**

**Company No 02501885**

**Charity number 702800**

## Company information

<b>Company registration number</b>	02501885
<b>Registered charity number</b>	702800
<b>Registered office</b>	193 Bolton Road Blackburn BB2 3GE
<b>Bankers</b>	Barclays Bank PLC 6 <sup>th</sup> Floor One Snowhill Snowhill Queensway Birmingham B4 6GB
<b>Solicitors</b>	Wrigleys LLP 19 Cookridge Street Leeds LS2 3AG
<b>Auditor</b>	BDO LLP 3 Hardman Square Spinningfields Manchester M3 3AT

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## Report of the Trustees

The Trustees, who are directors of the charitable company for the purposes of company law, present their report together with the financial statements for the year ended 31 March 2020.

### **Directors and trustees**

The directors of the charitable company (the charity) are also its trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and up to the date of approval of the financial statements were as follows:

- Kevin Leith
- John Townend
- Laurence Loft
- James Hartley
- Alan Cotton
- Malcolm Harrison – Chair
- Zaffer Khan (Appointed 11 December 2019)
- Gwynne Furlong (Appointed 11 December 2019)

# Report of the Trustees

## **Structure, governance and management**

In June 2013 Groundwork Pennine Lancashire joined the Together Housing Group and in September 2013 the charity was renamed Newground Together. At the same time, its subsidiary Community Interest Company, Newground CIC was positioned to take advantage of the delivery opportunities available in the Together Housing Group across the North of England.

In the intervening period, Newground has continued to grow internally, within the Together Housing Group and externally across the region. Surpluses from Newground CIC are provided to the charity to make social and environmental improvements that will change peoples' lives for the better.

## **Governing document**

Newground Together is a company limited by guarantee governed by its Memorandum and Articles dated 14 May 1990 and amended to allow for current governance arrangements on 26 November 1998. The Memorandum and Articles were further amended on 15 December 2009, 5 February 2010, 21 July 2010 and 26 June 2013 (incorporating the expansion of Newground Together's objects to cover the North of England).

The charitable company has no share capital and is limited by guarantee, whereby each member undertakes to contribute £1 to the assets of the company in the event of winding up.

## **Trustee induction and training**

New members take part in an induction day. As the members may not necessarily have been Charity Trustees before, briefings on the duties of a Charity Trustee and Charity Law are provided for all Trustees. New guidance and good practice information from the Charity Commission is relayed to Trustees as a regular part of quarterly board meetings. Electronic Board Packs were introduced in 2019.

# Report of the Trustees Continued

## Organisation

The charity is administered by the board of Trustees. The board meets quarterly. The operations of the charity are managed by the Communities Director, to whom the members have delegated all operational matters.

Substantially, all of the charity's direct operations are carried out by its wholly-owned Community Interest Company, Newground CIC. The unique features of a Community Interest Company ensure that all surpluses generated benefit the community. In addition the charity's objects are furthered by the awarding of grants to third parties who can demonstrate that they are able to deliver projects which meet the charity's objects.

Newground CIC is overseen by its own board of executive and non-executive directors. The Chair of Newground CIC board sits ex officio on the Charity board but membership is otherwise separate.

## Risk management

The members have a risk management register in place which identifies the major risks to which the charity is exposed and this is reviewed and, where necessary, updated at each board meeting. The members regularly review the systems established to mitigate those risks.

Risk assessments are carried out within the charity and CIC. The outcomes of the assessments are included in the risk assessment register. The Communities Director identifies new risks and monitors existing risks which are reported to the Trustees.

The procedures of the Charity's CIC comply with the International Standards ISO 9001, ISO 14001 and OHSAS 18001 and are audited periodically against these Standards.

## Financial risk management objectives and policies

The charity has a reserves policy in place to cover unforeseen risks and monitors expenditure and committed funds at each meeting to ensure that funding commitments do not exceed the value of donations that have been committed.

Funding allocations are normally staged and paid on evidence of receipts and meeting agreed criteria. In most cases the final 10% is retained until an acceptable evaluation report has been submitted at the end of the project.

Although the charity will continue to consider and pursue grant-funding opportunities that bring real benefit to the charity, it will continue to minimise its exposure to potentially onerous financial restrictions that certain forms of grant funding can entail.

## Going Concern

The Covid-19 pandemic has impacted on Newground Together and its activities, operating at a reduced level during lockdown at the start of 2020/21. As we move out of lockdown in June 2020 steps have been taken to assess the risks from resuming our activities and we have changed the way we operate in order to protect our staff and clients.

The 2020/21 Newground Business Plan was reviewed and reforecast in May 2020 which showed sufficient cost savings can be made to mitigate the reduction in revenues. In addition the Together Housing Group has made assessments of the impact of Covid - 19 and has revised financial plans and has demonstrated

## Report of the Trustees Continued

that the financial impact of the pandemic can be managed within the approved business plan and that there is sufficient liquidity to manage the risks. As a member of the Together Housing Group, there is reasonable expectation that The Group would support any funding requirements of Newground Together. On this basis the organisation will continue to operate as a going concern with the Board and Senior Management Team monitoring the Covid-19 position throughout the year and taking steps to mitigate any emerging risks.

### Objectives and activities

The objectives of the Newground Together Charity are:

- (1) To promote for the benefit of the public the conservation, protection and improvement of the physical and natural environment anywhere in the North of England.
- (2) To promote for the benefit of the public urban or rural regeneration in areas of social and economic deprivation anywhere in the North of England by all or any of the following means:
  - (a) the relief of financial hardship;
  - (b) the relief of unemployment;
  - (c) the advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience;
  - (d) the provision of financial assistance, technical assistance or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help: (i) in setting up their own business, or (ii) to existing businesses;
  - (e) the creation of training and employment opportunities by the provision of workspace, buildings, and/or land for use on favourable terms;
  - (f) the maintenance, improvement or provision of public amenities;
  - (g) the protection or conservation of the environment;
  - (h) the promotion of health, welfare and personal development opportunities for persons living within those areas; and
  - (i) such other means as may from time to time be determined subject to the prior written consent of the Commission.
- (3) To promote the provision of facilities for recreation or other leisure time occupation for individuals in the North of England who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public generally in the North of England in the interests of social welfare and with the object of improving their conditions of life.
- (4) To advance in life and relieve the needs of young people in the North of England through:
  - (a) the provision of recreational and leisure time activities provided in the interests of social welfare designed to improve their conditions of life;
  - (b) providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.
- (5) To advance education (including training) in such ways as the trustees think fit.

# Report of the Trustees Continued

## Public benefit

The overall practical purpose of the charity is to help make the North of England more sustainable and to improve the social conditions of those living and working there.

Public benefit is achieved both through direct delivery via Newground CIC and through an open grants programme. In taking this approach, the Trustees confirm that they have had regard to the Charity Commission's general guidance on public benefit. Outputs secured from grant funded projects completed in 2019/20 are detailed in the achievements and performance section.

## Strategic Report

The Strategic Report includes:

- Achievements and performance
- Plans for the future
- Financial review
- Principal risks and uncertainties

## Achievements and performance

The main strategic goals of Newground Together in 2019/20 were to:

- Ensure that funds were allocated appropriately during 2019/20. Audits of projects ensured that money was being spent in accordance with grant conditions.
- Update and maintain appropriate management systems to allocate and monitor funding. Grant assessment and monitoring systems were maintained in 2019/20.
- Ensure that appropriate governance is in place and maintained.
- Maintain donor support.
- Access a wide range of funding sources. Newground Together has secured significant project funding for projects from European Funding, lottery and other sources, in a number of instances committing resources as match funding to maximise funds spent in furtherance of its charitable objects.
- Promote the activities funded by Newground Together. Newground now works closely with the Group Communications team to ensure that news of projects funded by the Charity are regularly fed into local media.



# Report of the Trustees Continued

## Achievements and performance (continued)

Newground Together is the Together Housing Group's charitable arm and the vehicle through which surpluses are reinvested back into local communities. With profits from the CIC gift aided into the Charity, the Charity is able to achieve its ambition – better lives and opportunities for our communities, through both direct delivery and the distribution of grants.

The Charity's CIC, Newground, has ambitious growth plans and intends to increase its reach across the North and, in some cases, across the UK.

Through the activities of the CIC's Business Division, companies are provided with environmental, health & safety and quality business support through subscription services, training and consultancy.

The work of Landscape and Estate Services Division helps to improve the physical appearance of the North of England through green space design and the maintenance of open spaces, often providing training and work opportunities for unemployed people in the process.

The Sustainable Communities Division has continued to deliver employment support, youth and community work, environmental education and health and wellbeing projects for a range of clients including local authorities, schools and those in the private sector.

By addressing the challenges of community cohesion and of people without any skills or qualifications, the charity, through its CIC, helps to mitigate the social cohesion problems that hold back the region.

The CIC continued to meet the international standards of ISO 9001 (Quality), ISO 14001 (Environment) and OHSAS 18001 (Health and Safety) and was regularly audited in this respect by ISOQAR.

In the 12 months to 31 March 2020 Newground Together has allocated funding to a value of £1,007,716. In order to demonstrate effective delivery and value for money, the Trustees offered funding in return for agreed outputs which further the Charity's objects.

From projects completed in the year ending 31 March 2020 activity included:

- 1,150 people received one to one mentoring and support
- Over 250 school sessions delivered
- 969 community sessions delivered
- Over 5,000 training hours delivered
- 325 people supported into employment

# Report of the Trustees Continued

## Plans for the future

The Charity proposes to increase the range and level of its activities through direct service provision and by making grants to projects that further its charitable objects.

The key objectives for 2020/21 are to:

- Ensure that charitable funds are allocated appropriately during 2020/21
- Update and maintain appropriate management systems to allocate funds and monitor the impact of projects
- Ensure that appropriate governance is in place and maintained
- Maintain donor support and widen the range of funding sources
- Promote activities funded by Newground Together and report on Social Value derived from these.

Newground Together will undertake direct delivery through the actions of its Community Interest Company via specified projects that meet the charitable objects. In addition, a programme of open grants aimed at residents' groups will be delivered, with a view to supporting the development of grass roots community activity. The programme will be targeted at organisations able to demonstrate that they can deliver successfully against the charity's objects following an application and assessment process approved by the Trustees.

Whilst 2020/21 is likely to see a continued trend towards reductions in central and local government funding, Newground Together continues to work with other agencies to coordinate resources and to jointly secure external funding.

The use of Service Level Agreements allows Newground Together to develop a strategic approach to issues that will not be solved by a single grant but will respond well to co-ordinated activity by multiple agencies working together in a planned and measured way.

A fundamental aspect of programme delivery is the ability to demonstrate tangible improvements. This will require (i) an assessment process to ensure that delivery agents have the capability and capacity to deliver, (ii) a monitoring process to ensure that appropriate and meaningful performance measures are captured and (iii) an effective means of analysing this data and providing information for audit, reporting and marketing purposes.

A menu of outputs is maintained and the recording and reporting of those appropriate to any particular service level agreement or grant award will form part of the funding contract. Applicants are required to identify appropriate outputs from this list relating to their project, they are also encouraged to add additional outputs of their own that may be unique to their proposed activity.

With any particular service level agreement or grant award those measures most appropriate to the theme will be included in the contract and reporting programme. An annual report on outputs will be provided to the Newground Together Board.

## Report of the Trustees Continued

### Financial review

The consolidated statements for the group show the financial affairs of Newground Together and its wholly owned subsidiary Newground CIC.

The statement of financial activities shows that there was net expenditure for the group for the financial year of £241,113 (2019: expenditure of £649,899). This resulted in accumulated fund balances of £1,890,628 (2019: £2,131,741).

For the charitable company, the statement of financial activities, shows net outgoing resources of £574,935 (2019: outgoing resources £747,874) for the financial year. This resulted in accumulated fund balances of £848,480 (2019: £1,423,415).

The operating divisions delivered projects during 2019/20:-

Business Services had a turnover of £2,161,724 (2019:£ 1,843,300). The Business Services Division delivered environmental, health and safety and quality business support through subscription services, training and consultancy.

Subscriptions to Newground's online Legislation Update Service continued to grow, attracting new subscribers from across the UK.

We have expanded and developed our team of consultants in order to deliver commercial training and consultancy to an increasing client base across an expanding geographical area.

Sustainable Communities had a turnover of £842,001 (2019:£ 814,741). The Sustainable Communities Division has continued to deliver the charitable objects through employment support, youth and community work, environmental education and health and wellbeing projects for a range of clients including local authorities, Housing Association's, schools and those in the private sector.

Landscape Services had a turnover of £4,956,101 (2019:£4,607,099). The Landscape Services Division has continued to deliver a range of projects and services for both Together Housing Group (THG) and a number of external clients including local authorities, parish councils, community groups, schools and businesses.

The division increased its delivery of void property clear and clean services. These are provided to Together Housing Association in Lancashire, with expansion into the Yorkshire area in development. Newground also manage Together Housing Association's grounds maintenance service including the management of external grounds maintenance contracts.

The ratio of current assets to current liabilities on the consolidated balance sheet is 1.9:1 (2019: 2.2:1) while the ratio of cash only to current liabilities is 1.2:1 (2019: 1.6:1).

The group and charitable company funds fall into the following categories:

Other unrestricted funds of the group and the charitable company represents funds held for day to day running of the Trust. The unrestricted fund had net outgoing resources before transfers for the year of £22,120 for the group and net outgoing resources before transfers of £574,935 for the charitable company. After transfers this resulted in unrestricted fund balances of £1,890,628 for the group and £848,480 for the charitable company. All restricted funds are transferred to unrestricted at the year end.

## Report of the Trustees Continued

### Investment powers and policy

Under the Trust's Memorandum and Articles of Association, the charity has the power to invest in any way the trustees consider appropriate. The trustees have adopted an investment policy in line with Charity Commission guidelines. The policy addresses the need for the charity to retain sufficient resources to carry out its present and future activities, the level of acceptable risk and how it is managed and the Charity's position on ethical investment.

### Reserves policy

The Trustees of the Charity recognise the need to hold a level of unrestricted reserves to secure the Charity's future viability and that these should be maintained for the following reasons:

- To provide for the orderly winding down of any or part of the Charity's operations in the event of a significant adverse event that is outside the Charity's control which might include the loss of major contracts or sources of charitable funding.
- To provide cover for any unforeseen downturn in activity and to protect essential services to beneficiaries namely the enhancement of neighbourhoods, fostering employment and promoting health and wellbeing and to allow for generating new replacement activity, in each case in pursuit of the Charity's charitable objectives.

### Governance Code

The Charity is best placed to achieve its ambitions and aims through complying with the 7 principles of the Charity Governance Code. This is done through the appointed board members who meet regularly.

# Report of the Trustees Continued

## Trustees' responsibilities statement

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Financial statements are published on the Together Housing Group website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## Auditors

All of the Trustees as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the company's auditor is unaware.

ON BEHALF OF THE BOARD



M Harrison

Director

Date: 24 September 2020

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF NEWGROUND TOGETHER**

### **Opinion**

We have audited the financial statements of Newground Together (“the Parent Charitable Company”) and its subsidiaries (“the Group”) for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the charitable company statement of financial activities, the consolidated statement of financial position, the charitable company statement of financial position, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group’s and of the Parent Charitable Company’s affairs as at 31 March 2020 and of the Group’s incoming resources and application of resources and the Parent Charitable Company’s incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions related to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor’s report thereon. The other information comprises The Report of the Trustees. The Trustees are responsible for the other information.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF NEWGROUND TOGETHER**

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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the 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 the 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 Strategic report or the Trustee's report.

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

- adequate accounting records have not been kept 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines 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 Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF NEWGROUND TOGETHER**

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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

BDO LLP

Hamid Ghafoor (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
Manchester

Date: 24 September 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



## Consolidated statement of financial activities (incorporating a consolidated income and expenditure account)

		Unrestricted general funds	Restricted funds	Total 2020	Total 2019
	Note	£	£	£	£
<b>Income</b>					
Donations and legacies	2	200,000	-	200,000	-
		200,000	-	200,000	-
<b>Other trading activities</b>					
Business services		-	2,161,724	2,161,724	1,843,300
Landscape services		-	4,956,101	4,965,101	4,607,099
Other income		-	4,100	4,100	-
Investments	2	4,938	364	5,302	2,118
		4,938	7,122,289	7,127,227	6,452,517
<b>Charitable Activities</b>					
Other income		-	-	-	25,000
Sustainable communities		-	842,001	842,001	814,741
<b>Total income</b>		204,938	7,964,290	8,169,228	7,292,258
<b>Expenditure</b>					
<b>Other trading activities</b>					
Other expenditure	4	-	(534,411)	(534,411)	(541,116)
Business services	4	-	(1,353,136)	(1,353,136)	(1,065,672)
Landscape services	4	-	(4,718,811)	(4,718,811)	(4,500,794)
Support costs	6	(135,033)	-	(135,033)	(66,560)
		(135,033)	(6,606,358)	(6,741,391)	(6,174,142)
<b>Charitable activities</b>					
Sustainable communities	4	-	(1,545,487)	(1,545,487)	(1,500,806)
Grants payable	5	(92,025)	-	(92,025)	(251,819)
		(92,025)	(1,545,487)	(1,637,512)	(1,752,625)
<b>Total expenditure</b>	4	(227,058)	(8,151,845)	(8,378,903)	(7,926,767)
<b>Net (expenditure) / income for the year</b>		(22,120)	(187,555)	(209,675)	(634,509)
Transfer between funds		(218,993)	218,993	-	-
Taxation	7	-	(31,438)	(31,438)	(15,390)
<b>Movement in funds for the year</b>		(241,113)	-	(241,113)	(649,899)
<b>Total funds brought forward at 1 April 2019</b>		2,131,741	-	2,131,741	2,781,640
<b>Total funds carried forward at 31 March 2020</b>	14	1,890,628	-	1,890,628	2,131,741

The statement of financial activities includes all gains and losses recognised in the year.  
The accompanying notes form part of these financial statements.

## Charitable company statement of financial activities (incorporating a charitable company income and expenditure account)

		Unrestricted general funds	Restricted funds	Total 2020	Total 2019
	Note	£	£	£	£
<b>Income</b>					
Donations and legacies	2	200,000	-	<b>200,000</b>	-
Investments	2	4,938	-	<b>4,938</b>	1,958
Other income		-	-	-	56,000
Other - gift aid receivable from subsidiary	3	395,072	-	<b>395,072</b>	515,200
<b>Total income</b>		<b>600,010</b>	<b>-</b>	<b>600,010</b>	<b>573,158</b>
<b>Expenditure</b>					
Expenditure on charitable activities		(1,007,716)	-	(1,007,716)	(1,219,472)
Other – support costs	6	(167,229)	-	(167,229)	(101,560)
<b>Total expenditure</b>	4	<b>(1,174,945)</b>	<b>-</b>	<b>(1,174,945)</b>	<b>(1,321,032)</b>
<b>Net (outgoing) / incoming resources for the year</b>		<b>(574,935)</b>	<b>-</b>	<b>(574,935)</b>	<b>(747,874)</b>
<b>Total funds brought forward at 1 April 2019</b>		<b>1,423,415</b>	<b>-</b>	<b>1,423,415</b>	<b>2,171,289</b>
<b>Total funds carried forward at 31 March 2020</b>	14	<b>848,480</b>	<b>-</b>	<b>848,480</b>	<b>1,423,415</b>

The statement of financial activities includes all gains and losses recognised in the year.  
The accompanying notes form part of these financial statements.

## Consolidated statement of financial position

		2020	2019
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	9	330,653	331,999
<b>Current assets</b>			
Debtors	11	1,208,160	921,560
Cash at bank and in hand		2,116,137	2,385,682
		<u>3,324,297</u>	<u>3,307,242</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,723,825)</u>	<u>(1,498,442)</u>
<b>Net current assets</b>		<u>1,600,472</u>	<u>1,808,800</u>
<b>Total assets less current liabilities</b>		<b>1,931,125</b>	<b>2,140,799</b>
<b>Provisions</b>	13	<b>(40,496)</b>	<b>(9,058)</b>
<b>Net Assets</b>		<u><b>1,890,629</b></u>	<u><b>2,131,741</b></u>
<b>Income funds:</b>			
Restricted funds		-	-
Unrestricted funds:			
General charitable funds		<u>1,890,629</u>	<u>2,131,741</u>
<b>Funds</b>	14	<u><b>1,890,629</b></u>	<u><b>2,131,741</b></u>

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 24 September 2020.



M Harrison  
Director

Company Registration Number: 02501885

## Charitable company statement of financial position

		2020	2019
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	9	1,990	2,692
Investments	10	5	5
		<u>1,995</u>	<u>2,697</u>
<b>Current assets</b>			
Debtors	11	6,100	7,041
Cash at bank and in hand		<u>1,163,841</u>	<u>1,872,111</u>
		<u>1,169,941</u>	<u>1,879,152</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(323,456)</u>	<u>(458,434)</u>
<b>Net current assets</b>		<u>846,485</u>	<u>1,420,718</u>
<b>Total assets less current liabilities</b>		<u>848,480</u>	<u>1,423,415</u>
<b>Net assets</b>		<u>848,480</u>	<u>1,423,415</u>
<b>Income funds</b>			
Restricted funds		-	-
Unrestricted funds:			
General charitable funds		<u>848,480</u>	<u>1,423,415</u>
<b>Charity funds</b>	14	<u>848,480</u>	<u>1,423,415</u>

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 24 September 2020.



M Harrison  
 Director

Company Registration Number: 02501885

## Consolidated statement of cash flows

	2020	2019
	£	£
<b>Cash flows from operating activities</b>		
Net (expenditure)/income for the financial year	(241,113)	(649,899)
Adjustments for:		
Depreciation of tangible assets	83,336	20,658
Interest received	(5,302)	(2,118)
Corporation tax charge	31,438	15,390
(Increase)/decrease in trade and other debtors	(296,157)	186,813
Increase/(decrease) in trade creditors and other creditors	234,942	(222,232)
Cash from operations	<u>(192,856)</u>	<u>(651,388)</u>
Taxation	-	-
<b>Net cash provided by operating activities</b>	<b>(192,856)</b>	<b>(651,388)</b>
<b>Cash flows from investing activities</b>		
Purchases of tangible assets	(81,991)	(307,374)
<b>Net cash used in investing activities</b>	<u>(81,991)</u>	<u>(307,374)</u>
<b>Cash flows from financing activities</b>		
Interest received	5,302	2,118
<b>Net cash provided by financing activities</b>	<u>5,302</u>	<u>2,118</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b><u>(269,545)</u></b>	<b><u>(956,644)</u></b>
<b>Cash and cash equivalents at the beginning of year</b>	<b><u>2,385,682</u></b>	<b><u>3,342,326</u></b>
<b>Cash and cash equivalents at end of year</b>	<b><u>2,116,137</u></b>	<b><u>2,385,682</u></b>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

## 1 Accounting policies

### Company information

Newground Together is a charity (No: 702800) and a registered company limited by guarantee (No. 02501885) whose registered office is Bob Watts Building, 193 Bolton Road, Blackburn, BB2 3GE.

Newground CIC is subsidiary of Newground Together and is a Community Interest Company (CIC), a company registered in England and Wales (No: 2584952), which operates as a social enterprise, delivering programmes of work that improve the local environment and the lives of the people who live and work there. Any surpluses made from these programmes are transferred to the charity and reinvested in further programmes of improvement.

Newground Together will distribute those funds which will be awarded to community projects throughout the North of England which will help to regenerate local communities and tackle issues of deprivation in line with the company objects.

### Basis of preparation

These financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with:

- Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102 SORP);
- Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued September 2015;
- Charities Act 2011.

The charitable foundation constitutes a public benefit entity as defined by FRS 102.

### Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the disclosure exemption available in FRS 102 and no cash flow statement has been presented for the parent charitable company.

### Going concern

The Covid-19 pandemic has impacted on Newground Together and its activities, operating at a reduced level during lockdown at the start of 2020/21. As we move out of lockdown in June 2020 steps have been taken to assess the risks from resuming our activities and we have changed the way we operate in order to protect our staff and clients.

The 2020/21 Newground Business Plan was reviewed and reforecast in May 2020 which showed sufficient cost savings can be made to mitigate the reduction in revenues. In addition the Together Housing Group has made assessments of the impact of Covid - 19 and has revised financial plans and has demonstrated that the financial impact of the pandemic can be managed within the approved business plan and that there is sufficient liquidity to manage the risks. As a member of the Together Housing Group, there is reasonable expectation that The Group would support any funding requirements of Newground Together. On this basis the organisation will continue to operate as a going concern with the Board and Senior Management Team monitoring the Covid-19 position throughout the year and taking steps to mitigate any emerging risks. The group's activities, together with the factors likely to affect its future development, performance and position are set out in the Report of the Trustees on pages 3 to 12. The financial position of the group and its liquidity position are also described in the Report of the Trustees.

# Notes to the financial statements

## 1. Accounting policies (continued)

The Report of the Trustees includes the group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposures to credit risk and liquidity risk.

After making enquiries, the Trustees have a reasonable expectation that the charitable company and the group have adequate resources to continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

## 2. Basis of consolidation

The group financial statements consolidate those of the charitable company and of its subsidiary undertaking. Intra-group transactions are eliminated on consolidation and all figures relate to external transactions only.

### Income

Voluntary income comprises all incoming resources from donations, gifts and core funding grants. It is recognised upon receipt.

### Donations and gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Intangible income is valued and included in income to the extent that it represents goods or services which would otherwise be purchased. An equivalent amount is charged as expenditure. Voluntary help is not included as income.

Donations under Gift Aid together with the associated income tax recoveries are credited as income when the donations are received.

### Grants receivable

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

Grants and related income subject to pre-conditions for use have been deferred to be released to the statement of financial activities as the pre-conditions are satisfied.

### Investment income

Investment income, including associated income tax recoveries, is recognised when receivable.

### Charitable trading income

Charitable trading income represents amounts receivable for carrying out projects and programmes of work with non-grant aided funding.

# Notes to the financial statements

## 1. Accounting policies (continued)

### Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources. Central overhead costs are allocated to operational functions on the basis of their use of central support services.

Governance costs are the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with charitable activities. Included within this category are costs associated with the strategic as opposed to day to day management of the charity's activities.

Support costs, which include executive and development, finance, ICT, external audit, legal, marketing, general office and administration, are allocated across categories of charitable expenditure, governance costs and the costs of generating funds. The basis of the cost allocation has been explained in note 6 to the accounts.

Irrecoverable VAT is charged as a cost to the statement of financial activities.

### Grants payable

Grants payable are accounted for in full as liabilities of the charity when approved by the Trustees and the charity has created a valid expectation in other parties that the charity will discharge its obligations.

### Fund accounting

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Designated funds are unrestricted funds which have been designated for specific purposes by the Trustees.

### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful economic lives. The rates generally applicable are;

Leasehold improvements	20% on cost
Motor vehicles	20% on cost
Project and office equipment	20% on cost

### Investments

Investments are included at cost, subject to any provision required for a permanent diminution in its value.

### Leased assets

Rental costs payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease period.



# Notes to the financial statements

## 1. Accounting policies (continued)

### Pension costs

#### Defined contribution scheme

The pension costs charged in the year represent the amount of the contributions payable to the scheme in respect of the accounting period.

### Long term contracts

The attributable surplus on long-term contracts is recognised once their outcome can be assessed with reasonable certainty. The surplus recognised reflects the proportion of work completed to date on the project.

Full provision is made for deficits on all contracts in the year in which the deficit is first foreseen.

### Gift Aid Policy

Gift Aid payments are recognised once there is a commitment as to the amount payable. This is generally at the point payment is made. Such payments, and the associated tax relief, are presented as movements in equity.

### Significant judgements and key areas of estimation uncertainty

Directors consider there to be no items in the financial statements where they have had to make significant judgements in the process of applying the group's accounting policies or key sources of estimation uncertainty.

### Net debt

The activities of the group are funded through cash received from the operations of the group.

# Notes to the financial statements

## 2 Incoming resources

### Investment income

#### The Group

Investment income comprises income from:

	2020 £	2019 £
Bank deposits	<u>5,302</u>	<u>2,118</u>

#### The Charitable Company

Investment income comprises income from:

	2020 £	2019 £
Bank deposits	<u>4,938</u>	<u>1,958</u>

### Voluntary income

#### The Group and Charitable Company

Voluntary income comprises income from:

	2020 £	2019 £
Other donations	<u>200,000</u>	<u>-</u>
	<u>200,000</u>	<u>-</u>

Donation received from Together Housing Association to further social value work.

## Notes to the financial statements

### 3 Operations of trading subsidiary

A summary of the results of the trading subsidiary is set out below. Turnover below includes intercompany amounts which are consolidated for the group position and resulting unrestricted funds.

	2020	2019
	£	£
Turnover	8,883,759	8,201,793
Cost of sales	(7,625,675)	(7,067,272)
Gross profit	1,258,084	1,134,521
Other operating income	36,296	35,000
Administration costs	(534,411)	(541,116)
Gift aid payable	(395,072)	(515,200)
Bank interest receivable	364	160
Taxable profits	365,261	113,365

A summary of the balance sheet of the trading subsidiary is set out below.

	2020	2019
	£	£
Fixed assets	328,665	329,309
Current assets	2,163,914	1,563,742
Creditors: amounts falling due within one year	(1,409,927)	(1,175,660)
Provisions	(40,496)	(9,058)
Total net assets	1,042,156	708,333
Share capital and reserves	1,042,156	708,333

### 4 Analysis of total resources expended

#### The Group

	Cost of generating funds £	Charitable expenditure £	Governance costs £	Total 2020 £	Total 2019 £
Sustainable communities	-	1,545,487	-	1,545,487	1,500,806
Business services	1,353,136	-	-	1,353,136	1,065,672
Landscape services	4,718,811	-	-	4,718,811	4,500,794
Other	534,411	-	-	534,411	541,116
Management of the subsidiary (see note 6)	66,869	-	-	66,869	31,674
Governance costs (see note 6)	-	-	68,164	68,164	34,886
Grants payable (see note 5)	-	92,025	-	92,025	251,819
Total	6,673,227	1,637,512	68,164	8,378,903	7,926,767

# Notes to the financial statements

## 4 Analysis of total resources expended (continued)

### The Charitable Company

	Charitable Activities £	Generating funds £	Governance costs £	Total 2020 £	Total 2019 £
Grants made payable to subsidiary (see note 5)	915,691	-	-	915,691	967,653
Support costs (see note 6)	68,164	66,869	32,196	167,229	101,560
Funds returned	(6,142)	-	-	(6,142)	-
Grants payable	98,167	-	-	98,167	216,819
Total	<u>1,075,880</u>	<u>66,869</u>	<u>32,196</u>	<u>1,174,945</u>	<u>1,286,032</u>

### The Group

	2020 £	2019 £
Total resources expended include :		
Auditors remuneration:		
Fees payable to the group's auditor for the audit of the group's annual financial statements	17,500	15,950
Depreciation:		
Tangible fixed assets, owned	83,336	20,658
Other operating lease rentals	<u>44,174</u>	<u>30,834</u>

### The Charitable Company

	2020 £	2019 £
Total resources expended include :		
Auditors remuneration:		
Fees payable to the charitable company's auditor for the audit of the company's annual financial statements	11,300	10,300
Depreciation:		
Tangible fixed assets, owned	<u>702</u>	<u>1,281</u>

# Notes to the financial statements

## 5 Grants payable

### The Group and Charitable Company

The following projects were funded by the Charity in 2019/2020 in furtherance of Charitable Objectives (these objectives are listed in full on page 6). The value shown is the total grant allocated to the project which is generally for a 12 month period and may therefore extend beyond March 2020:

Project Name	Grants to Institutions
	Total amount
	£
Rhyddings 3 year allocation	25,000
CIC project accrual for Sus Comm commission	906,491
Together Wellness	3,719
Mytholm Community Garden	5,000
Waterfoot Primary - Outdoor Teaching Space	5,000
Rising Bridge Play Area	6,280
No Knife, No Crime	4,660
Supporting UK New Arrivals	3,420
The hub @ St James	5,000
Small Grants Programme 19/20	10,000
Shadsworth MMA Gym Commission	5,140
A Level Playing Field	3,747
Taking Steps to Independence	4,777
Let's Read	5,200
Newground Volunteer of the Year Award 2020	3,700
Tenant Packs	5,000
Staghills Play Area	6,474
Blackburn Children's Literature Festival	5,250
Returned funds from prior years	(6,142)
<b>Expenditure on charitable Activities - Unrestricted Reserves - the charitable company</b>	1,007,716
Payments made from NT to NGCIC	(915,691)
<b>Total for the charitable group</b>	92,025

# Notes to the financial statements

## 6 Support cost allocation

### The Group

	Management of subsidiary £	Governance costs £	Total 2020 £	Total 2019 £
Salaries and wages	99,065	3,278	<b>102,343</b>	35,605
External audit	-	13,560	<b>13,560</b>	12,360
Legal	-	1,680	<b>1,680</b>	2,640
General office and administration	17,450	-	<b>17,450</b>	15,955
	<u>116,515</u>	<u>18,518</u>	<u><b>135,033</b></u>	<u>66,560</u>

(see note 4 Management of the Subsidiary and Governance Costs).

### The Charitable Company

	Management of subsidiary £	Governance costs £	Total 2020 £	Total 2019 £
Salaries and wages	131,261	3,278	<b>134,539</b>	70,606
External audit	-	13,560	<b>13,560</b>	12,360
Legal	-	1,680	<b>1,680</b>	2,640
General office and administration	17,450	-	<b>17,450</b>	15,954
	<u>148,711</u>	<u>18,518</u>	<u><b>167,229</b></u>	<u>101,560</u>

(see note 4 Support Costs).

### Basis of support costs allocation

Central support costs are allocated as follows:

- Salaries and wages, estimated time spent on generating funds and governance
- External audit, calculated expenditure spent on governance
- Legal, calculated expenditure spent on governance
- General office and administration, estimated expenditure spent on generating funds and governance

# Notes to the financial statements

## 7 Taxation on net incoming resources

### Major components of tax expense

	2020 £	2019 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	31,438	15,390
UK current tax expense	<u>31,438</u>	<u>15,390</u>

The tax assessed on the net income for the year is higher than the standard rate of corporation tax in the UK of 19% (2019: 19%)

### Reconciliation of Tax

	2020 £	2019 £
Group net (expenditure)/income for year	(209,675)	(634,509)
Expenditure/(income) not subject to tax	970,007	703,930
Profit subject to tax	<u>760,332</u>	<u>(69,421)</u>
Profit on ordinary activities by rate of tax 19% (2019:19%)	144,463	(13,190)
Fixed asset differences	1,874	8,468
Expenses not deductible for tax	799	-
Adjustments to bought forward values	-	21,922
Amounts (charged)/credited directly to equity of otherwise transferred	(146,268)	-
Adjustment in respect of prior periods	26,398	-
Adjust closing deferred tax to 19%	-	(1,066)
Adjust opening deferred tax to 19%	4,172	(744)
Total tax charge	<u>31,438</u>	<u>15,390</u>

## 8 Staff costs

### The Group

	2020 £	2019 £
Wages and salaries	2,395,614	2,093,758
Social security costs	210,503	196,343
Other pension costs	190,099	161,062
Recharged wages	656,982	572,072
	<u>3,453,198</u>	<u>3,023,235</u>

## Notes to the financial statements

### 8 Staff costs (continued)

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

	2020 No	2019 No
Direct charitable expenditure	87	84
Management and administration of charity	5	5
	<u>92</u>	<u>89</u>

During the year, total full-time equivalents for all staff amounted to 86 (2019: 81).

Total key management personnel emoluments totalled £303,946 (2019: £333,765) of which £10,419 (2019: nil) was recharged from fellow parent company. Key management personnel is defined as the senior management team.

The Charitable Company	2020 £	2019 £
Wages and salaries	85,854	58,841
Social security costs	6,791	3,904
Other pension costs	5,975	3,349
	<u>98,620</u>	<u>66,094</u>

	2020 No	2019 No
The average number of employees during the year was as follows:		
Management and administration of charity	<u>2</u>	<u>1</u>

During the year, total full-time equivalents for all staff amounted to two (2019: one).

There was one employee receiving remuneration (on a full-time equivalent basis) in the range of £60,000 - £70,000 (2019: One).

No trustee received remuneration in the year from the charity (2019: £Nil).

Expenses were reimbursed to the trustees during the year amounted to £311 (2019: £129).

Total key management personnel totalled £65,722 (2019: £66,094).



## Notes to the financial statements

### 9 Tangible fixed assets

#### The Group

	Leasehold improvements £	Motor vehicles £	Project and office equipment £	Total £
<b>Cost</b>				
At 1 April 2019	26,627	70,500	450,737	547,864
Additions	-	-	81,990	81,990
Disposals	-	-	-	-
At 31 March 2020	26,627	70,500	532,727	629,854
<b>Depreciation</b>				
At 1 April 2019	24,361	64,737	126,767	215,865
Charge for year	451	4,312	78,573	83,336
Disposals	-	-	-	-
At 31 March 2020	24,812	69,049	205,340	299,201
<b>Net book value</b>				
At 31 March 2020	<u>1,815</u>	<u>1,451</u>	<u>327,387</u>	<u>330,653</u>
At 31 March 2019	<u>2,266</u>	<u>5,763</u>	<u>323,970</u>	<u>331,999</u>

#### The Charitable Company

	Office equipment £	Leasehold improvements £	Total £
<b>Cost</b>			
At 1 April 2019	1,244	26,627	27,871
Additions	-	-	-
At 31 March 2020	<u>1,244</u>	<u>26,627</u>	<u>27,871</u>
<b>Depreciation</b>			
At 1 April 2019	818	24,361	25,179
Charge in year	249	453	702
At 31 March 2020	<u>1,067</u>	<u>24,814</u>	<u>25,881</u>
<b>Net book value</b>			
At 31 March 2020	<u>177</u>	<u>1,813</u>	<u>1,990</u>
At 31 March 2019	<u>426</u>	<u>2,266</u>	<u>2,692</u>

All tangible fixed assets are used for charitable purposes.

# Notes to the financial statements

## 10 Investments

### The Charitable Company

	£
Cost at 1 April 2019 and 31 March 2020	<u>5</u>

At 31 March 2020 the company held 20% or more of the allotted share capital of the following:

	Class of share capital held	Proportion of nominal value held
Newground CIC	Ordinary	100%
The Compliance People (Previously ELUS Ltd)	Ordinary	100%
Groundwork Pennine Lancashire Ltd	Ordinary	100%
Sustainable Business Hub Limited	Ordinary	100%

Newground CIC holds 100% of the allotted share capital of Groundwork Limited, Groundwork Contract Services Limited and Sustainable Hub. All of these subsidiaries are dormant. The registered office is the same as Newground Together.

## 11 Debtors

	The Group		The Charitable Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	785,494	737,138	-	-
Amounts owed by subsidiary undertaking	-	-	-	1,000
Amounts owed by fellow group undertakings	192,265	98,270	-	-
Other tax and social security	-	720	-	-
Prepayments	230,401	85,432	6,100	6,041
	<u>1,208,160</u>	<u>921,560</u>	<u>6,100</u>	<u>7,041</u>

Amounts due from group undertakings are due on demand and are not subject to interest.

## Notes to the financial statements

### 12 Creditors: amounts falling due within one year

	The Group 2020	2019	The Charitable Company 2020	2019
	£	£	£	£
Trade creditors	158,767	66,049		-
Amounts owed to fellow group undertakings	98,105	119,231	11,721	232,501
Accruals and deferred income	1,466,953	1,313,162	311,735	225,933
	<u>1,723,825</u>	<u>1,498,442</u>	<u>323,456</u>	<u>458,434</u>

Accruals and deferred income include pension contributions paid after the year end amounting to £nil (2019: £nil) for the group. Amounts due to group undertakings are repayable on demand and are not subject to interest.

### 13 Provisions

#### The Group

	£
At 31 March 2019	9,058
Charged to profit and loss	31,438
At 31 March 2020	<u>40,496</u>

Provisions relate to timing differences in the accounting and taxation for fixed assets.

### 14 Income funds

Income funds are analysed as follows:

#### The Group

	Balance 31 March 2019 £	Income £	Expenditure £	Transfers £	Balance 31 March 2020 £
<b>Restricted</b>					
Other restricted reserves	-	7,964,290	(8,183,283)	218,993	-
<b>Other unrestricted funds</b>	2,131,741	204,938	(227,058)	(218,993)	1,890,628
	<u>2,131,741</u>	<u>8,169,228</u>	<u>(8,410,341)</u>	<u>-</u>	<u>1,890,628</u>

# Notes to the financial statements

## 14 Income funds (continued)

### Restricted funds

Restricted funds represent grants received from funders that have not yet been spent on specific projects for which the funds were advanced.

Other unrestricted funds comprise funds generated by Newground CIC and general unrestricted charitable funds as follows:

	Total £	General charitable funds £	Funds generated by Newground £
Balance at 1 April 2019	2,131,741	1,423,416	708,325
Net movements in the year	(241,113)	(574,935)	333,822
Amounts from restricted	-	-	-
Balance at 31 March 2020	1,890,628	848,481	1,042,147

### The Charitable Company

	Balance 31 March 2019 £	Income £	Expenditure (inc tax) £	Balance 31 March 2020 £
Other unrestricted funds	1,423,415	600,010	(1,174,945)	848,480
	<u>1,423,415</u>	<u>600,010</u>	<u>(1,174,945)</u>	<u>848,480</u>

## Notes to the financial statements

### 15 Analysis of net assets between funds

#### The Group

	Unrestricted funds £
Tangible fixed assets	330,653
Current assets	3,324,297
Provisions	(40,496)
Current liabilities	(1,773,825)
Total net assets	<u>1,890,629</u>

#### The Charitable Company

	Unrestricted funds £
Tangible fixed assets	1,990
Investments	5
Current assets	1,169,941
Current liabilities	(323,456)
Total net assets	<u>848,480</u>

### 16 Financial commitments

#### The Group

The future minimum operating lease payments are as follows:

	2020		2019	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire :				
within one year	44,174	1,382	30,834	1,632
within two to five years	134,000	-	33,000	-
	<u>178,174</u>	<u>1,382</u>	<u>63,834</u>	<u>1,632</u>

### 17 Retirement benefits

The group operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by the trustees in a fund independent from those of the group.

## Notes to the financial statements

### 18 Related party transactions

As a parent company of Newground CIC, the charitable company is exempt from the requirements of Financial Reporting Standard 102, to disclose transactions with Newground CIC.

#### Year ended 31 March 2019

Related party	Sales made by the group £	Purchases made by the group £	Owed to the group £	Owed by the group £
Together Housing Association	4,798,080	2,837,407	95,941	190,101

Together Housing Association is a fellow subsidiary of Together Housing Group, Together Housing Group is the ultimate controlling party of Newground Together.

### 19 Restricted and unrestricted funds

Restricted and unrestricted funds for the group and charity for prior year are detailed below:

	Unrestricted general funds £	Restricted funds £	Total 2019 £
<b>Income</b>			
Donations and legacies	-	-	-
<b>Other trading activities</b>			
Business services	31,000	1,812,300	1,843,300
Landscape services	-	4,607,099	4,607,099
Other income	-	-	-
Investments	1,958	160	2,118
	32,958	6,419,559	6,452,517
<b>Charitable Activities</b>			
Other income	25,000	-	25,000
Sustainable communities	-	814,741	814,741
<b>Total income</b>	57,958	7,234,300	7,292,258
<b>Expenditure</b>			
<b>Other trading activities</b>			
Other expenditure	-	(541,116)	(541,116)
Business services	-	(1,065,672)	(1,065,672)
Landscape services	-	(4,500,794)	(4,500,794)
Support costs	(66,560)	-	(66,560)
	(66,560)	(6,107,582)	(6,174,142)
<b>Charitable activities</b>			
Sustainable communities	-	(1,500,806)	(1,500,806)
Grants payable	(251,819)	-	(251,819)
	(251,819)	(1,500,806)	(1,752,625)
<b>Total expenditure</b>	(318,379)	(7,608,388)	(7,926,767)
<b>Net (expenditure) / income for the year</b>	(260,421)	(374,088)	(634,509)
Transfer between funds	(389,479)	389,479	-
Taxation	-	(15,390)	(15,390)
<b>Movement in funds for the year</b>	(649,899)	-	(649,899)
<b>Total funds brought forward at 1 April 2018</b>	2,781,640	-	2,781,640
<b>Total funds carried forward at 31 March 2019</b>	2,131,741	-	2,131,741

## Notes to the financial statements

All funds are unrestricted in the parent charity.

		Unrestricted general funds	Restricted funds	Total 2019
	Note	£	£	£
<b>Income</b>				
Donations and legacies	2	-	-	-
Investments	2	1,958	-	1,958
Other income		56,000	-	56,000
Other - gift aid receivable from subsidiary		515,200	-	515,200
<b>Total income</b>		<b>573,158</b>	<b>-</b>	<b>573,158</b>
<b>Expenditure</b>				
Expenditure on charitable activities		(1,219,472)	-	(1,219,472)
Other – support costs	6	(101,560)	-	(101,560)
<b>Total expenditure</b>	4	<b>(1,321,032)</b>	<b>-</b>	<b>(1,321,032)</b>
<b>Net (outgoing) / incoming resources for the year</b>		<b>(747,874)</b>	<b>-</b>	<b>(747,874)</b>
<b>Total funds brought forward at 1 April 2018</b>		<b>2,171,289</b>	<b>-</b>	<b>2,171,289</b>
<b>Total funds carried forward at 31 March 2019</b>	14	<b>1,423,415</b>	<b>-</b>	<b>1,423,415</b>