

# **Newcastle Futures Limited**

(A company limited by guarantee)

## **Directors' Report and Financial Statements**

**31 March 2014**



# Newcastle Futures Limited

(A company limited by guarantee)

## Company Information

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### Directors

H Forrest  
R Mould (resigned 25 March 2014)  
M Johnson  
R Hamilton  
R Ghurbhurun (resigned 1 July 2014)  
J Walker  
M O Grant  
M Gollan (appointed 25 March 2014)

### Company secretary

Ward Hadaway

### Registered number

06058448

### Registered office

Sandgate House  
102 Quayside  
Newcastle upon Tyne  
NE1 3DX

### Independent auditors

UNW LLP  
Chartered Accountants  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

# **Newcastle Futures Limited**

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# **Newcastle Futures Limited**

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## **Directors' Report**

**For the year ended 31 March 2014**

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The directors present their report and the financial statements for the year ended 31 March 2014.

### **Principal activities**

The principal activity of the company during the year was the provision of employment services with the following objects:

- 1) to relieve unemployment for the benefit of the public in the city of Newcastle upon Tyne ("the area") in such ways as may be thought fit including assistance to find employment;
- 2) to promote employment and reduce inequality in the area;
- 3) to prepare and/or co-ordinate the preparation of strategies to reduce worklessness in the area, to implement such strategies and oversee their effective delivery.

### **Vision**

*By working in partnership we will enable people to do more, feel better and access more opportunities.*

### **Aims**

To deliver a significant improvement in employment rates among those of working age, with a particular focus in the most disadvantaged areas. These will include benefits claimants, lone parents, older people and people from minority ethnic groups; ensure that individuals within these client groups are better able to both find and remain in work.

We aim to:

- 1) improve the skills of individuals within these client groups to enable them to progress once they are in work; rationalise funding arrangements as far as possible;
- 2) foster greater inter-agency co-operation, understanding of, and influence over, each other's objectives and spending decisions;
- 3) put the individual at the centre of provision and tailor services to meet their specific needs in accessing employment holistically;
- 4) critically aim to reduce numbers of young people becoming workless;
- 5) simplify and reduce the targets associated with these funding streams.

# **Newcastle Futures Limited**

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## **Directors' Report**

**For the year ended 31 March 2014**

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### **Chief Executive's report**

The company has had a successful year exceeding performance and working smoothly with our co-deliverers Jobcentre Plus. We are now comfortably in to our second year of co-delivery and it has enabled us to enhance the service in the local community.

The model of delivery ensures that we use our resources wisely while adding value to the work of Jobcentre Plus. This year we have delivered an additional pilot for DWP as part of the Welfare Reforms. The Benefit Cap has allowed us to test engagement in resident's homes and successfully partner with YHN the Council's residential landlord.

We have strived to make efficiency savings on our budget this year and have been successful with a 5% reduction on profile. Alongside which we have built up extra reserves from the work we have undertaken with Skills Providers, who have partnered with us to deliver training and employability for a number of sectors. Our hope is to maintain this level of efficiency into the next financial year.

Our work in local communities continues to be the main focus of our work, 1,559 residents being engaged and 661 being supported into work. While the labour market continues to be difficult we have made excellent progress with our work with employers. Our support of the local employers, builders such as Keepmoat, Barratt and Sir Robert McAlpine Ltd has meant that we are able to be more focussed on support for local people.

As with last year we have continued to focus on IT literacy/access delivering from community centres and retaining our shop front in the West End of the City. We believe this to be an ongoing barrier for many of our clients and we will continue this offer into the new year working alongside Newcastle City Council's Digital Champions across the city, to ensure that residents are ready and supported for digital by default agenda of services and agencies.

This year we have undertaken a specific piece of work around young people and their needs and we are in the process of taking on board the recommendations, this will impact the way in which our service operates with young people. The report itself has been endorsed with a foreword by the Leader of the Council Nick Forbes and we believe that there is further work required to ensure that our service is fit for the new generations. We have delivered the employer focus for the N-gaged programme a joint delivery between Newcastle/Gateshead Councils and local partners. The performance has been very encouraging for young people 16/17 who are not in education, employment or training and have multiple barriers. Our work on this programme has informed the design of the Council's Youth Employment Programme which has just began delivery in April 2014.

While Community Employability Outreach continues to provide an appropriate vehicle to engage those distant from the labour market; we have driven our work online to encourage and create space for innovation. We have produced a new website, complete with a virtual adviser and information relating to resources, both our and partner offers. From initial feedback clients have found easy to use and helpful, we have now provided a sound platform to build more support and help to nudge clients towards online resources as part of our digital strategy.

# **Newcastle Futures Limited**

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## **Directors' Report**

**For the year ended 31 March 2014**

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### **Future developments**

Next year we will continue to explore the use of technology and social media, the use of computer tablets/i-pads alongside more creative ways in which to resource clients online while also gaining valuable evaluation on client satisfaction is part of our plan.

We will continue to deliver both general Jobcentre Plus responsibilities including the social justice agenda for Newcastle alongside Newcastle Futures additional offer. Where we are able we will bid for work which we consider will complement and not compromise our work.

We work closely with Newcastle City Council colleagues on their Troubled Families agenda and the North East Youth Contract. Ultimately we are keen to bring collaborative ways of working into focus with other partners especially those who see the benefit of aligning skills and employability.

We are keen to maintain innovation and identify new ways of working especially with housing partners such as YHN whose tenants are around 60% of our client group. This collaborative working with partners we believe will not only support employability agenda but financial inclusion which is a key focus of Newcastle City Council and part of ensuring we are supporting their 3 priorities 'Working City, Decent neighbourhoods and Tackling inequality.

We will continue to work alongside the Council's Youth Programme and increase our own focus on young people who are not making claim to benefit. As part of this and N-gated programme we will improve our relationships with local employers, ensuring that vacancies are captured and cascaded to the residents of Newcastle.

We have been given budget from Newcastle City Council until March 2016 and we will endeavour to deliver their priorities alongside fulfilling the objectives of Jobcentre Plus. Our delivery will continue to knit together the two stakeholders vision for the city and its residents. Our hope is that the ongoing work of the LEP and delivery of SEP will provide a sound base in which to agree with partners a longer term plan for 2016 onwards, in the meantime we will steward the funds well and seek out new funding sources to compliment our main budget.

### **Directors**

The directors who served during the year were:

H Forrest  
R Mould (resigned 25 March 2014)  
M Johnson  
R Hamilton  
R Ghurbhurun (resigned 1 July 2014)  
J Walker  
M O Grant  
M Gollan (appointed 25 March 2014)

# **Newcastle Futures Limited**

(A company limited by guarantee)

## **Directors' Report**

**For the year ended 31 March 2014**

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### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Auditors**

Under section 487(2) of the Companies Act 2006, UNW LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 8 September 2014 and signed on its behalf.



**M O Grant**  
Director

Newcastle upon Tyne

# **Newcastle Futures Limited**

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## **Directors' Responsibilities Statement For the year ended 31 March 2014**

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The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **Independent Auditors' Report to the Members of Newcastle Futures Limited**

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We have audited the financial statements of Newcastle Futures Limited for the year ended 31 March 2014, set out on pages 8 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the 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 company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

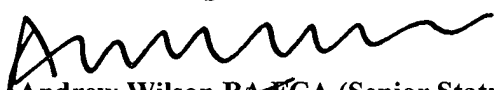
## **Independent Auditors' Report to the Members of Newcastle Futures Limited**

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### **Matters on which we are required to report by exception**

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

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



**Andrew Wilson BA FCA (Senior Statutory Auditor)**

**For and on behalf of UNW LLP (Statutory Auditor)**

Chartered Accountants

Newcastle upon Tyne

8 September 2014

# Newcastle Futures Limited

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## Income and Expenditure Account For the year ended 31 March 2014

	Note	2014 £	2013 £
<b>Income</b>	1	<b>531,389</b>	578,696
Customer expenditure		(33,618)	(35,987)
<b>Gross surplus</b>		<b>497,771</b>	542,709
Administrative expenses		(474,892)	(447,420)
<b>Operating surplus</b>	2	<b>22,879</b>	95,289
Interest receivable		146	101
<b>Surplus on ordinary activities before taxation</b>		<b>23,025</b>	95,390
Tax on surplus on ordinary activities	3	-	-
<b>Surplus for the financial year</b>	8	<b>23,025</b>	95,390

The notes on pages 10 to 13 form part of these financial statements.

# Newcastle Futures Limited

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## Balance Sheet As at 31 March 2014

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	4		3,605		2,879
<b>Current assets</b>					
Debtors	5	42,668		47,730	
Cash at bank and in hand		314,605		282,822	
		<u>357,273</u>		<u>330,552</u>	
<b>Creditors: amounts falling due within one year</b>	6	(23,796)		(19,068)	
<b>Net current assets</b>			<u>333,477</u>		<u>311,484</u>
<b>Total assets less current liabilities</b>			<u>337,082</u>		<u>314,363</u>
<b>Government grants</b>	7		-		(306)
<b>Net assets</b>			<u><u>337,082</u></u>		<u><u>314,057</u></u>
<b>Capital and reserves</b>					
Income and expenditure account	8		<u>337,082</u>		<u>314,057</u>
			<u><u>337,082</u></u>		<u><u>314,057</u></u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 September 2014.



**M O Grant**  
Director

Company registered number:06058448

The notes on pages 10 to 13 form part of these financial statements.

# **Newcastle Futures Limited**

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## **Notes to the Financial Statements For the year ended 31 March 2014**

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### **1. Accounting Policies**

#### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

#### **1.2 Going concern**

On the basis of the projected cash flow information the directors consider the company will generate the necessary income to continue to operate for the foreseeable future, and therefore consider it is appropriate to prepare the financial statements on the going concern basis.

#### **1.3 Cash flow**

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

#### **1.4 Income**

Income represents income receivable for services rendered and grants receivable from Newcastle City Council and Local Authorities during the period to implement the company's projects.

Revenue grants and contributions received and receivable in respect of specific project expenditure are recognised in the income and expenditure account in the same period as the related expenditure.

#### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	25% straight line
Office equipment	-	33% straight line

#### **1.6 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Income and expenditure account over the expected useful lives of the assets concerned.

# Newcastle Futures Limited

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## Notes to the Financial Statements For the year ended 31 March 2014

### 2. Operating surplus

The operating surplus is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	2,531	5,691
Auditors' remuneration	3,600	3,600

During the year, no director received any emoluments (2013 - £NIL).

### 3. Taxation

HM Revenue and Customs consider the company's activities to be outside the scope of corporation tax. Therefore no tax is assessed on the company's surplus on ordinary activities. Any future significant changes to the financial affairs of the company might give rise to a tax liability.

### 4. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>			
At 1 April 2013	5,164	128,969	134,133
Additions	-	3,257	3,257
At 31 March 2014	5,164	132,226	137,390
<b>Depreciation</b>			
At 1 April 2013	4,234	127,020	131,254
Charge for the year	513	2,018	2,531
At 31 March 2014	4,747	129,038	133,785
<b>Net book value</b>			
At 31 March 2014	417	3,188	3,605
At 31 March 2013	930	1,949	2,879

# Newcastle Futures Limited

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## Notes to the Financial Statements For the year ended 31 March 2014

### 5. Debtors

	2014	2013
	£	£
Trade debtors	18,035	29,007
Other debtors	4,819	8,762
Prepayments and accrued income	19,814	9,961
	<u>42,668</u>	<u>47,730</u>

### 6. Creditors: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	11,966	7,901
Other taxation and social security	4,788	6,311
Other creditors	1,801	100
Accruals and deferred income	5,241	4,756
	<u>23,796</u>	<u>19,068</u>

### 7. Government Grants

	2014	2013
	£	£
Grants	-	306

### 8. Reserves

	Income and expenditure account £
At 1 April 2013	314,057
Surplus for the financial year	23,025
	<u>337,082</u>
At 31 March 2014	

# **Newcastle Futures Limited**

(A company limited by guarantee)

## **Notes to the Financial Statements For the year ended 31 March 2014**

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### **9. Related party transactions**

During the period the company received grant income of £544,954 (2013: £515,193) from Newcastle City Council. Payroll costs and other expenditure amounting to £97,859 (2012: £100,442) were recharged to the company by Newcastle City Council. Newcastle City Council is a member of the company.

The company occupies premises which are provided rent free by The Jobcentre Plus. The Jobcentre Plus is a partner organisation and has the right to nominate one director to the board of directors.

No further transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

### **10. Company status**

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.