

Financial Statements Newground CIC

For the year ended 31 March 2018

Company No: 02584952

Newground CIC

Financial statements for the year ended 31 March 2018

Index to financial statements

| | |
|--|----|
| Company information | 3 |
| Report of the directors | 4 |
| Independent auditor's report | 11 |
| Statement of Income and Retained Earnings | 13 |
| Statement of Financial Position | 14 |
| Notes to the financial statements | 15 |

Newground CIC

Financial statements for the year ended 31 March 2018

| | |
|------------------------------------|---|
| Company registration number | 02584952 |
| Registered office | Environment Centre Bob Watts Building Nova Scotia Wharf Bolton Road Blackburn BB2 3GE |
| Directors | M Harrison (resigned 5 March 2018) B G Jackson S B Jackson P Jordan K E Leith G Lomax R A Nash K Ruth M Smith |
| Bankers | Barclays Bank PLC 6 th Floor One Snowhill Snowhill Queensway Birmingham B4 6GB |
| Solicitors | Pannone Corporate The Chapel 378-380 Deansgate Manchester M3 4LY |
| Auditor | BDO LLP Chartered Accountants Registered auditors 3 Hardman Square Spinningfields Manchester M3 3AT |

Newground CIC

Financial statements for the year ended 31 March 2018

Report of the directors

The directors present their report together with the financial statements for the year ended 31 March 2018.

Directors and members

MANAGING DIRECTOR – NEWGROUND CIC

Mick Smith

Appointed 01/06/2014 (Member since 23/08/2007)

NEWGROUND CIC MEMBER

APPOINTMENTS

Brian Jackson

Appointed 05/12/2006

Steve Jackson

Appointed 30/04/2014

Kevin Leith

Appointed 18/01/2001

Gill Lomax

Appointed 22/10/2014

Andy Nash

Appointed 23/08/2007

Kevin Ruth

Appointed 09/06/2014

Mick Smith

Appointed 23/08/2007

Peter Jordan

Appointed 07/09/2016

RESIGNATIONS:

Malcolm Harrison

Resigned 05/03/2018

Report of the directors

Structure, Governance and Management

Governing Document

In June 2013 Newground CIC and its parent undertaking, the charity Groundwork Pennine Lancashire Trust, joined the Together Housing Group and in September 2013 the charity was renamed Newground Together.

Newground CIC has continued to grow its professional landscape and business services, and its social programmes, tackling issues such as social inclusion, health, wellbeing and employment. This growth has come from the internal Together Housing Group market and externally from private sector contracts.

Any profits made by Newground CIC are provided to its parent undertaking, the charity Newground Together, to make social and environmental improvements that will change people's lives for the better.

In 2017/18 profits allowed a gift aid payment of £198,498 (2016/17:£143,541) to be made to Newground Together.

Member induction and training

New members take part in an induction day. They also receive a regular personal briefing from the Managing Director.

Organisation

Newground CIC is administered by the board of members. The board meets quarterly.

The operations of Newground CIC are managed by the Managing Director, to whom the members have delegated all operational matters. The Managing Director meets regularly with the senior management team to progress the activities of Newground CIC.

Objectives and activities

The principal object of Newground CIC is to carry out activities which benefit communities and to operate as a social enterprise to enable its parent charity to meet its objectives, which 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;

Report of the directors

(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 directors think fit.

The CIC is achieving its strategy by continuing to develop its contract offerings to both the private and public sectors in the fields of natural and built environment, business environment and training and skills.

Increasingly, the CIC provides services to its clients through contract and value-added arrangements, with less dependency on grant funding. The CIC will continue to consider and pursue grant-funding opportunities that bring real benefit to the CIC.

Public Benefit

The overall practical purpose of the CIC is to help make the North of England a greener place and to improve the social conditions of those living and working there.

The benefits to the public in pursuing this purpose are many and varied.

Through the activities of the CIC's Business Services Division, companies minimise their impact on the environment and become more competitive by making better use of their resources, enabling jobs to be created or retained.

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

The expertise of the Sustainable Communities Division in delivering community resilience, employment and enterprise programmes creates social opportunities for people of all ages.

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

Report of the directors

Achievements and Performance

The main strategic goals of Newground CIC in 2017/18 were to:

- Build on its reputation and maintain its position as the environmental and social partner of choice within the North of England.
- Continue to stimulate investment, without relying on state subsidies.
- Extend relationships with existing partners and to build new alliances, particularly within the private sector and within the Yorkshire geographical region.
- Maintain its skill-base and continue to invest in the professional development of its staff to comply with the requirements of the international standards under which it is accredited.
- Further integrate within the Together Housing Group, developing opportunities to deliver services to Group members.

The Company continued to meet the standards of ISO 9001, ISO 14001 and OHSAS 18001 and was regularly audited in this respect by ISOQAR. The maintenance of these standards proved especially beneficial to our landscape and contracts team, enabling them to pre-qualify for an increased number of tenders.

Newground delivers its activities through three established divisions – Business Services, Landscape Services and Sustainable Communities.

The **Business Services Division** delivered environmental, health & 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. The service helps subscribers demonstrate compliance to regulatory requirements and management standards such as ISO 14001 and OHSAS 18001. The system includes an online library of all health, safety, food and environmental legislation. Monthly updates are automatically integrated into the library, ensuring subscribers stay up-to-date with new legislation.

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. Projects supported clients with environmental management, health and safety management, legal compliance and quality management. The team have also been actively involved in delivering flood support programmes in the North of England on behalf of the Environment Agency.

We continued to manage the Blackburn EDZ Business Improvement District (BID) and are the accountable body for the Blackburn Town Centre BID.

The **Landscape Services Division** has continued to deliver a wide range of environmental improvement projects and services during 2017/18. Clients include local authorities, Registered Provider (RP), schools and private sector businesses. Work has included the design and build of play areas, allotments, community gardens, parks, school grounds, public open spaces; master plan work; offering planning advice; delivering fencing/training programmes; business warden work; and management consultancy work.

Report of the directors

New property maintenance opportunities have been developed within Together Housing Group including the provision of void property clearances, linked to the development of a furniture reuse centre.

Our landscape build teams have delivered parking and infrastructure projects, forest schools development schemes as well as numerous play area improvements and planting schemes. We have continued to deliver the Business Wardens contract patrolling three business parks in Blackburn, a number of grounds maintenance contracts and an alley gating maintenance service.

Our design team have continued to provide a programme of design work for local authorities, community groups and schools. Notable projects include the Rhyddings Park Heritage Lottery funded project in Oswaldtwistle, the design of park and play areas, feasibility studies, school grounds improvement projects, and a number of projects creating recreational spaces.

The **Sustainable Communities Division** has continued to deliver family intervention, education and health and wellbeing projects for a range of clients including local authorities, RP's, schools and those in the private sector.

The award winning Reachout programme has developed from a youth engagement project, with staff now delivering a range of 'whole family' interventions, operating from 7 priority locations across Lancashire and Yorkshire.

Our Employment programme has supported individuals into employment, deliver customised interventions to overcome barriers to progression, supporting people into volunteering and training opportunities, and helping them into employment. During the year we supported over 100 individuals into employment.

Risk Management

The members have a risk management strategy in place which identifies the major risks to which the CIC is exposed. The members regularly review the systems established to mitigate those risks.

The board has delegated monitoring and control responsibilities to the Together Housing Group's Risk Management Audit Committee.

Risk assessments are carried out within the CIC. The outcomes of the assessments are included in the risk assessment register. The Managing Director, in conjunction with his senior managers, identifies new risks and monitors existing risks.

The risk assessment register is summarised, and the summary is reviewed by the Group Risk Management Audit Committee annually with mechanisms in place to address any concerns identified.

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

Report of the directors

Financial risk management objectives and policies

The principal financial instruments of the CIC are cash, trade debtors and trade creditors. The objective of the CIC in relation to these instruments is to ensure that none of them pose a material threat to the unrestricted reserves of the parent charity.

All cash is held in Pounds Sterling with Barclays. The main liquidity risk arises from grant funding arrangements that require the CIC to defray expenditure before it can be reclaimed. The CIC's policy is to mitigate this risk by proportionally balancing such funding in relation to contracting and value-added services.

Credit risks are minimised through credit appraisals of new customers and by regular monitoring of outstanding debts.

Financial risks from trade creditors are managed by regular appraisal of the CIC's preferred suppliers.

Statement of directors' responsibilities

The directors are responsible for preparing the report of the directors' 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 of the profit or loss 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.

Report of the directors

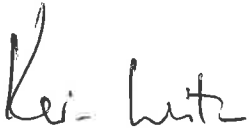
Auditors

All of the directors 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 directors are not aware of any relevant audit information of which the company's auditor is unaware.

Small company provisions

In preparing this report, the directors have taken advantage of the small companies exemption in part 15 of the Companies Act 2006.

ON BEHALF OF THE BOARD



K Leith
Director

25 September 2018

Independent auditor's report to the members of Newground CIC

Opinion

We have audited the financial statements of Newground CIC (the 'company') for the year ended 31 March 2018 which comprise the statement of income and retained earnings, the statement of financial position 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 company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 directors are responsible for the other information. 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 report of the directors' for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the report of the directors' has been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of Newground CIC

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of directors' .

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 9, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 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 Company and the Company's members as a body, for our audit

BDO LLP

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

Date: 26/09/2018

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

Statement of Income and Retained Earnings

| | Note | 2018 | 2017 |
|---|------|-----------------------|-----------------------|
| | | £ | £ |
| Turnover | 3 | 5,475,035 | 5,203,046 |
| Cost of sales | | (4,474,707) | (4,394,165) |
| Gross profit | | <u>1,000,328</u> | <u>808,881</u> |
| Other operating income | 4 | 35,003 | 36,212 |
| Administrative expenses | | (549,280) | (530,077) |
| Operating profit | | <u>486,051</u> | <u>315,016</u> |
| Net interest receivable | | 35 | 343 |
| Profit on ordinary activities before taxation | | <u>486,086</u> | <u>315,359</u> |
| Tax on profit on ordinary activities | 6 | 44,695 | (35,872) |
| Profit for the year and total comprehensive income | | <u>530,781</u> | <u>279,487</u> |
| Retained earnings at 1 April | | 278,073 | 142,127 |
| Gift Aid Payable | | (198,498) | (143,541) |
| Retained earnings at 31 March | | <u><u>610,356</u></u> | <u><u>278,073</u></u> |

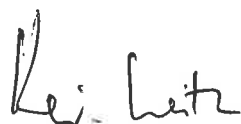
The accompanying notes form part of these financial statements.

Newground CIC**Financial statements for the year ended 31 March 2018****Statement of financial position**

| | | 2018 | 2017 |
|---|------|------------------|------------------|
| | Note | £ | £ |
| Fixed assets | | | |
| Tangible assets | 7 | 44,605 | 46,500 |
| Investments | 8 | 2 | 2 |
| | | <u>44,607</u> | <u>46,502</u> |
| Current assets | | | |
| Debtors | 9 | 1,108,664 | 1,901,188 |
| Cash at bank and in hand | | 1,179,179 | 500,046 |
| | | <u>2,287,843</u> | <u>2,401,234</u> |
| Creditors: amounts falling due within one year | 10 | (1,722,092) | (2,169,661) |
| Net current assets | | 565,751 | 231,573 |
| Total assets less current liabilities | | <u>610,358</u> | <u>278,075</u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 2 | 2 |
| Profit and loss account | | 610,356 | 278,073 |
| Shareholders' funds | | <u>610,358</u> | <u>278,075</u> |

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board of Directors on 25 September 2018.



K Leith
Director

Company Registration Number: 02584952

Notes to the financial statements

1. General information

The principal activity of Newground CIC ("Company") is to help make the North of England a greener place and to improve the social conditions of those living and working there. The Company operates as a social enterprise to enable its parent charity, Newground Together, to meet its objectives.

The company is a community interest company limited by share capital, and is incorporated and domiciled in England. Its registered office is Environment Centre, Nova Scotia Wharf, 193 Bolton Road, Blackburn, Lancashire, BB2 3GE.

2. Accounting policies

a. Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102").

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the policies below.

b. Going concern

The company's activities, together with the factors likely to affect its future development, performance and position are set out in the Report of the directors. The financial position of the company and its liquidity position are also described in the Report of the directors. The financial position of the company is also set out on the balance sheet which shows the company has net current assets at 31 March 2018.

The Report of the directors includes the company'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.

The company has considerable financial resources together with long term contracts with a number of customers and suppliers across the North of England. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has 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.

Notes to the financial statements

2. Accounting policies (continued)

c. Turnover and revenue recognition

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts. Turnover is recognised at the point the goods are supplied and services are provided to the customer.

d. 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:

| | |
|---------------------|-------------------|
| Motor vehicles | 20% straight line |
| Plant and equipment | 20% straight line |

e. Investments

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

f. Current tax

The current tax charge is based on the profit for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date. Current and deferred tax is recognised in the profit and loss account for the year.

g. Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not subject to discounting.

h. Government grants

Government grants of a revenue nature are credited to the profit and loss account in the same period as the related expenditure. Government grants in respect of capital expenditure are credited to tangible fixed assets and released to the profit and loss account over the expected useful lives of the relevant assets by equal instalments.

Notes to the financial statements

2. Accounting policies (continued)

i. Leased assets

All leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

j. Long term contracts

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

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

k. Retirement benefits

Defined Contributions Scheme

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

l. 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.

m. Significant judgements and key areas of estimation uncertainty

The 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 company's accounting policies or key sources of estimation uncertainty.

Notes to the financial statements

3 Turnover and operating profit

The turnover attributable to geographical markets outside the United Kingdom amounted to £13,377 (2017: £9,600). Turnover relates to supply of services and goods.

Operating profit is stated after charging:

| | 2018 | 2017 |
|---|--------|--------|
| | £ | £ |
| Auditors' remuneration: | | |
| - fees payable to Company's auditor for the audit of the company's financial statements | 5,500 | 9,485 |
| - fees payable to Company's auditor for non-audit services | - | - |
| Depreciation: | | |
| Tangible fixed assets, owned | 16,347 | 23,418 |
| Operating lease payment: | | |
| Land and buildings | 47,084 | 46,010 |

4 Other operating income

| | 2018 | 2017 |
|-----------------------|--------|--------|
| | £ | £ |
| Management fee income | 35,003 | 36,212 |

5 Directors and Employees

| | 2018 | 2017 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,829,334 | 1,933,639 |
| Social Security Costs | 167,041 | 175,351 |
| Other pension costs | 167,537 | 152,490 |
| Recharged wages | 507,578 | 533,828 |
| | 2,671,490 | 2,795,308 |

| | 2018 | 2017 |
|---|------|------|
| | No | No |
| Average number of employees during the year | 78 | 80 |

Notes to the financial statements

5 Directors and Employees (continued)

Remuneration in respect of the directors was as follows:

| | 2018 | 2017 |
|---|----------------|----------------|
| | £ | £ |
| Emoluments receivable | 241,206 | 217,514 |
| Value of company pension contributions to money purchase scheme | 21,876 | 21,017 |
| | <u>263,082</u> | <u>238,531</u> |

Number of directors who accrued benefits under company pension scheme were as follows:

| | 2018 | 2017 |
|-----------------------|------|------|
| | No | No |
| Money purchase scheme | 4 | 4 |

The remuneration of the highest paid director is:

| | 2018 | 2017 |
|---|---------------|---------------|
| | £ | £ |
| Emoluments receivable | 67,924 | 67,019 |
| Value of company pension contributions to money purchase scheme | 6,586 | 6,512 |
| | <u>74,510</u> | <u>73,531</u> |

The total remuneration received by key management personnel for the year was £275,253 (2017: £264,050).

6 Taxation on profit on ordinary activities**Major components of tax expense**

| | 2018 | 2017 |
|---------------------------------|----------|--------|
| | £ | £ |
| Current Tax | | |
| UK current tax (credit)/expense | (44,695) | 35,872 |

The tax assessed on the profit on ordinary activities for the year is different from than the standard rate of corporation tax in the UK of 19% (2017: 20%)

Reconciliation of Tax Expensed

| | 2018 | 2017 |
|--|-----------------|---------------|
| | £ | £ |
| Profit on ordinary activities before tax | 486,086 | 315,359 |
| Profit on ordinary activities by rate of tax at 19% (2017:20%) | 92,356 | 63,072 |
| Fixed asset differences | 28 | 22 |
| Amounts (charged)/credited directly to equity or otherwise transferred | (97,888) | (39,770) |
| Adjustment in respect of prior periods | (39,770) | 10,414 |
| Adjust closing deferred tax to 19% | 745 | 249 |
| Adjust opening deferred tax to 19% | (166) | 377 |
| Capital allowances for the year in excess of depreciation | - | 2,243 |
| Movement in provisions | - | (735) |
| Total tax (credit)/charge | <u>(44,695)</u> | <u>35,872</u> |

Notes to the financial statements

7 Tangible fixed assets

| | Plant and equipment | Motor vehicles | Total |
|-----------------------|----------------------|----------------------|----------------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2017 | 129,930 | 84,750 | 214,680 |
| Additions | 14,452 | - | 14,452 |
| At 31 March 2018 | <u>144,382</u> | <u>84,750</u> | <u>229,132</u> |
| Depreciation | | | |
| At 1 April 2017 | 104,864 | 63,316 | 168,180 |
| Charge for the year | 8,978 | 7,369 | 16,347 |
| At 31 March 2018 | <u>113,842</u> | <u>70,685</u> | <u>184,527</u> |
| Net book value | | | |
| At 31 March 2018 | <u>30,540</u> | <u>14,065</u> | <u>44,605</u> |
| At 31 March 2017 | <u>25,066</u> | <u>21,434</u> | <u>46,500</u> |

8 Fixed asset investments**Investments in subsidiaries at cost**

| | |
|--|-----------------|
| Cost at 1 April 2017 and 31 March 2018 | <u><u>£</u></u> |
| | <u><u>2</u></u> |

At 31 March 2018 the company held 20% or more of the allotted share capital of the following:

| | Class of share capital held | Percentage of shares held |
|--------------------------------------|-----------------------------|---------------------------|
| Groundwork Limited | Ordinary | 100% |
| Groundwork Contract Services Limited | Ordinary | 100% |

Both companies are dormant.

9 Debtors

| | 2018 | 2017 |
|---|-------------------------|------------------|
| | £ | £ |
| Trade debtors | 845,444 | 731,393 |
| Prepayments | 188,704 | 1,167,047 |
| Other debtors | 8,822 | 2,748 |
| Amounts owed by fellow group undertakings | 65,694 | - |
| | <u>1,108,664</u> | <u>1,901,188</u> |

Amounts owed by group undertakings are due on demand and do not attract interest.

Notes to the financial statements

10 Creditors: amounts falling due within one year

| | 2018 | 2017 |
|--|------------------|------------------|
| | £ | £ |
| Trade creditors | 88,626 | 148,303 |
| Amounts owed to immediate parent undertaking | 218,325 | 504,029 |
| Amounts owed to fellow group undertakings | 215,323 | 329,503 |
| Other taxation and social security | 50 | 64,546 |
| Corporation Tax | - | 35,872 |
| Accruals and deferred income | 1,199,768 | 1,087,408 |
| | <u>1,722,092</u> | <u>2,169,661</u> |

Amounts owed to group undertakings are payable on demand and do not attract interest.

11 Share capital

| | 2018 | 2017 |
|--|--------------|--------------|
| | £ | £ |
| Authorised 1,000 Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |
| Allotted, called up and fully paid 2 Ordinary shares of £1 each | <u>2</u> | <u>2</u> |

12 Operating leases

The future minimum operating lease payments are as follows:

| | 2018 | 2017 |
|--------------------------------|-------------------------|-------------------------|
| | Land and buildings £ | Land and buildings £ |
| Operating leases which expire: | | |
| Within one year | 46,010 | 46,010 |
| Within two to five years | 104,000 | 104,000 |
| After five years | - | 7,333 |
| | <u>150,010</u> | <u>157,343</u> |

13 Capital commitments

The company had no capital commitments at 31 March 2018 or 31 March 2017.

14 Contingent liabilities

The company had no contingent liabilities at 31 March 2018 or 31 March 2017.

Notes to the financial statements

15 Related party transactions

As a wholly owned subsidiary of Newground Together, which is wholly controlled by Together Housing Group Limited the company is exempt from requirements of Financial Reporting Standard 102 to disclose transactions with entities that are wholly owned members of the group headed by Together Housing Group Limited.

16 Immediate and ultimate controlling related parties

Newground Together is the company's immediate parent undertaking by virtue of holding 100% of the issued share capital of the company.

On 26 June 2013 the board of Newground Together resolved at a General Meeting to adopt new Articles of Association, enabling it to become a member of the Together Housing Group. The ultimate parent undertaking and controlling party is Together Housing Group Limited.

17 Financial Instruments

| | 2018 | 2017 |
|--|------------------|------------------|
| | <u>£</u> | <u>£</u> |
| Financial Assets | | |
| Financial assets measured at amortised cost | <u>2,287,843</u> | <u>2,401,234</u> |
| Financial Liabilities | | |
| Financial liability measured at amortised cost | <u>1,722,092</u> | <u>2,169,661</u> |

Financial assets measured at amortised cost represent debtors and cash at bank. Financial liabilities measured at amortised cost represent trade creditors, immediate parent undertaking, fellow group undertaking, other creditors, accruals and deferred income.