

Financial Statements Newground CIC

For the year ended 31 March 2016

Company information

| | |
|------------------------------------|---|
| Company registration number | 02584952 |
| Registered office | Environment Centre Bob Watts Building Nova Scotia Wharf Bolton Road Blackburn BB2 3GE |
| Directors | G Finch (resigned 31 May 2016) M Harrison B G Jackson S B Jackson K E Leith G Lomax R A Nash K Ruth M Smith E Spence (resigned 4 May 2016) |
| Bankers | NatWest 35 King William Street Blackburn BB1 7DL |
| Solicitors | Pannone Corporate The Chapel 378-380 Deansgate Manchester M3 4LY |
| Auditor | Grant Thornton UK LLP Statutory Auditor Chartered Accountants 4 Hardman Square Spinningfields Manchester M3 3EB |

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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.

2015/16 profits allowed a gift aid payment of £165,784 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;
 - (e) the creation of training and employment opportunities by the provision of workspace, buildings, and/or land for use on favourable terms;

Report of the directors

- (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 input 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 2015/16 were to:

- Build on its reputation and maintain its position as the environmental 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.
- Further integrate within the Together Housing Group, developing opportunities to deliver services to Group members.
- 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.

Newground CIC and its charitable parent undertaking, Newground Together, have undergone significant growth in the past few years - from being one of the first Groundwork Trusts in 1983 to the creation of a social enterprise with a strong regional presence. In June 2013 Newground Together joined the Together Housing Group, in recognition of this growth and the strengthened relationship with members of the Group.

By extending its geographical area of operation to match that of the Together Housing Group, the CIC will have the opportunity to deliver its mission on a larger scale.

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 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.

Report of the directors

The **Landscape Services Division** has continued to deliver a wide range of environmental improvement projects and services during 2015/16 for a range of clients including local authorities, Registered Social Landlords (RSLs), schools and private sector clients. Work has included: designing and building 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.

We continued to deliver the New Boundaries fencing programme for members of the Together Housing Group, working in Blackburn with Darwen, Calderdale and Pendle. The programme creates opportunities for apprentices and trainees who benefit from the practical training opportunity the programme offers to unemployed people.

Notable projects our landscape build teams have delivered during 2015/16 include: a £270K destination play area in Chorley; a public seating and viewing space in front of Salford Community Theatre; public realm scheme at Fountains Square in Barrowford for Housing Pendle (parking, access road, seating areas, planting beds, bin stores); and landscape work surrounding an overnight stay unit in Farington (paths, seating areas, play spaces, planting beds). We have continued to deliver the Business Wardens contract patrolling three business parks in Blackburn, a number of grounds maintenance contracts, a litter/recycling awareness campaign in Blackburn with Darwen and an alley gating maintenance service, again in Blackburn.

Our design team have continued to provide: a programme of design work for Lancashire County Council supporting community groups and schools across East Lancashire; housing estate improvement work for Together Housing Group; the destination play area in Chorley; design of other play areas; 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 during 2015/16 for a range of clients including local authorities, RSL'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. In 2015/16 the programme expanded to operate from 5 bases, with a first 'Reachout' launched in 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. We supported 36 individuals in to apprenticeships within Together Housing Group.

Offshoots, our permaculture project based in Towneley Park, Burnley has continued to develop its ambitions to become a North West centre of excellence for bee keeping with the site now registered as a bee farm.

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.

Report of the directors

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 senior management team are monitoring potential impacts on the business following the referendum result in favour of leaving the European Union. This includes the future of the European Structural and Investment Funds 2014 – 2020 Programme, a potential source of funding for social inclusion projects.

The risk assessment register is summarised, and the summary is reviewed by the Group Risk Management Audit Committee annually.

The board receive annually, at the time of the annual accounts review, a report from the Group Risk Management Audit Committee on the status of major risks.

The CIC's procedures 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 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 NatWest. 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 accounting standards, Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom' and with the Companies Act 2006. 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 and 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;

Report of the directors

- 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditor in accordance with Section 485 of the Companies Act 2006.

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



M Smith
Director

23 September 2016

Independent auditor's report to the members of Newground CIC

We have audited the financial statements of Newground CIC for the year ended 31 March 2016 which comprise the principal accounting policies, the statement of income and retained earnings, the statement of financial position, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'the Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of directors' responsibilities set out on pages 8 and 9, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

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 2016 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Independent auditor's report to the members of Newground CIC (continued)

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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report in preparing the Report of the directors.



Joanne Love
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

26 . September 2016

Principal accounting policies

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – ‘The Financial Reporting Standard applicable in the United Kingdom’ and with the Companies Act 2006.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 10 for an explanation of the transition.

The entity is a community interest company with the overall purpose of helping to make the north of England a greener place and to improve the social conditions of those living and working there.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Consolidated financial statements have not been prepared as the company is a wholly owned subsidiary of a charitable company incorporated in Great Britain which prepares consolidated financial statements.

Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard 102 from the requirement to produce a cash flow statement on the grounds that it is a small company.

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 on pages 3 to 9. 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 liabilities at 31 March 2016.

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.

Principal accounting policies

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.

In the case of long term contracts, turnover reflects the contract activity during the year and represents the proportion of total contract value which costs to date bear to total expected contract value.

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% on cost |
| Plant and equipment | 20% on cost |

Investments

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

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, except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of total recognised gains and losses.

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.

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.

Principal accounting policies

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.

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.

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.

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

Statement of Income and Retained Earnings

| | Note | 2016 £ | 2015 £ |
|--|------|------------------------|--------------------|
| Turnover | 1 | 5,597,075 | 4,398,768 |
| Cost of sales | | <u>(4,800,472)</u> | <u>(3,780,147)</u> |
| Gross profit | | 796,603 | 618,621 |
| Other operating income | 2 | 64,360 | 72,733 |
| Administrative expenses | | <u>(668,872)</u> | <u>(692,108)</u> |
| Operating profit/(loss) | 1 | 192,091 | (754) |
| Gift Aid Payable | | (165,784) | - |
| Net interest receivable | | <u>667</u> | <u>1,976</u> |
| Profit on ordinary activities before taxation | | 26,974 | 1,222 |
| Tax on profit on ordinary activities | 4 | - | - |
| Profit for the year | | <u>26,974</u> | <u>1,222</u> |
| Retained earnings at 1 April | | <u>(21,923)</u> | <u>(23,145)</u> |
| Retained earnings at 31 March | | <u>5,051</u> | <u>(21,923)</u> |

The accompanying notes form part of these financial statements.

Statement of Financial Position

| | 2016 | 2015 |
|---|-----------------------------|--------------------|
| | £ | (restated) £ |
| Note | | |
| Fixed assets | | |
| Tangible assets | 5 61,653 | 51,292 |
| Investments | 6 2 | 2 |
| | <u>61,655</u> | <u>51,294</u> |
| Current assets | | |
| Debtors | 7 1,388,601 | 1,424,143 |
| Cash at bank and in hand | 576,508 | 150,300 |
| | <u>1,965,109</u> | <u>1,574,443</u> |
| Creditors: amounts falling due within one year | 8 <u>(2,021,711)</u> | <u>(1,647,658)</u> |
| Net current liabilities | (56,602) | (73,215) |
| Total assets less current liabilities | <u>5,053</u> | <u>(21,921)</u> |
| Capital and reserves | | |
| Called up share capital | 9 2 | 2 |
| Profit and loss account | 5,051 | (21,923) |
| Shareholders' funds | 10 <u>5,053</u> | <u>(21,921)</u> |

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board of Directors on 23 September 2016.



M Smith
 Director

Company Registration Number: 02584952

Notes to the financial statements

1 Turnover and operating profit / (loss)

The turnover attributable to geographical markets outside the United Kingdom amounted to £Nil (2015: £Nil). Turnover relates to supply of services and goods.

Operating profit is stated after charging:

| | 2016 £ | 2015 £ |
|---|---------------|---------------|
| Auditors' remuneration: | | |
| - fees payable to Company's auditor for the audit of the company's financial statements | 9,485 | 9,000 |
| - fees payable to Company's auditor for non-audit services | 1,828 | 1,775 |
| Depreciation: | | |
| Tangible fixed assets, owned | 21,873 | 19,166 |
| Operating lease payment: | | |
| Land and buildings | 46,010 | 46,010 |
| | <u>46,010</u> | <u>46,010</u> |

2 Other operating income

| | 2016 £ | 2015 £ |
|-----------------------|---------------|---------------|
| Management fee income | 64,360 | 72,733 |
| | <u>64,360</u> | <u>72,733</u> |

3 Directors and Employees

| | 2016 £ | 2015 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,828,773 | 1,832,581 |
| Social Security Costs | 162,074 | 154,202 |
| Other pension costs | 146,523 | 161,966 |
| | <u>2,137,370</u> | <u>2,148,749</u> |

Average number of employees during the year

| | 2016 No | 2015 No |
|--|------------|------------|
| | 82 | 76 |
| | <u>82</u> | <u>76</u> |

Notes to the financial statements

3 Directors and Employees (continued)

Remuneration in respect of the directors was as follows:

| | 2016 £ | 2015 £ |
|---|----------------|----------------|
| Emoluments receivable | 178,980 | 187,851 |
| Compensation for loss of office | - | 44,250 |
| Value of company pension contributions to money purchase scheme | 17,772 | 18,785 |
| | <u>196,752</u> | <u>250,886</u> |

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

| | 2016 No | 2015 No |
|-----------------------|------------|------------|
| Money purchase scheme | <u>3</u> | <u>5</u> |

The remuneration of the highest paid director is:

| | 2016 £ | 2015 £ |
|---|---------------|---------------|
| Emoluments receivable | 64,834 | 61,415 |
| Value of company pension contributions to money purchase scheme | 6,482 | 6,141 |
| | <u>71,316</u> | <u>67,556</u> |

The total remuneration received by key management personnel for the year was £218,089 (2015: £228,806)

4 Taxation on profit / (loss) on ordinary activities

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2015: 20%)

| | 2016 £ | 2015 £ |
|---|----------------|----------------|
| Profit/(Loss) on ordinary activities before tax | <u>26,974</u> | <u>(3,829)</u> |
| Profit/(Loss) on ordinary activities by rate of tax | 5,395 | (766) |
| Expenses not deductible for tax purposes | 1,793 | 3,270 |
| Capital allowances for the year in excess of depreciation | (3,106) | (916) |
| Movement in provisions | - | (1,588) |
| Tax losses brought forward | <u>(4,082)</u> | <u>-</u> |
| Total tax charge | <u>-</u> | <u>-</u> |

The company has estimated tax losses of £12,000 (2015: £32,000) available to carry forward against future taxable profits. No deferred tax asset has been provided in respect of these losses as there is a deferred tax liability to offset in respect of the excess of taxation allowances over depreciation of fixed assets.

Notes to the financial statements

5 Tangible fixed assets

| | Plant and equipment £ | Motor vehicles £ | Total £ |
|---------------------|-----------------------------|------------------------|----------------------|
| Cost | | | |
| At 1 April 2015 | 103,340 | 83,700 | 187,040 |
| Additions | 24,437 | 10,083 | 34,520 |
| Disposals | | (15,145) | (15,145) |
| At 31 March 2016 | <u>127,777</u> | <u>78,638</u> | <u>206,415</u> |
| Depreciation | | | |
| At 1 April 2015 | 74,857 | 60,891 | 135,748 |
| Charge for the year | 14,721 | 7,152 | 21,873 |
| On disposals | | (12,859) | (12,859) |
| At 31 March 2016 | <u>89,578</u> | <u>55,184</u> | <u>144,762</u> |
| Net book value | | | |
| At 31 March 2016 | <u>38,199</u> | <u>23,454</u> | <u>61,653</u> |
| At 31 March 2015 | <u>28,483</u> | <u>22,809</u> | <u>51,292</u> |

6 Fixed asset investments

Investments in subsidiaries at cost

| | £ |
|--|----------|
| Cost at 1 April 2015 and 31 March 2016 | <u>2</u> |

At 31 March 2016 the company held 20% or more of the allotted share capital of the following:

| | Class of share capital held | Proportion held by parent company | Nature of business | Aggregate of capital and reserves £ |
|---|--------------------------------|---|-----------------------|--|
| Groundwork Limited | Ordinary | 100% | Dormant | 1 |
| Groundwork Contract Services Limited | Ordinary | 100% | Dormant | 1 |

Notes to the financial statements

7 Debtors

| | 2016 £ | 2015 £ |
|---|------------------|------------------|
| Trade debtors | 452,222 | 681,428 |
| Prepayments | 232,363 | 370,367 |
| Other Debtors | 2,746 | - |
| Amounts owed by related undertakings | 412,625 | - |
| Amounts owed by fellow group undertakings | 288,645 | 372,348 |
| | <u>1,388,601</u> | <u>1,424,143</u> |

8 Creditors: amounts falling due within one year

| | 2016 £ | 2015 £ |
|--|------------------|------------------|
| Trade creditors | 244,051 | 188,156 |
| Amounts owed to immediate parent undertaking | 224,612 | 367,735 |
| Amounts owed to fellow group undertakings | 407,156 | 5,619 |
| Other creditors | - | 25,459 |
| Other taxation and social security | 161,405 | 214,020 |
| Accruals and deferred income | 984,487 | 846,669 |
| | <u>2,021,711</u> | <u>1,647,658</u> |

9 Share capital

| | 2016 £ | 2015 £ |
|------------------------------------|--------------|--------------|
| 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> |

Notes to the financial statements

10 Transition to FRS 102

The company has adopted FRS 102 for the year ended 2016 and has restated the comparative prior year amounts.

Reconciliation of equity

| | 01-Apr-14 | | | 01-Apr-15 | | |
|-------------------------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|
| | As previously stated | Effect of transition | FRS 102 (as restated) | As previously stated | Effect of transition | FRS 102 (as restated) |
| Fixed assets | 53,555 | | 53,555 | 51,293 | | 51,293 |
| Current assets | 1,606,038 | | 1,606,038 | 1,574,444 | | 1,574,444 |
| Creditors: | | | | | | |
| Amounts falling due within one year | (1,651,843) | (30,893) | (1,682,736) | (1,612,936) | (34,722) | (1,647,658) |
| Net current assets/(liabilities) | (45,805) | (30,893) | (76,698) | (38,492) | (34,722) | (73,214) |
| Net assets | 7,750 | (30,893) | (23,143) | 12,801 | (34,722) | (21,921) |
| Capital and reserves | 7,750 | (30,893) | (23,143) | 12,801 | (34,722) | (21,921) |

Year ended 31 March 2015

| Reconciliation of profit or loss for the year | As previously stated | Effect of transition | FRS 102 (as restated) |
|---|----------------------|----------------------|-----------------------|
| Turnover | 4,398,768 | | 4,398,768 |
| Cost of sales | (3,780,147) | | (3,780,147) |
| Gross profit | 618,621 | - | 618,621 |
| Administrative expenses | (688,279) | (3,829) | (692,108) |
| Other operating income | 72,733 | | 72,733 |
| Operating profit | 3,075 | (3,829) | (754) |
| Interest receivable | 1,976 | | 1,976 |
| Profit for the financial year | 5,051 | (3,829) | 1,222 |

Accruals were not previously provided for holiday pay that was earned but for which the entitlement was expected to be taken in the subsequent financial year. Under FRS102 the company is required to accrue for all short-term compensated absences as holiday entitlement earned but not taken at the statement of financial position date.

Notes to the financial statements

11 Operating leases

The future minimum operating lease payments are as follows:

| | 2016 Land and buildings £ | 2015 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 | 18,333 | 29,333 |
| | <u>168,343</u> | <u>179,343</u> |

12 Capital commitments

The company had no capital commitments at 31 March 2016 or 31 March 2015

13 Contingent liabilities

The company had no contingent liabilities at 31 March 2016 or 31 March 2015

14 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.

15 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.

Notes to the financial statements

16 Financial Instruments

| | 2016 | 2015 |
|--|------------------|------------------|
| | £ | £ |
| Financial Assets | | |
| Financial assets measured at amortised cost | <u>1,965,109</u> | <u>1,574,443</u> |
| Financial Liabilities | | |
| Financial liability measured at amortised cost | <u>2,021,711</u> | <u>1,647,658</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.