

**BUILDING FUTURES EAST
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
31st MARCH 2012**

Charity Number 1125555

THURSDAY



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**BUILDING FUTURES EAST
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

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**BUILDING FUTURES EAST
COMPANY LIMITED BY GUARANTEE**

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Registered charity name	Building Futures East
Charity number	1125555
Company registration number	06261491
Principal office	Low Yard White Street Walker Newcastle upon Tyne NE6 3PJ
Registered office	Low Yard White Street Walker Newcastle Upon Tyne NE6 3PJ
Trustees	Fr M E Conaty MBE B Shepherd A MacDonald V Robinson OBE J D Stokel Walker C Muir (not a director of the charitable company) Dr P Chan Chief Inspector P Fay C Hewitt J Allen C Sayers
Secretary	A Woods-Waters
Auditor	Tait Walker LLP Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds TSB Bank plc 102 Grey Street Newcastle upon Tyne NE99 1SL

**BUILDING FUTURES EAST
COMPANY LIMITED BY GUARANTEE**

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS *(continued)*

Solicitors

Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

Advisers to the trustees

Colin Turner (Chair of Future Build Enterprise &
Development Company Ltd)

Colin Gilstin (Health & Safety Consultant)

BUILDING FUTURES EAST COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31st MARCH 2012

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the year ended 31st March 2012

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 to 2 of the financial statements

THE TRUSTEES

The trustees who served the company during the period were as follows

Fr M E Conaty MBE

B Shepherd

A MacDonald

V Robinson OBE

J D Stokel Walker

C Muir (not a director of the
charitable company)

Dr P Chan

Chief Inspector P Fay

C Hewitt

J Allen

B Miller

(Resigned 31st January 2012)

C Sayers was appointed as a trustee on 15th June 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The charitable company is registered as a charitable company limited by guarantee

The charitable company is constituted under a Memorandum of Association dated 27 May 2007 as amended on 23 June 2008 and is a registered charity number 1125555

The principal object of the charitable company is the promotion of the public benefit of urban or rural regeneration in areas of social and economic deprivation (and in particular in the East end of Newcastle upon Tyne)

The charitable company is also a member of 'Locality' the UK's leading network for community-led organisations

BUILDING FUTURES EAST COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31st MARCH 2012

Method of appointment or election of trustees

The management of the charitable company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Articles of Association make provision for "Associate" members who have the entitlement to attendance and representation but without the right to vote.

All directors of the charitable company are also trustees under the Charities Act 2006.

Trustees may be nominated on the basis of personal values and a motivation consistent with those of the organisation.

Trustees are appointed for a period of three years at which point they must retire or stand for re-appointment as described in the Articles of Association.

Policies adopted for the induction and training of trustees

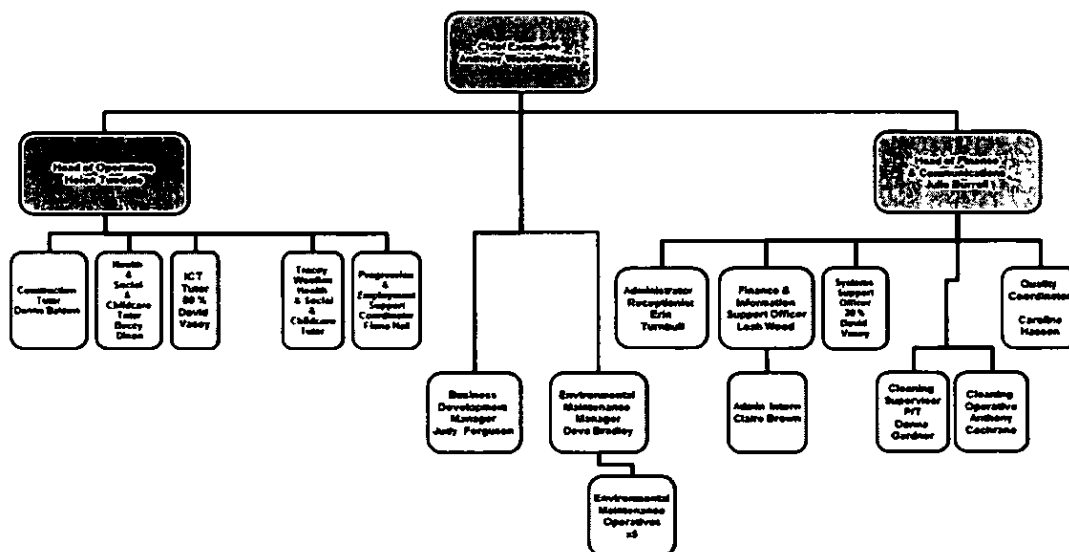
New trustees receive an induction, which includes a briefing on their legal obligations under charity and company law, the Memorandum and Articles of Association, the committee and decision making processes, the business plan, accounts, minutes of recent trustee meetings and a schedule of future dates.

Organisational structure and decision making

The organisation operates along conventional lines with management and team meetings at all levels. These then inform the decision making process in addition to the feeding in of external information from partner organisations and service users.

There are also thematic meetings of staff and management to support such issues as Health and Safety and Continuous Quality Improvement. These also make important contributions to policy and practice development.

The current organisational structure is as follows:



BUILDING FUTURES EAST COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31st MARCH 2012

Related party relationships

During the course of the year we have had numerous visits from representatives of organisations and a range of other interested parties keen to tour our facility and understand our philosophy and methods

We consider that such relationships can only enrich our organisation and by proactively opening ourselves to questioning, will greatly enrich us by expanding our thinking, support continuous improvement whilst also enabling a wider audience for our work. We also recognise that the ownership this develops has tremendous motivational benefits for our staff team and our partners

A number of these have resulted in opportunities to develop closer working relationships and in some cases in formal partnership working. Through these relationships we are also keen to influence the thinking of organisations in their own response to the needs of our communities and where appropriate share our knowledge and learning in a way that adds value to their activity

In some cases these relationships are formed around the development of specific projects or initiatives that facilitate a return to learning or to work and therefore also relate to funding, in some cases they are very simply around extending the mission of the organisation and in a few they are about organisations intent on supporting our work through the development of the organisation itself

During the course of 2011-12 examples of these are

NAC Group

The continuation of the formal partnership, working to deliver Nissan UK traditional automotive production line training. NAC are a national private sector training provider with significant expertise in lean and green manufacturing and outsourcing. This programme continues to perform well despite the prevailing regional employment conditions. The partnership is to be reviewed from April 2012

CLES (Centre for Local Economic Strategies)

We continue to be members of CLES. Centre for Local Economic Strategies (CLES) is the only UK membership based independent think-doing organisation, with charitable status, involved in regeneration, local economic development and local governance. CLES brings together a network of subscribing organisations, which includes regeneration partnerships, local authorities, regional bodies, community groups and voluntary organisations

Our Chief Executive is a Director of CLES and regular contributor to the annual CLES Summit

Sure Start Newcastle

From the start of 2012 we have accelerated the pace in developing local delivery and the scale or volume of that delivery. This has been managed in conjunction with Sure Start Newcastle and we have further tested this partnership with Sure Start centres across the City as points of delivery. The relationship ensures wider targeted engagement with the means for greater holistic support measures in place to meet the needs of families where parents or carers require support back into learning and employment. It is therefore our intention to roll out delivery as part of a fully tested strategic and operational framework from the beginning of the next academic year 12-13

BUILDING FUTURES EAST COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31st MARCH 2012

Science City

During the course of the year we launched a ground-breaking 'low carbon economy' project to get unemployed residents 'work-ready' in industries where regional employers, including Nissan and Smith Electric Vehicles, forecast a shortage in skills. The collaboration project led by us also included the local charity JET with electric vehicle sector training provider Group Horizon and the state-of-the-art electric vehicle training facilities at Gateshead College. An independent external evaluation of the success of the programme is being undertaken by the Centre for Local Economic Strategies and is expected to be published in August 2012.

Riverside Housing Group

During the course of the year we have undertaken increasing work at the request of this Registered Provider of Social Housing. Whilst this association has increased the extent of our geographical coverage in the sub-region the value of the works has remained at a relatively modest level. The relationship however is one that continues to develop with strong indications that demand will increase in 2012-13 and that formal contractual relations for the delivery of our services might be concluded.

Risk management

The trustees have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

OBJECTIVES AND ACTIVITIES

Policies and objectives

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to the public benefit.

A comprehensive and regularly updated set of policies and guidelines supporting the organisations responsibilities as charity, employer, training organisation and social enterprise have been formulated and published.

Delivery activities address the organisations values, objectives and organisational targets and are underpinned by our policy and practice directives. Much of this information is placed in the public domain via our website.

Strategies for achieving objectives

Within this from the start of 2012 significant developmental work and strategic planning has been undertaken with partner organisations to develop new market and engagement routes. Examples of such work are with Sure Start Area Teams across the city of Newcastle at an operational level and with the Sure Start Senior Management Team at a strategic level. Evidence indicates that synergies between organisations together with the added value of interactivity will make a significant contribution to respective organisational targets and social objectives.

BUILDING FUTURES EAST COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31st MARCH 2012

Activities for achieving objectives

In such turbulent and challenging times we have put considerable effort into developing and strengthening our network of partners and supporters. We have in the past year some considerable success in this area. Outcomes include Corporate Social Support from the North East Regional Team from BT, hosting of the Tyne and Wear and Northumberland Community Foundation Staff and Board Away Day, hosting and participation in Common Purpose leadership programmes for undergraduates from Sunderland and Newcastle Universities. These have been enormously productive in raising the profile of our business and ethos, acting as a conduit for wider corporate support and delivering on our objective on influencing thinking in relation to areas of disadvantage and our work and its' broader context.

We continue to remain sensitive to the changing landscape in which we operate. Part of our skill has been to successfully anticipate the market and to remain flexible in order to deliver all necessary outcomes that support our ongoing viability. This has necessitated a degree of fluidity in delivery mechanisms and organisational structure. Over the course of the year therefore we have reduced our offer on Construction although we have no plans to discontinue it, subsequently we have increased capacity in Social Care, Childcare and Customer Service programmes and intend during the course of next academic year to increase the number and range of vocational skills routes on offer.

We have during the course of the year we have carefully considered the structuring of our commercial proposition in the form of Future Build. There have been some successes in moving the business forward, notably in our relationship with both Your Homes Newcastle and the Riverside Housing Group and we anticipate that the momentum gained to date will continue in the next financial year.

Volunteers

The charitable company is grateful for the unstinting efforts of its volunteers who are involved in service provision and the care and maintenance of our training facility. Volunteering opportunities are specifically offered to those who might benefit from a supported experience close to the real working environment.

BUILDING FUTURES EAST COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31st MARCH 2012

ACHIEVEMENTS AND PERFORMANCE

Review of activities

Mainstream activities for the year followed our core business strands of curriculum and personal development and environmental management. An increasing number of our curriculum learning programmes were delivered in community venues with every indication that this, by design, will continue to be the case and is in keeping with increasing local demand and our commitment to partnership working. We are starting to see the "green shoots" of business growth within our environmental management activity and this area activity will see renewed emphasis during the course of 2012-13.

The end of 2010-11 saw the discontinuation of the Working Neighbourhoods Fund and for the first time in over three decades there were no central governmental regeneration funding programmes. Additionally, the "Backing Young Britain" Policies of the former political administration were abandoned which included as a central measure the 'Future Jobs Fund'. These developments had a significant impact upon our organisation.

Interim support was forthcoming through the 'Transition Fund' that enabled a measure of support for reshaping the business. Funding was therefore utilised to redesign our business development capability and assess its contribution sustaining and growing existing business and importantly, in attracting new business. It is our intention to review progress within the first quarter of 2012-13.

Fundraising activities / Income generation

We have a clear strategy in relation to the funding of our curriculum programme through a mix of grant aid, charitable support and contract work. Additionally, this operates in conjunction with our social enterprise in securing contract work with public, private and third sector clients on a commercial basis.

BUILDING FUTURES EAST COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31st MARCH 2012

Factors relevant to achieve objectives

Support from the government's 'Transition Fund' demanded a stated and agreed programme of activity to support a move to greater sustainability through managed change. Like a number of other small charities we adhered strictly to the criteria set out and developed our response accordingly. In order to do so, on a temporary basis, we recruited a business support assistant along-side changes to individual officer work programmes. Within this as stated earlier we wished to assess capability and options to deliver optimum results around student engagement, recruitment and retention. The lessons learnt from this activity have been unambiguous although we will not finalise revisions to the structure until a full analysis has been completed - this due in the first quarter of 2012-13.

Part of our response to the changing external landscape and the conditions set by Transition Fund, in addition to our commitment to continuous quality improvement, has been a collective push, supported by continued investment in capacity to strengthen internal quality systems and to develop a robust framework linking effective policy, systems and procedures upon which we can attach a robust quality management system fit for external accreditation. We have therefore made significant strides forward over the course of the year and anticipate application for accreditation during the course of 2012-13. It is important not to underestimate the extent of the work delivered by the team across the board over the course of the period and the value added in terms of a general raising of quality standards in all aspects of our work.

There has been considered time allotted to effective contract management across the two strands of business activity. This has resulted in strong performance on the curriculum side and for the first time the growing emergence of our environmental management activity as a potentially strong income generator.

FINANCIAL REVIEW

The trustees have considered the result for the year and are assessing the actions required to secure the charity in the future.

At 31 March 2012 reserves were £44,519, including restricted funds of £8,190.

Reserves Policy

At this stage, the trustees are concentrating on meeting the financing requirements of the charitable company whilst it is in the development phase. In due course, the trustees will develop a reserves policy appropriate to securing the long term future of the charitable company.

Principal funding

The majority of the charitable company's funding is through contracts and grants with local authorities and colleges of further education. These then relate to the delivery of curriculum activity or the provision of services. The organisation has also, during the course of the year, benefitted from a significant allocation from the Government's Transition Fund. This was a short term grant programme which enabled further fine tuning of the organisational structure to facilitate a greater capacity for growth envisaged for 2012-13.

BUILDING FUTURES EAST COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31st MARCH 2012

PLANS FOR FUTURE PERIODS

Future Developments

There are several key strands of activity in moving forward

- Curriculum Expansion

New vocational skills offers will be launched in the 2012-13 academic year. These will see improved progression routes with higher level offers on existing programmes together with the introduction of new vocational programmes, for example, Enterprise.

The new academic year will see greater geographical coverage across the City of Newcastle enabled through our developing partnership with the Sure Start Programme.

- Environmental Management

It has taken time and significant effort to establish this social enterprise within the organisation. Undoubtedly at times it has placed a financial burden upon the organisation as we have developed the profile, reputation, quality and the people in this new venture - Future Build. During the course of the year we have seen growing interest in the model we have developed. This interest however emanates from the quality of our product. Therefore, increased effort will add to already growing momentum in the further escalation of business activity, with discussions already advancing in respect of a number of key business projects linked to potentially significant income and business growth.

Within this it is also the clear intention to increase opportunities for full time positions within Future Build.

- Influencing Thinking and Innovation

During the course of the year we have observed the increasing difficulties faced by our students and by those to whom we provide additional support around their personal development. Part of the mission of our organisation has always been to advocate on behalf of the communities we serve, to maximise the impact of our work through dialogue with wider place stakeholders that looks to improve access to and the quality of local services in addition to their appropriateness.

This mission, this commitment will continue. Our willingness to immerse ourselves in the issues that impact our communities has been at the heart of our curriculum and business transformation work to date, producing award winning initiatives such as our Junior Learning Provision (VONNE Most Exciting Project 2011). These active conversations will continue during the course of the next year. One focus will be the rapidly increasing need to rethink "place" in the context of our current focus upon neighbourhoods and to perhaps act as catalysts for such conversations that examine the development of place systems that deliver greater local resilience.

- Quality Assurance Accreditation

Planning and early developmental work is underway to secure formal external accreditation in "Matrix" and in ISO 9001. We expect to accelerate development and application during the course of 2012-13.

BUILDING FUTURES EAST COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31st MARCH 2012

The Matrix Standard is the unique quality standard for an organisation to assess and measure its advice and support services, which ultimately supports individuals in their choice of career. This is an outcome based Standard that is not only a benchmark of the quality of the services an organisation provides, but is also a key business improvement tool.

ISO 9001 relates to quality management systems and is designed to help organisations ensure that they meet the needs of customers and other stakeholders. This will be independently certified. The application of this system is an important statement by the organisation with ISO 9001 one of the most widely used management tools utilised by business in the world today.

PUBLIC BENEFIT

The trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The charitable objectives are also set in order to provide a clear and demonstrable public benefit.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also the directors of Building Futures East for the purposes of company law) are responsible for preparing the trustees annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**BUILDING FUTURES EAST
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31st MARCH 2012

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

Tait Walker LLP were appointed as auditors to the charitable company on 7 March 2012, replacing Rycroft Glenton

A resolution to re-appoint Tait Walker LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed on behalf of the trustees



Father M E Conaty MBE
Chairman

19 10 2012

BUILDING FUTURES EAST COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE COMPANY'S MEMBERS

YEAR ENDED 31st MARCH 2012

We have audited the financial statements of Building Futures East for the year ended 31st March 2012 set out on pages 15 to 28. 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the charitable company's ability to continue as a going concern. At the year ended 31st March 2012 the charitable company had net current liabilities of £8,745. This condition, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the charitable company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the charitable company was unable to continue as a going concern.

BUILDING FUTURES EAST COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE COMPANY'S MEMBERS *(continued)*

YEAR ENDED 31st MARCH 2012

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 31st March 2012 and of its incoming resources and application of resources for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the trustees annual report for the financial year for the which the financial statements are prepared is consistent with the financial statements

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 trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees annual report

Tait Walker LLP

Mark Brunton BSc FCA (Senior Statutory Auditor)
For and on behalf of
Tait Walker LLP, Chartered Accountants & Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

19 10.2012

**BUILDING FUTURES EAST
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND
EXPENDITURE ACCOUNT)**

YEAR ENDED 31st MARCH 2012

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
INCOMING RESOURCES					
Incoming resources from generating funds					
Voluntary income	3	–	388,373	388,373	795,437
Activities for generating funds	4	196,298	–	196,298	167,783
Investment income	5	239	–	239	409
Other incoming resources	6	887	–	887	5,000
TOTAL INCOMING RESOURCES		<u>197,424</u>	<u>388,373</u>	<u>585,797</u>	<u>968,629</u>
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	7	–	(48,927)	(48,927)	(16,348)
Charitable activities	8	(382,120)	(234,164)	(616,284)	(769,482)
Governance costs	9	(22,241)	(18,828)	(41,069)	(28,259)
TOTAL RESOURCES EXPENDED		<u>(404,361)</u>	<u>(301,919)</u>	<u>(706,280)</u>	<u>(814,089)</u>
NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS					
Transfer between funds	11	(206,937)	86,454	(120,483)	154,540
	12	<u>78,264</u>	<u>(78,264)</u>	<u>–</u>	<u>–</u>
NET (EXPENDITURE)/INCOME FOR THE YEAR		<u>(128,673)</u>	<u>8,190</u>	<u>(120,483)</u>	<u>154,540</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>165,002</u>	<u>–</u>	<u>165,002</u>	<u>10,462</u>
TOTAL FUNDS CARRIED FORWARD		<u>36,329</u>	<u>8,190</u>	<u>44,519</u>	<u>165,002</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared
All of the above amounts relate to continuing activities

The notes on pages 17 to 28 form part of these financial statements

**BUILDING FUTURES EAST
COMPANY LIMITED BY GUARANTEE
COMPANY REGISTRATION NUMBER 06261491
BALANCE SHEET**

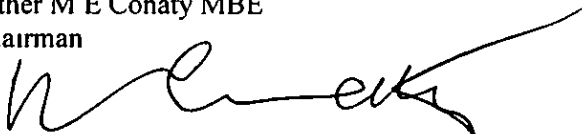
31st MARCH 2012

	Note	2012 £	£	2011 £	£
FIXED ASSETS					
Tangible assets	14		53,263		75,713
Investments	15		1		1
			<u>53,264</u>		<u>75,714</u>
CURRENT ASSETS					
Debtors	16	63,569		55,672	
Cash at bank and in hand		20,093		158,793	
		<u>83,662</u>		<u>214,465</u>	
CREDITORS: amounts falling due within one year	17	<u>(92,407)</u>		<u>(125,177)</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(8,745)</u>		<u>89,288</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>44,519</u>		<u>165,002</u>
NET ASSETS			<u>44,519</u>		<u>165,002</u>
FUNDS					
Restricted income funds	19		8,190		—
Unrestricted income funds	20		36,329		165,002
TOTAL FUNDS			<u>44,519</u>		<u>165,002</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the trustees on the 19.03.2012 and are signed on their behalf by

Father M E Conaty MBE
Chairman



The notes on pages 17 to 28 form part of these financial statements

BUILDING FUTURES EAST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

1. GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes the charitable company will continue in operational existence for the foreseeable future. At the year end, the charitable company has net current liabilities of £8,745.

The charitable company's forecasts show that it is likely that it will face cash flow challenges after the year end, arising from uncertainty of its income streams, due to the repayment of a £50,000 short-term loan which, at present requires repayment during February 2013 and because currently the charitable company has not yet sought to request any overdraft facilities with its bankers.

The trustees will approach their company bankers to open discussions around arranging an overdraft facility, so that periods where the projected cash flow falls into overdraft does not prevent the charitable company from continuing as a going concern.

The trustees of the charitable company have consulted the trustees of St Anthony's of Padua Community Association, in respect of the £50,000 loan due for repayment during February 2013. It has been agreed that repayment of the loan can be structured in such a way as to assist the charitable company in the management of its cash balances.

The trustees have considered their income forecast projections and are confident that these will be achieved. However, if they were not fully achieved, the trustees recognise that they would need to take action to reduce the charitable company's expenditure proportionately.

The trustees have concluded that these circumstances represent a material uncertainty that casts doubt upon the charitable company's ability to continue as a going concern and that, therefore, the charitable company may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, given the support of the charitable company's bankers, the trustees of St Anthony's of Padua Community Association and the charitable company's trustees' own assessment of the forecast income, they have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

BUILDING FUTURES EAST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

2. ACCOUNTING POLICIES *(continued)*

Cash flow statement

The financial statements do not include a Cash Flow Statement because the charitable 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)

Incoming resources

All incoming resources are included in the statement of financial activities when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy

The following specific policies are applied to particular categories of income

Voluntary income is received by way of grants and donations and is included in the statement of financial activities when receivable Grants, where entitlement is not conditional on the delivery of a specific performance by the charitable company, are recognised when the charitable company becomes unconditionally entitled to the grant Grants received where conditions specified by the donor have not yet been met by the charity or where the donor has specified the time period in which the expenditure of resources can take place are deferred and recognised once all conditions have been met, or over the time period specified by the donor

Incoming resources from charitable activities is contract income with local authorities and other similar services income and is recognised on the basis of work done

Investments

Investment in the dormant subsidiary company is stated at its cost of £1

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charitable company for particular purposes The cost of raising and administering such funds are charged against the specific fund The aim and use of each restricted fund is set out in the notes to the financial statements

BUILDING FUTURES EAST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

2. ACCOUNTING POLICIES *(continued)*

Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of resources.

Support costs are those costs incurred directly in support of expenditure on the activities of the charitable company. Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

Management and administration staff spend time directly on charitable, fund-raising and governance activities. Central wages and salaries are apportioned to these activities on the basis of estimated time spent by support staff directly on those activities each month.

Fixed assets

All fixed assets costing more than £100 are capitalised.

Tangible fixed assets are stated at cost less depreciation.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment	-	25% straight line
Fixtures & Fittings	-	20% straight line
Motor Vehicles	-	25% straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**BUILDING FUTURES EAST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

3. VOLUNTARY INCOME

	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Donations			
Donations	-	-	180,050
Grants receivable			
Newcastle Fund	100,000	100,000	-
Working Neighbourhoods Fund	-	-	302,132
Future Job Funding	5,051	5,051	202,110
Big Lottery - Transition Fund	151,000	151,000	-
Newcastle City Council - Environmental Grants	20,640	20,640	36,800
Your Homes Newcastle - Environmental Grant	5,000	5,000	-
Science City	81,435	81,435	-
Prince's Trust	6,500	6,500	6,000
Santander Foundation	6,504	6,504	-
Awards for All	6,892	6,892	-
Other Training Grants	1,900	1,900	-
Walker Ward	3,451	3,451	-
CPP / LSC Claim	-	-	39,911
IT Grant	-	-	8,855
Business and Enterprise Grant	-	-	6,600
Motor Vehicle Grant	-	-	12,979
	<u>388,373</u>	<u>388,373</u>	<u>795,437</u>

4. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Training & employment	<u>196,298</u>	<u>196,298</u>	<u>167,783</u>

5. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Bank interest receivable	<u>239</u>	<u>239</u>	<u>409</u>

**BUILDING FUTURES EAST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

6. OTHER INCOMING RESOURCES

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Community Foundation prize	-	-	5,000
Other incoming resources	887	887	-
	<u>887</u>	<u>887</u>	<u>5,000</u>

7. COSTS OF GENERATING VOLUNTARY INCOME

	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Grants	48,927	48,927	16,348

8. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Training & employment	283,808	104,584	388,392	594,503
Support costs	98,312	129,580	227,892	174,979
	<u>382,120</u>	<u>234,164</u>	<u>616,284</u>	<u>769,482</u>

9. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Salaries and wages	4,645	17,126	21,771	4,969
Employer's NIC	443	1,702	2,145	480
Premises costs	3,178	-	3,178	-
Accountancy fees	1,663	-	1,663	-
Audit fees	3,300	-	3,300	3,627
Legal fees	7,803	-	7,803	19,183
Other support costs	1,209	-	1,209	-
	<u>22,241</u>	<u>18,828</u>	<u>41,069</u>	<u>28,259</u>

**BUILDING FUTURES EAST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

10. ANALYSIS OF SUPPORT COSTS

	Training & employment £	Governance £	Total 2012 £	Total 2011 £
Staff costs	122,129	5,088	127,217	38,145
Premises	76,277	3,178	79,455	91,537
Other costs	29,486	1,209	30,695	50,746
	<u>227,892</u>	<u>9,475</u>	<u>237,367</u>	<u>180,428</u>

11. NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR

This is stated after charging

	2012 £	2011 £
Depreciation	29,943	28,086
Auditors' fees	<u>3,300</u>	<u>3,627</u>

12. FUND TRANSFERS

Transfers between unrestricted and restricted funds relate to allocation of support and staff costs to restricted projects

13. STAFF COSTS AND REMUNERATION

Total staff costs were as follows:

	2012 £	2011 £
Wages and salaries	402,711	339,569
Social security costs	36,578	29,901
	<u>439,289</u>	<u>369,470</u>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows

	2012 No	2011 No
Training and employment	10	11
Environmental maintenance	5	1
Central services	5	3
	<u>20</u>	<u>15</u>

**BUILDING FUTURES EAST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

13. STAFF COSTS AND REMUNERATION *(continued)*

The average number of individuals employed by the charitable company in 2012 was 20, (2011 15)

The charitable company makes payments to students through its payroll under two projects. These students are not employed by the charitable company and payments made to them are not deemed to be staff costs of the organisation and are treated as other direct costs.

The number of employees whose remuneration for the year fell within the following bands, were

	2012	2011
	No	No
£60,000 to £69,999	<u>1</u>	<u>-</u>

There were no contributions made in the year to either defined contribution or defined benefit pension schemes for any employee (2011 nil)

None of the trustees received any remuneration or reimbursement of expenses in the year (2011 none)

14. TANGIBLE FIXED ASSETS

	Equipment	Fixtures & Fittings	Motor Vehicles	Total
	£	£	£	£
COST				
At 1st April 2011	18,106	87,026	12,919	118,051
Additions	<u>7,206</u>	<u>287</u>	<u>-</u>	<u>7,493</u>
At 31st March 2012	<u>25,312</u>	<u>87,313</u>	<u>12,919</u>	<u>125,544</u>
DEPRECIATION				
At 1st April 2011	7,802	31,306	3,230	42,338
Charge for the year	<u>6,326</u>	<u>20,387</u>	<u>3,230</u>	<u>29,943</u>
At 31st March 2012	<u>14,128</u>	<u>51,693</u>	<u>6,460</u>	<u>72,281</u>
NET BOOK VALUE				
At 31st March 2012	<u>11,184</u>	<u>35,620</u>	<u>6,459</u>	<u>53,263</u>
At 31st March 2011	<u>10,304</u>	<u>55,720</u>	<u>9,689</u>	<u>75,713</u>

**BUILDING FUTURES EAST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

15. INVESTMENTS

Movement in market value

	2012 £	2011 £
Market value at 1st April 2011	1	1
Market value at 31st March 2012	<u>1</u>	<u>1</u>
Historical cost at 31st March 2012	<u>1</u>	<u>1</u>

Analysis of investments at 31st March 2012 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Other investments				
UK Group undertakings	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Holding
Future Build Enterprise & Development Company Ltd	100%

The aggregate of the share capital and reserves as at 31 March 2012 and of the profit or loss for the year ended on that date for the subsidiary undertaking were as follows

Aggregate of share capital and reserves	£1
Profit/(loss)	Nil

This wholly-owned subsidiary company, registered in England and Wales, was dormant throughout the year

16. DEBTORS

	2012 £	2011 £
Trade debtors	40,631	50,100
Accrued training income	16,366	-
Prepayments	6,572	5,572
	<u>63,569</u>	<u>55,672</u>

**BUILDING FUTURES EAST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

17. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	29,045	30,138
PAYE and social security	9,844	10,427
Other creditors	53,518	84,612
	<u>92,407</u>	<u>125,177</u>

18. COMMITMENTS UNDER OPERATING LEASES

At 31st March 2012 the company had annual commitments under non-cancellable operating leases as set out below

	2012		2011	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 2 to 5 years	50,000	4,115	-	-
After more than 5 years	-	-	50,000	-
	<u>50,000</u>	<u>4,115</u>	<u>50,000</u>	<u>-</u>

19. RESTRICTED INCOME FUNDS

	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2012 £
Newcastle Fund	100,000	(85,694)	(14,306)	-
Transition Fund	151,000	(129,398)	(21,602)	-
Future Job Funding	5,051	(5,608)	557	-
Princes Trust	6,500	(2,932)	(3,568)	-
IT Equipment	13,396	-	(7,706)	5,690
Staff Training Fund	1,900	(1,900)	-	-
Environmental Maintenance	25,640	(25,640)	-	-
Science City	81,435	(50,747)	(30,688)	-
Ward Fund	3,451	-	(951)	2,500
	<u>388,373</u>	<u>(301,919)</u>	<u>(78,264)</u>	<u>8,190</u>

BUILDING FUTURES EAST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

19. RESTRICTED INCOME FUNDS *(continued)*

The charitable company received and applied monies towards the following restricted funds during the year

Newcastle Fund is a project aimed at getting local people into training and then jobs. This is aimed at deprived areas within the city working with local communities within a set range of postcodes and is funded by the City of Newcastle.

Transition Fund is a grant awarded by the Big Lottery Fund to provide training for staff, to increase capacity to collaborate with local organisations, to develop an innovative training programme and a dedicated programme coaching resource.

Future Job Fund (FJF) is a government initiative with the City of Newcastle, aimed at the unemployed with set eligibility to give them a 6 months experience and hopefully lead into employment. The fund pays for minimum wage, employee costs, recruitment, training materials and an element of travel costs.

Prince's Trust awarded a grant for the taster session project for learners interested in Construction.

IT equipment The charitable company received grants from Awards for All and the Santander Foundation towards the purchase of IT equipment. A transfer from this fund to unrestricted funds has been made in respect of assets purchased out of this fund which have been capitalised. The closing balance of this fund represents the closing net book value of the IT equipment purchased from this fund.

Staff Training Fund The charitable company received grants from a number of organisations for the purpose of staff training. All monies were expended during the year.

Environmental Maintenance The charitable company received grants from the Walker Ward Committee, Newcastle Council and Your Homes Newcastle towards its local environmental maintenance work. All monies were expended during the year.

Science City Grants were received from Science City for projects on renewable and electrical vehicles. The charitable company also worked in partnership with St Anthony of Padua Community Association on a health and social care project.

Ward Funding Grants were received from the Walker Ward Committee towards Christmas learning project and staff training and development. £2,500 has been carried forward for expenditure in 2012/13.

**BUILDING FUTURES EAST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

20. UNRESTRICTED INCOME FUNDS

	Balance at 1 Apr 2011 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2012 £
General Funds	<u>165,002</u>	<u>197,424</u>	<u>(404,361)</u>	<u>78,264</u>	<u>36,329</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Investments £	Net current assets/ (liabilities) £	Total £
Restricted Income Funds:				
IT Equipment	5,690	-	-	5,690
Ward Fund	-	-	<u>2,500</u>	<u>2,500</u>
	<u>5,690</u>	-	<u>2,500</u>	<u>8,190</u>
Unrestricted Income Funds	<u>47,573</u>	<u>1</u>	<u>(11,245)</u>	<u>36,329</u>
Total Funds	<u>53,263</u>	<u>1</u>	<u>(8,745)</u>	<u>44,519</u>

BUILDING FUTURES EAST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

22. RELATED PARTY TRANSACTIONS

Shepherd Offshore Limited is a related party by virtue of its part owner, Bruce Shepherd who is also a trustee of the charitable company. During the year Shepherd Offshore Limited charged the charitable company £52,032 (2011 £52,600) for rent and service charges. The charitable company charged Shepherd Offshore Limited £2,630 (2011 £nil) for environmental maintenance services.

At the year end £52 (2011 £1,086) was owed to Shepherd Offshore Limited.

Guerilla Communications Limited is a related party by virtue of its managing director, James Allen who is also a trustee of the charitable company. During the year Guerilla Communications Limited charged the charitable company £198 (2011 £14,245) for the design and build of website and marketing materials.

At the year end £nil (2011 £nil) was owed to Guerilla Communications Limited.

Northgate Vehicle Sales is a related party by virtue of its financial director, Chris Muir, who is also a trustee of the charitable company. During the year Northgate Vehicle Sales charged the charitable company £nil (2011 £12,919) for the purchase of a vehicle.

At the year end £nil (2011 £nil) was owed to Northgate Vehicle Sales.

Ward Hadaway is a related party by virtue of a partner in the firm, Colin Hewitt, who is also a trustee of the charitable company. During the year Ward Hadaway charged the charitable company £7,803 (2011 £15,429) for legal services.

At the year end £nil (2011 £4,231) was owed to Ward Hadaway.

St Anthony of Padua Community Association (STAPCA) is a related party by virtue of Father Michael Conaty and Anthony Woods-Waters, trustees of STAPCA and trustee and CEO of the charitable company respectively. During the year the charitable company received an interest free loan of £50,000, repayable within 12 months, from STAPCA. The charitable company also received funds of £20,500 (2011 £nil) from STAPCA as a distribution of funds in relation to the Science City project. The charitable company also charged £3,375 (2011 £nil) to STAPCA for environmental maintenance and plastering services. At the year end £50,000 was owed to STAPCA (2011 £nil).

23. COMPANY LIMITED BY GUARANTEE

The charitable company is a company limited by guarantee. The members of the charitable company are the directors who are also trustees. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

24. ULTIMATE CONTROLLING PARTY

In the opinion of the trustees there is no ultimate controlling party other than the trustees themselves.