

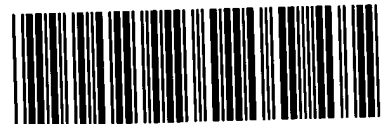
Charity Registration No: 1055759
Company Registration No: 03199738
(England & Wales)



NEW ROOTS LIMITED

**Annual Report & Unaudited Financial Statements
for the year ended 28 February 2023**

WEDNESDAY



AD1P4EZT

A06

24/04/2024

#166

COMPANIES HOUSE

New Roots Ltd

CONTENTS

	Page
Legal & Administrative Information	2
Trustees Annual Report <i>(including Directors Report)</i>	3 – 7
Independent Examiners Report	8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Accounts	11 - 17

New Roots Ltd

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Christopher Gallen	Appointed 24.08.2019	Resigned 21 09 2022
Raymond Goodwin	Appointed 20 04 2019	
David Cusack	Appointed 28.8.19	Resigned 25 01 2023
Martin Levermore	Appointed 27.08.2020- Chair 1.11.21	Resigned 16 08 2023
Dominic Bennett	Appointed 01 12 2022	
Bentley Cunningham	Appointed 18 10 2023	
Kate Foley	Appointed 25 10 2023	

Chief Executive Officer Derek Douglas

Charity number 1055759

Company number 3199738

Principal address Quayside Tower
252-260 Broad Street
Birmingham
B1 2HF

Registered office Quayside Tower
252-260 Broad Street
Birmingham
B1 2HF

Independent examiners Stephanie J Beeston-Clarke FCCA
Beeston-Clarke Accountants Ltd
242 Leicester Rd
Markfield
Leicester
LE67 9RG

Bankers HSBC
148 High Street
Harborne
Birmingham
B17 9PN

Solicitors Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

Shakespeare Martineau
Waterfront House
Waterfront Plaza
35 Station Street
Nottingham
NG2 3DQ

New Roots Ltd

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (continued) FOR THE YEAR ENDED 28 FEBRUARY 2023

The Trustees present their report and financial statements for the year ended 28 February 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (published in October 2019).

OBJECTIVES AND ACTIVITIES

Principal objectives and activities

The Charitable objectives of New Roots Ltd

- Provide and facilitate the provision of temporary accommodation; social housing; supported housing and specialised supported housing to vulnerable members of society.
- To do any other lawful activities connected with or incidental to the provision and management of housing, social housing and accommodation.
- The advancement of education amongst such persons by the provision of training courses as will enable them to acquire and develop vocational skills which will enhance their employment prospects.
- The company shall not trade for profit and nothing shall be paid or transferred by way of profit to members of the company

Structure, governance and management

The charity is a company limited by guarantee incorporated on 16 May 1996 and governed by its Articles of Association. Operations commenced on 16 May 1996. It was registered as a charity under the Charities Act 2011 on 31 May 1996.

None of the Trustees have any beneficial interest in the charitable company. All of the Trustees are volunteers. Trustees are assisted to fulfil their duties by the chief executives and by other advisors, who offer information and assistance in undertaking all their governance tasks. It is the responsibility of the Trustees to meet to make balanced, proportionate and clear decisions about the future of the charitable company, and make all disclosures about the organisation.

Through consideration of reports on financial management, income, expenditure, liquidity, investments and of forecasts for the next twelve months, Trustees have analysed any risks to the charity, and have identified no material uncertainties that cast doubt about the ability of the company to continue as a going concern.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Trustee	Appointed	Resigned
Raymond Goodwin	20 04 2019	
Dominic Bennett	01 12 2022	
Bentley Cunningham	18 10 2023	
Kate Foley	25 10 2023	
Martin Levermore	27 08 2020 - Chair 01 11 21	16 08 2023
David Cusack	28 08 2019	25 01 2023
Christopher Gallen	24 08 2019	21 09 2022

New Roots Ltd

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (continued) FOR THE YEAR ENDED 28 FEBRUARY 2023

Structure, governance and management (continued)

Trustee Recruitment and Appointment

Trustees' appointments are governed by section 28 & 34 of their Articles of Association which states the following;

28 The minimum number of directors shall be 3 but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum."

34 Appointment of directors

The charity may by ordinary resolution:

- (1) appoint a person who is willing to act to be a director; and
- (2) determine the rotation in which any additional directors are to retire.

Trustee Inductions and Training

All Trustees are given an induction by the Chair in terms of the history of the Trust and the CEO as regards to the operation. Trustees are advised of online training and updates relating to their roles and responsibility. We are also members of National Council of Voluntary Organisations (NCVO) who sends us updates and online training sessions regarding Trustees.

Organisational Structure

The Board of Trustees are responsible for governance, making strategic and policy decisions, approval of budgets, the sale or purchase of major assets such as land and buildings, and the starting/ending of services under local authority contracts or others.

The board of Trustees meet every two months to manage and monitor the strategic direction and operations of the Charity.

The operational and day-to-day decisions are made by the Chief Executive Officer. No board member receives remuneration for their role.

Risk Management

The Trustees review the major risks which the charity faces at each board meeting.

Governance and Internal Control

The charity's system of internal controls is designed to provide reasonable but not absolute assurance against material misstatement or loss. The Trustees are satisfied that the systems in place reduce their exposure to major issues to an acceptable level.

New Roots Ltd

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (continued) FOR THE YEAR ENDED 28 FEBRUARY 2023

Achievements and Performance

At its height, through exempt accommodation New Roots was supporting 1,700 adults, housed in 64 leased properties. As a model of provision, exempt accommodation has its flaws, potentially exposing vulnerable individuals to the risk of unscrupulous landlords. This has been the experience nationally, where the growth of exempt provision has been found to be associated with investors looking to maximise returns using the higher rents permitted under the exempt housing benefit provisions. This has been manifested in landlords putting profit before residents' needs, resulting in poor housing conditions and ineffective care and support for vulnerable individuals.

New Roots took the principled decision to implement a managed withdrawal from exempt accommodation, transfer its clients to other providers of exempt accommodation, run down its lease arrangements with third party landlords and implement a redundancy programme, supporting its staff to secure alternative employment.

It has taken a little longer than anticipated to untangle our operations from exempt but we have resolved the majority of queries that was outstanding with Birmingham City Council. The Housing regulator seems sufficiently comfortable with the voluntary withdrawal and we were officially deregistered with the Housing Regulator on 21 January 2022.

We have written our account of the experiences and lessons learnt being involved which has been submitted to the select committee and local MP's. We adopted a moderate approach to establishing the next steps for New Roots and the have been engage with a number of discussions groups both local and national. The board are keen to establish a programme that will leave a legacy and have established the road map for the development of the Trust which is highlighted below in future programmes.

Future Programmes

Housing; this remains the essential part of the organisation in terms of the Commonwealth Veterans. 2023 marks the 75th anniversary of HMT Empire Windrush's arrival in the UK. It is also the year of a new Head of the Commonwealth and the 10th anniversary of the Commonwealth Charter, promoting principles of access to affordable health care, education, clean drinking water, sanitation and housing for all citizens. This is the time for New Roots to confirm Commonwealth veterans as our chosen vulnerable group and to adopt a holistic approach to responding to their needs. The board will be making a large commitment of it reserves to develop a housing programme that will provide accommodation and support.

Research and development; There are underlying disproportionate issues affecting BAME & Vulnerable people moving into independent and or supported accommodation such as Autism, some residents should not be in these types of accommodation but because of the lack of suitable accommodation they have no alternative. I believe that there is some scope to conduct discrete research which could provide a-road-map for creating fundable support services.

Criminal & Social Justice; The number of men and women sent to prison has almost doubled in the last two decades with Government figures for September 2019 reporting 82,384 prisoners in England and Wales, compared to 44,975 in 1989. Furthermore, since 2010 the growth in the prison population in England has surpassed the increase in the general population by 10%. People are often released in to high deprived areas with poor housing and high unemployment. Evidence indicates that those who were homeless prior to their imprisonment are more likely to be reconvicted upon release compared with those that report living in other types of accommodation. No Job limited accommodation is a challenge for those who want to contribute to civil society. Decent homes and fair living wage. The challenge is creating programmes that will address social injustice

New Roots Ltd

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (continued) FOR THE YEAR ENDED 28 FEBRUARY 2023

Achievements and Performance (continued)

Innovation; The current housing crisis suggest that we should be raising issues about social inequality and think outside the box to provide services in areas where deprivation seem to be generational and a way of life that have no light at the end of the tunnel. There are many challenges facing communities that do not have a voice but would like to raise their aspirations. Access to many programmes remain a barrier for many vulnerable people and as a result they remain on the starting block for change. We believe in the principle that one size does not fit all communities and that the rescue from the margins cannot be conducted by one organisation. We believe that this is a good opportunity to work alongside Local Authorities and agencies in terms of co-producing rather than being at the other end of funding we should be designing and delivering programme that will have the deepest and largest impact. The board will be conducting several away days along with partners to discuss the options that meet the organisations objectives.

Financial review

The charitable company's income totalled £26,279 (2022: £1,890,594).

The charity generated a deficit in the year (before exceptional items) of £294,488 (2022: £638,920).

As at the year ending 28 February 2023, the Charity had unrestricted reserves of £3,305,697 (2022: £2,668,315) and free reserves of £2,944,697 (2022: £2,688,315).

Exceptional Items

Subsequent to the qualified audit report for the 18 months ended 28 February 2022, there were a number of items in the balance sheet that were not able to be corroborated by the then auditors. During this year we have established the verifiable items in the balance sheet as at 28 February 2023. The amounts on the balance sheet at 28 February 2022 that were not verified and are no longer relevant have been included in the accounts as Exceptional items, and an analysis of these is included in the notes to the accounts.

Reserves Policy

The Trustees maintain reserves to enable the charity to provide a stable and quality service to its beneficiaries. The policy aims to provide working capital where funding is paid in arrears, its ability to meet contractual liabilities and unexpected costs, including legal costs defending the charity's interest.

The Trustees review the level of reserves regularly and set a prudent level depending on the current situation. Where considered necessary, the Trustees will allocate funds into a designated fund where the future material expenditure is planned. At 28 February 2023 there were no funds designated for future material expenditure.

The current level of reserves is to hold a minimum of 3 months operating costs (after exceptional items) at all times. Due to the restructure of the charity in 2021/2022 and previous activities, the reserves level is now significantly above the reserves policy level. The Trustees will continue to review the level of reserves.

New Roots Ltd

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (continued) FOR THE YEAR ENDED 28 FEBRUARY 2023

TRUSTEES RESPONSIBILITY STATEMENT

The Trustees, who are also directors of the charity are responsible for preparing the Trustees' Report and 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 of the charitable company for the year.


In preparing those 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 2019 (FRS 102);
- 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 company will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities 2019 (FRS 102) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees/Directors on 18 April 2024 and signed on its behalf by:


Raymond Goodwin (Apr 23, 2024 10:45 GMT+1)

Raymond Goodwin
Chair of Trustees

New Roots Ltd

INDEPENDENT EXAMINERS REPORT FOR THE YEAR ENDED 28 FEBRUARY 2023

I report to the Trustees on my examination of the financial statements of New Roots Limited (the charitable company) for the year ended 28 February 2023, which are set out on pages 9 to 17.

Respective responsibilities of trustees and examiner

As the charity trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charitable company's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Direction given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

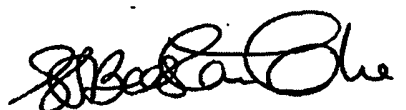
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (i) accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- (ii) the financial statements do not accord with those records; or
- (iii) the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- (iv) the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

In relation to the year ended 28 February 2023 there are no concerns. However, in connection with the examination New Roots Limited have necessarily written off a large number of items that were not able to be verified during the audit for the year ended 28 February 2022. I have satisfied myself that the balance sheet at 28 February 2023 is corroborated with supporting evidence, including a review of after date information, although an audit has not been undertaken.

I have no other concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Stephanie J Beeston-Clarke FCCA
Beeston-Clarke Accountants Limited
242 Leicester Road
Markfield
Leicester
LE67 9RG



Dated: 18 April 2024

New Roots Limited

STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure Account) FOR THE YEAR ENDED 28 FEBRUARY 2023

	Notes	28/02/2023 £	18 months to 28/02/2022 £
<u>Income and endowments from:</u>			
Donations & legacies	3	-	8,903
Charitable Activities	4	14,246	1,881,189
Investments	5	12,033	502
Other income		-	-
Total income		26,279	1,890,594
<u>Expenditure:</u>			
Charitable Activities	6	320,767	2,529,514
Total resources expended		320,767	2,529,514
Net incoming/(outgoing) resources before transfers		(294,488)	(638,920)
Exceptional items	11	931,870	(330,879)
Net income/(expenditure) for the year / net movement in funds		637,382	(969,799)
Fund balances at 28 February 2022		2,668,315	3,638,114
Fund balances at 28 February 2023		3,305,697	2,668,315

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies Act 2006.

New Roots Limited
BALANCE SHEET
AS AT 28 FEBRUARY 2023

	Notes	28/02/2023		28/02/2022	
		£	£	£	£
Fixed assets					
Tangible fixed assets	12		361,000		-
Current assets					
Debtors	13	446,300		446,079	
Cash at bank and in hand		<u>3,043,187</u>		<u>4,288,773</u>	
		3,489,487		4,734,852	
Creditors: amounts falling due within 1 year	14	<u>544,790</u>		<u>2,066,537</u>	
Net current assets			2,944,697		2,668,315
Total assets less current liabilities			<u>3,305,697</u>		<u>2,668,315</u>
Funds					
Unrestricted funds			<u>3,305,697</u>		<u>2,688,315</u>
			<u>3,305,697</u>		<u>2,688,315</u>

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023. No member of the charitable company has deposited a notice, pursuant to section 476, requiring an audit of those accounts.

The Trustees acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Board of Trustees on 18 April 2024.

Raymond Goodwin
Raymond Goodwin (Apr 23, 2024 10:45 GMT+1)

Raymond Goodwin
Chair of Trustees

Company Number 03199738

New Roots Limited

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 28 FEBRUARY 2023

1 Accounting policies

Charity information

New Roots Limited is a charitable company limited by guarantee, incorporated in England and Wales and was an English registered social housing provider up until de-registration on 21 January 2022.

The registered office is Quayside Tower, 15 The Floor, 252-260 Broad Street, Birmingham, B1 2HF

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's memorandum and articles of association, the Companies Act 2006, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, UK Generally Accepted Accounting Practice and applicable charity and company law. The charitable company is a Public Benefit Entity as defined by FRS102. The charitable company has taken advantage of the provisions in the SORP for charities applying FRS102 Update Bulletin 2 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity's activities, its current financial position, and factors likely to affect its future development are set out within the Trustees Annual Report.

On this basis, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operation for the foreseeable future, being a period of at least 12 months after the date on which the report and Financial Statements are signed. For this reason, the Charity has continued to adopt the going concern basis for the preparation of the Financial Statements.

1.3 Charitable funds

Unrestricted funds are available for use at discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Transfers are made between funds when adequate justification and supporting evidence is provided.

1.4 Incoming resources

Grants are accounted for under the terms of the grant agreement, and allocated between funds according to the basis of the grant being provided. Grant income is recognised when the charity is entitled to it after performance conditions have been met, the amounts can be measured reliably and it is probable that the income will be received. Where the charitable company is required to repay any part of the grant a provision is made for the amount due to be repaid.

Grants from local authorities and similar organisations have been included as contracts for services where applicable or as donations where the money is given with greater freedom of use.

Donations and legacies receivable are accounted for where there is entitlement, sufficient certainty of receipt and the amount can be measured reliably. In the case of unsolicited donations this is usually only when received. All other income is accounted for under the accruals concept. No amounts are included in the financial statements for services donated by volunteers. Donated capital items are included within the financial statements at their current value at the time of donation. Donations and legacy income received specifically for future periods is deferred until those periods.

New Roots Limited

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 28 FEBRUARY 2023

1 Accounting policies (continued)

1.5 Resources expended

All expenses are accounted for on an accruals basis. Expenditure incurred in connection with the specific objects of the charitable company is included under the heading of direct charitable expenditure, overheads are allocated to activities in proportion to their use of facilities. The irrecoverable element of VAT is included with the item of expense to which it relates.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets costing £1,000 or more are capitalised and are stated at cost less depreciation. Donated assets are included at their current value at the time of donation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land & Buildings	50 years straight line
------------------	------------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

New Roots Limited

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 28 FEBRUARY 2023

1 Accounting policies (continued)

1.9 Financial instruments (continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

The charitable company operated a defined contribution scheme under auto-enrolment. Contributions payable are charged to the statement of financial activities in the year in which they are payable.

1.12 Leases

Rentals payable under operating leases, including lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.13 Creditors and provisions

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement value.

1.14 Debtors

Debtors are recognised at the settlement amount due.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

New Roots Limited

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 28 FEBRUARY 2023

3 Donations and legacies			Total 28/02/2023 £	Total 28/02/2022 £		
Donations and gifts			-	8,903		
4 Charitable activities			Total 28/02/2023 £	Total 28/02/2022 £		
Social Housing lettings						
Direct Managed			14,246	303,422		
Long Arm Commission			-	1,577,767		
			14,246	1,881,189		
5 Investments			28/02/2023 £	28/02/2022 £		
Interest receivable and other similar income			12,033	502		
All investment income for the current and prior year was unrestricted.						
6 Charitable activity expenditure			Total 28/02/2023 £	Total 28/02/2022 £		
Direct Managed			320,767	954,251		
Long Arm Commission			-	1,575,263		
			320,767	2,529,514		
7 Summary		2023	2022			
	Direct Managed	Long Arm	Total	Direct Managed	Long Arm	Total
Rent Receivable	14,246	-	14,246	290,371	1,577,767	1,868,138
Service Charges	-	-	-	13,051	-	13,051
Income from social housing lettings	14,246	-	14,246	303,422	1,577,767	1,881,189
Expenditure						
Management	-	-	-	48,151	250,379	298,530
Head office costs	105,014	-	105,014	21,272	110,615	131,887
Corporate Overheads	52,667	-	52,667	85,488	444,531	530,019
Salary and related costs	144,027	-	144,027	148,028	769,738	917,766
Rent, rates & utilities	(11,037)	-	(11,037)	509,931	-	509,931
Maintenance	15,096	-	15,096	25,582	-	25,582
Major repairs	15,000	-	15,000	108,474	-	108,474
Resident initiatives	-	-	-	7,325	-	7,325
	320,767	-	320,767	954,251	1,575,263	2,529,514
Operating surplus/(deficit) on social housing	(306,521)	-	(306,521)	(650,829)	2,504	(648,325)

New Roots Limited

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 28 FEBRUARY 2023

8 Operating surplus/(deficit)	Total 28/02/2023 £	Total 28/02/2022 £
The operating surplus/(deficit) is stated after charging/(crediting):		
Exceptional costs (note 11)	(931,870)	330,879
Depreciation of Tangible Fixed Assets	7,370	17,497
Operating lease rentals:		
- Land & Buildings	-	348,862
- Vehicles and equipment	-	19,519
Auditors remuneration (28/02/2022 accounts)	8,300	28,500
Independent Examination	1,440	-

9 Employees	28/02/2023	28/02/2022
Number of employees	Number	Number
The average monthly number of employees during the year was:		
Management	2	3
Other	-	21
	2	24

Employment costs	28/02/2023 £	28/02/2022 £
Wages and salaries	120,858	913,136
Social security costs	14,496	70,366
Pension costs	2,543	16,617
Other staff costs	297	26,172
Fees/Agency staff	5,833	190,005
	144,027	1,216,296

The remuneration of the highest paid employee: Up to 1 April 2022 Derek Douglas salary costs were recharged from his host employer (see related party transaction notes). From 1 April 2022 Derek Douglas was a direct employee of New Roots Limited.

	28/02/2023 £	28/02/2022 £
Wages and salaries	49,500	-
Social security costs	3,508	-
Pension costs	945	-
Fees	5,833	79,139
	59,786	79,139

10 Trustees

During the period, no expenses were reimbursed to Trustees (2022: £68 to one Trustee). No Trustee received remuneration during the year to 28 February 2023 or the 18 month period to 28 February 2022.

New Roots Limited

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 28 FEBRUARY 2023

11 Exceptional costs	28/02/2023	28/02/2022
	£	£
Staff loan balances written off/(repaid)	-	14,376
Brightside debtor adjustment	-	27,612
Dilapidation provisions	161,501	237,479
Redundancy payments	-	51,412
Housing benefit creditor not due	55,317	-
Pension creditor adjustment	5,733	-
Trade creditors written off not due	(1,157,240)	-
Other smaller items adjusted	2,819	-
	(931,870)	330,879

Exceptional items in the year to 28/02/2023 relate to items included on the Balance Sheet at 28/02/2022 and were not corroborated as being due/owed during the audit. The Balance Sheet at 28/02/2023 has been confirmed by the Trustees, including provisions for future dilapidations and legal costs based on updated information and the passage of time.

12 Tangible Fixed Assets	Land & Buildings
Cost	£
At 1 March 2022	-
Additions	368,370
Disposals	-
At 28 February 2023	368,370
Depreciation	£
At 1 March 2022	-
Depreciation charge during the year	7,370
Eliminated on disposal	-
At 1 March 2022	7,370
Net Book Value	£
At 1 March 2022	-
At 28 February 2023	361,000

13 Debtors: amounts falling due within one year:	28/02/2023	28/02/2022
	£	£
Trade debtors	2,371	657
Long Arm providers - overpaid Housing Benefit	423,701	423,701
Prepayments	8,330	21,721
Accrued income	8,472	-
Other debtors	3,426	-
	446,300	446,079

New Roots Limited

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 28 FEBRUARY 2023

14 Creditors : amounts falling due within one year:

	28/02/2023	28/02/2022
	£	£
Trade creditors	4,237	1,477,053
Long Arm providers - Housing benefit due	191,767	137,436
Other taxation and social security	6,838	(1,749)
Accruals & deferred income	39,849	216,318
Other creditors	12,099	-
Provisions for liabilities	290,000	237,479
	544,790	2,066,537

15 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	28/02/2023	28/02/2022
	£	£
Within one year	-	2,511
Between two and five years	-	-
	-	2,511

16 Related Party Transactions

There were no related party transactions during the year, and no balances owed from/to related parties.

17 Contingent Liability

At the time of approving the accounts, the charity is aware of specific legal action being taken against the charity, for which a financial claim has been issued for an amount of approximately £1,011,000. The charity is disputing all elements of this claim with the exception of £77,486. Based on the charity's interpretation of the legal basis on which the claim has been made, they are satisfied that the claim does not satisfy the conditions to be recognised as a provision and has been assessed to be a contingent liability instead.