

Charity Registration No. 1067888

Company Registration No. 03491237 (England and Wales)

PIONEERING CARE PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

PIONEERING CARE PARTNERSHIP

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

C Briggs
D Cockburn
B Davidson
M Mohan
B Wilson
V Kotur
Dame D Smith
H Brewster
B Knevitt

Secretary

C Gaskarth

Charity number

1067888

Company number

03491237

Registered Address

Pioneering Care Centre
Carers Way
Newton Aycliffe
County Durham
DL5 4SF

Auditor

Haines Watts North East Audit LLP
17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Solicitors

Hewitt's Solicitors
207 Newgate Street
Bishop Auckland
County Durham
DL14 7EL

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PIONEERING CARE PARTNERSHIP

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees submit their report and the audited accounts for the year ended 31 March 2021. They confirm that the report and accounts comply with current statutory requirements and the charity's memorandum and articles, and also the requirements of the Statement of Recommended Practice - Accounting and Reporting by Charities.

Structure, Governance and Management

Governing Document

The Pioneering Care Partnership (PCP) is a company limited by guarantee established on 7th January 1998 and a registered charity (registered 2nd Feb 1998). The company was established under a Memorandum of Association, which establishes the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount of £1 on the winding up of the organisation.

Governance Review

Over the past two years the Board of Trustees have taken the opportunity to reflect and refresh the content of PCP's governing documents using the Good Governance Code as a benchmark and through considering existing and emerging structures it was agreed that the most appropriate governing arrangements for the organisation is to remain a charitable company, limited by guarantees. Trustees have spent time redefining the charitable purpose and consulting with voting members; with the aim of finalising arrangements in 2020, however the COVID-19 pandemic has disrupted the timescales. In Quarter 4 of 2020-21 PCP sought to appoint legal expertise and the governance review will now be complete by September 2021.

Recruitment and Appointment of Trustees

The charity Trustees are also Company Directors for the purposes of company law. As a charity, under the requirements of the Memorandum and Articles of Association, at the annual general meeting one third of the trustees who are subject to retirement by rotation, or the number nearest to one third, shall retire. If the vacancies are not filled, the retiring trustees, if willing, can be deemed to have been re-appointed.

The Articles of Association state that the Company shall use all reasonable endeavours to ensure that not less than 25% of the Trustees from time to time shall be service users, 63% of the Board of Trustees can be considered to be service user representatives in 2020-21. PCP continues to refresh the Board to ensure a suitable mix of business skills, legal, charity leadership and accountancy and there are also a number of trustees who are disabled people, older people, carers, previous-carers or service users, thereby ensuring that the organisation is governed by representatives of those it seeks to serve.

Annually, PCP reviews Trustees skills and aspirations through a review with the Chair and Chief Executive and an anonymous survey. During 2020-21 the following were also reviewed: Scheme of Delegation and the Register of Interests (both of which are reviewed bi-annually at Board), succession plans and the Business Continuity plan. Trustees also completed the Automatic Disqualification Declaration, again this is an annual process.

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Trustee Induction and Training

There were no new Trustees recruited during 2020-21 and given it was a very unusual year, with the COVID-19 pandemic lasting the full 12 months Trustee training was limited. However online opportunities were provided for trustees in relation to Safeguarding, LGBTQI+ Awareness, Equality, Diversity and Inclusion training.

The Chief Executive took responsibility for ensuring Trustees were appraised of the situation with regard to COVID-19 and Trustee meetings were held on a monthly basis and guidance updates/briefings were regularly received. Trustee attendance was 100% demonstrating commitment, dedication to support the organisation throughout the most difficult situation and their ongoing understanding of the importance of maintaining knowledge and adhering to good governance.

Newer trustees also benefited from ongoing mentoring to ensure they could fully participate in discussion and decision making processes alongside more experienced colleagues. PCP's Chair remains a member of the Association of Chairs, the Chief Executive is a member of ACEVO (Association of Chief Executive of Voluntary Organisations) and the Chartered Institute of Management. Furthermore PCP NCVO (National Council of Voluntary Organisations) utilises articles and resources to assist to provide informative and timely updates around best practice and governance.

Training opportunities were limited during 2020-21 however self-directed learning was encouraged, articles and webinar details shared and structured sessions were provided on the topics of equality, diversity and inclusion and transgender awareness.

Further professional development and networking opportunities will be provided in 2021-22.

The Structure of the Organisation

The Board of Trustees are elected by the membership. The Board can have up to 12 members and have responsibility for strategic direction and policy ensuring PCP meets its legal requirements. The Board of Trustees meets quarterly and their work is supported by a robust sub group structure.

Throughout 2020-21 eight board meetings were held, this was an increase on the previous year in recognition of the need to provide additional governance support during the pandemic. Written board reports were received which provided details of trustee duties and obligations, ensuring full compliance. The board report structure continues to be based on the Charity Governance Code, this assists PCP trustees not only to embed the principles of sound governance but also to maintain a clear focus on the organisation's mission and objects. In 2020-21 reports included specific information regarding Safeguarding as a key governance priority along with board diversity.

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During 2020-21 the Board approved a number of documents to support good governance including:

- Business Development Sub Committee Terms of Reference
- Finance and Investment Sub Committee Terms of Reference
- PCP Fundraising Strategy
- PCP Investment Policy
- PCP Reserves Policy
- PCP Health and Safety Policy Statement
- PCP Equality and Diversity Policy Statement
- PCP Environmental Policy and Policy Statement

The Board also reviewed the organisation's Risk Register, Scheme of Delegation and Register of Interests.

During 2020-21 the Sub Committee Structure was stood down temporarily and all relevant items were overseen by the full Board of Trustees. Ordinarily PCP sub committees are:

1. **Business Development Sub Committee** - to further PCP's objects, ensuring that projects and services meet the organisational mission and aims and considering new opportunities.
2. **Finance and Investment Sub Committee** - to enhance the stewardship of the organisation's financial arrangements and ensure prudence, and ethical investment principles.
3. **Compliance and Best Practice Sub Committee** - to ensure PCP is run in a way that is legal, responsible and effective whilst also considering continuous improvement and striving for excellence.

Business Development and Finance and Investment Sub Committees recommenced in November 2020, a full review of the terms of reference was conducted along with key policies. During 2021-22 a review of the aims of the Compliance and Best Practice Sub Committee will be complete.

The Board of Trustees delegate the responsibility of the running of the organisation to the Chief Executive, whilst remaining fully accountable. PCP's Chief Executive has been in post for over eight years and during this time has ensured that systems and processes to govern the charity are robust, regularly reviewed and in line with best practice. PCP's Chief Executive is experienced and effectively oversees the organisation, including leading successfully through the challenge of the pandemic in a very different environment.

The organisation continues to thrive. Since 2013 income has increased by over 165%, the number and range of projects and services have evolved and the need to ensure appropriate leadership capacity grown. During 2020-21 the role of Executive Lead was introduced into the organisation with two existing leaders moving into these fundamental roles to directly support the Chief Executive. Additionally in 2021-22 an operations manager will be appointed to enhance and improve overall governance arrangements.

Leadership is not restricted to the Chief Executive and senior leaders, it is dispersed across the organisation and leadership attributes are encouraged throughout PCP. The success and ability for PCP to work towards the mission of, "Health, Wellbeing and Learning for All" relies on a full team, cross-organisational approach.

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Chief Executive Pay

Transparency is the first principle of good pay and is crucial if the voluntary sector is to retain public trust and PCP takes its obligations seriously and to this end PCP prides itself on the efficient use of resources and ensures that pay rates are proportionate. PCP does not pay higher salaries than are necessary and/or reasonable whilst valuing the importance of talented and experienced staff to the fulfilment of the charity's public benefit objectives. The procedure for setting PCP's Chief Executive pay is robust; periodically the Board appoints a task group of Trustees to consider the external environment and organisational performance to assess appropriate remuneration levels. This process includes taking independent advice and reviewing trends and benchmarks in the sector in addition to reviewing organisation-wide impacts, outputs and financial performance.

Volunteers

The organisation has a successful volunteer recruitment and support strategy. However as a direct consequence of the COVID-19 pandemic and the national and local restrictions, volunteering opportunities have been incredibly limited during 2020-21. Unfortunately initially all volunteering, with the exception of time dedicated by PCP Trustees, ceased in March 2020 as a result of the government's measures to control the COVID-19 outbreak.

Latterly some volunteering opportunities returned, particularly in outdoor activities such as the Community Garden, telephone and virtual support services such as Befriending and 'user voice' projects including local Healthwatch.

During 2020-21 PCP has maintained an average of 255 active volunteers who gave 6,502 hours supporting the projects and activities run by the organisation during the year. Using the real living wage as a benchmark, this is an in-kind equivalent of £61,769. Many of the volunteers have been service users themselves in the past and have progressed on to supporting the delivery of activities.

Volunteering remains at the heart of what PCP is about and during 2020-21 we will work to re-engage and support volunteers, in line with relevant guidance.

Risk Management

The Chief Executive leads a process with the Senior Management Team (SMT) and the Board of Trustees to conduct a bi-annual review of the risks which the organisation is exposed through assessing every area of the organisation's activity, covering the environment, governance and management, operational issues, financial and compliance risks and each of the organisation's activities to meet the objectives. In 2019-20 PCP implemented a process to rate and rank the organisational risk register, the rating against each risk is based on identifying the potential impact and likelihood.

PCP's Health and Safety Policy is reviewed annually along with the fire risk assessment and other organisational, building and activity risk assessments. PCP is compliant with CHAS the Contractors Health and Safety Assessment Scheme, this was renewed in December 2020.

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A full Business Continuity Plan was implemented in 2018 with different aspects tested periodically, during 2019-20 a test was undertaken of the 'Payroll' section. In March 2020 the 'health pandemic' section of the Business Continuity Plan was activated as a result of the COVID-19 global pandemic. PCP was well-prepared, the Chief Executive led on the effective close down of the Pioneering Care Centre and all office locations across the North East. Throughout 2020-21 central communication and staff support has been consistent, timely and well-received. At every stage PCP has interpreted the government guidelines, ensured compliance with legislation and adhered to all national measures. Additionally PCP has closely monitored and responded to the local and regional position. Feedback from both staff and commissioners continues to be positive. Staff remained designated as home-workers for the whole of 2020-21 with the exception of those who were unable to work from home; in this instance PCP utilised the Job Retention Scheme.

Across PCP staff teams managed remarkably well and quickly adjusted to home working. The vast majority of support for clients and beneficiaries in 2020-21 was provided remotely via telephone and video conferencing. Despite closure of offices, there continued to be no significant disruption to financial processes, payroll or other key management support functions.

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Aims, objectives and activities:

PCP has grown to become a leading third sector organisation working across the North East, whose charitable aims continue to focus on health improvement and reducing health inequalities through building capacity in disadvantaged communities. PCP continues to thrive and delivering services from eight sites. A planned expansion into Redcar and Middlesbrough remains on hold.

PCP continues to employ an average of 100 people. In 2020-21 staff stability was 82% which is the same as 2019-20 and a marked increase from 75% in the previous year (2018-19). To achieve this level of stability is extremely good given the short term nature of projects and services PCP delivers.

PCP has a focus on working with people who are disadvantaged across a population of over 1.2m people. PCP operates in the following areas:

| Area | Population* |
|--------------------|--------------------|
| County Durham | 513,242 |
| Sunderland | 275,506 |
| Middlesbrough | 138,412 |
| Stockton-on-Tees | 191,610 |
| Redcar & Cleveland | 135,177 |
| TOTAL | 1,253,947 |

**usual population figures from ONS*

PCP's mission is **'Health, Wellbeing and Learning for All'**

The aim/purpose is: **"To improve the health, wellbeing and quality of life of local people disadvantaged through caring responsibilities, disability, age or ill health and reduce inequalities in health."**

The long term outcomes the PCP is seeking for disadvantaged people in order to achieve our aim are:

- To promote independence, choice & control
- To improve lifestyle
- To increase knowledge & skills
- To improve physical health
- To improve confidence, self-esteem & well-being
- To improve economic well-being
- To build community capacity
- To improve access to services for disadvantaged communities & groups
- To promote social inclusion

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Principal Activities

The Pioneering Care Centre

PCP manages a fully accessible purpose built healthy living centre, the Pioneering Care Centre in County Durham, providing services at a local, sub-regional and regional level.

The Pioneering Care Centre closed its doors to the general public as a result of the pandemic in March 2020 and remained closed for the vast majority of 2020-21. The Chief Executive and one caretaker facilitated access for key health and social care services until a skeleton staff team was brought back in August 2020. However due to local restrictions the Centre was not able to re-open as planned.

To support the local COVID-19 effort part of the building was allocated to the GP Practice/Primary Care Network to enable COVID-19 testing and treatment. In August 2020 it was decided to extend the space leased to the Practice and in November PCP supported the implementation of the Vaccination Centre.

Appointments for podiatry, speech and language and adult mental health services continued, Furthermore Tees, Esk and Wear Valley took additional space to offer mental health and wellbeing appointments for children and young people. House of Eden Day Nursery operated for part of the year following the 'bubble' system.

From January 2021 it was anticipated that PCP Centre-based activities would be able to recommence, however due to local restrictions this was not possible.

Usually PCP runs the following services and activities from the Pioneering Care Centre:

- Health and wellbeing activities
- A fully accessible hydrotherapy pool
- Natural Therapy Suite
- Conference, meeting, room hire facilities and hospitality services
- A community coffee shop
- Employability support services
- Community courses and adult learning opportunities
- Lifestyle and exercise classes and activities
- Health Trainer and Health Trainer Champion support services
- Community garden and allotments

The Centre also houses services delivered by other partners as follows:

- Jubilee Medical Practice
- The Village Pharmacy
- NHS clinics
- NHS Mental Health Services
- House of Eden Children's Nursery
- Great Aycliffe & Middridge Area Action Partnership (GAMP)
- Improving Access to Psychological Therapies (IAPT) Services

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PCP provides a number of projects across County Durham working in collaboration with a range of other voluntary or statutory organisation's. These have been delivered virtually during 2020-21 and include:

- County Durham Wellbeing for Life
- Joining the Dots (cancer support)
- Cancer Awareness
- 5 local Healthwatch contracts - County Durham, Sunderland, Stockton-on-Tees, Redcar & Cleveland and Middlesbrough (known locally as 'South Tees Healthwatch)
- Stockton Independent Complaints Advocacy Service
- ESF Building Better Opportunities Health and Financial Support (County Durham and Tees Valley)
- Stockton Service Navigation Project (Social Prescribing);
- Options Day Service
- Mental Health and Befriending services
- Workplace Health Support

New projects or service for 2020-21 include:

- SafeHaven/Happiness Hubs
- Stockton COVID-19 Community Champion Programme
- County Durham COVID-19 Resilience Team
- Peer Support and Befriending Research
- Primrose Lodge Events Worker
- Frail Elderly Link Worker

PCP is recognised for its expertise in health and wellbeing. PCP's Chief Executive plays a key role in developing community adult mental health wellbeing services across County Durham and beyond chairing the Resilient Communities Group a sub-committee of the Mental Health Strategic Partnership Board.

The COVID-19 impact on delivery is included in the 'Trustee Report on the 'Implications of COVID-19 measures' section on page 17 to 19.

For further information please refer to PCP's Annual Report which can be found on the website: www.pcp.uk.net

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Achievements and performance

PCP Strategic Plan

In June 2019 PCP's Board of Trustees approved a new 5-year Strategic Plan. This informs the future direction of the charity, feeds into the Chief Executive's objectives, supports the operational delivery and management of PCP and is reviewed annually by the Board. This annual assessment helps to determine where the organisation's energy and resources should focus for the coming year.

PCP's Strategic Plan is designed as a cross-cutting document to direct organisational focus, enable continuous development and to instill confidence in PCP's governance arrangements as a charity and company limited by guarantee. The Strategic Plan covers 10 main areas:

1. PCP Mission and Purpose
2. Health, Wellbeing and Learning for All - targeting support
3. Governance
4. Leadership
5. Core Values
6. Finance
7. Quality, Human Resources & Volunteering
8. Marketing, Communications & Engagement
9. Digital Strategy
10. Environmental Management

COVID-19 has not halted progress against PCP's Strategic Plan and in some areas the pandemic is expected to result in short term positive outcomes, such as reduction in PCP's carbon footprint through reduced travel, photocopying etc, agile working, embracing digital communications both internally and externally and importantly continued support for beneficiaries is able to be sustained through outreach teams and projects. However trustees recognise that COVID-19 recovery will take time and the short-term gains may be outweighed by longer term difficulties in developing new projects and services. In 2020-21 the Board agreed to extend the lifespan of the Strategic Plan, this now runs until 2026 to allow time to work towards the ambitions outlined for each area,

Monitoring & Evaluation

In 2020-21 PCP maintained the approach to apply a model of evaluation called 'Impact Mapping' developed by the New Economics Foundation (NEF). This is based on a 'theory of change' methodology and assist PCP to link our mission, objectives and activities with what happens because of them. This is the eighth year of successfully using this model to monitor performance, consequently the organisation is usually able to use previous data to benchmark performance and undertake trend analysis. 2020-21 has been a year like no other and unfortunately it cannot be compared against previous results.

Different monitoring and evaluation tools were explored during 2019-20 and it had been anticipated that the model may change in 2020-21, however this has been delayed as a result of COVID-19.

The following section highlights some of the key achievements for the year 2020-21:

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Further information can be found at the organisation's website www.pcp.uk.net

This year's headlines

A round up of what's happened!

**GP practice at the
Pioneering Care
Centre becomes a
vaccination centre**



**PCP launch new
befriending service**



**PCP win Garden
Award**



**Waterbabies continue
to use hydrotherapy
pool**



**This Girl Can and POW
virtual sessions
launch**



**Options return to the
Pioneering Care
Centre**



**New COVID-19
Stockton-On-Tees
Community
Champions go live**



**PCP launches the
County Durham
COVID-19 Resilience
Team**



**Day of Reflection
across PCP to
remember those
impacted by COVID-19**



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FINANCIAL REVIEW

During 2020-21 PCP planned to utilise reserves for a number of projects in support of the organisation's charitable objectives. Additional income has been secured for projects and services in 2020-21, this is 11% less than the budgeted income for the year 32% ahead of 2019-20. Furthermore, the efficient delivery of projects and services and the organisation's prudent approach saw expenditure 23% less than budgeted. This resulted in an end of year surplus position.

The full results and company's financial position at the end of the year are shown in the attached financial statements.

Activities generating funds

Activities generating funds for the organisation include the Kitchen Garden, Room Hire, Therapy Suite and the Hydrotherapy Pool within the Pioneering Care Centre, all of which have remained closed during 2020-21. Some elements of these services are usually subsidised by the charity in line with supporting the organisation's mission of health, wellbeing and learning for all and to enable people from disadvantaged communities to access services.

The organisation also sublets the Pioneering Care Centre to a number of Tenants within the building and charges rent and service charges for the appropriate allocated floor space. Tenants included: The Village Pharmacy; Jubilee Medical Group; Durham County Council; Tees, Esk & Wear Valley NHS Trust; House of Eden Children's Nursery, NHS Property Services and private counselling practitioners. During 2019-20 PCP worked with tenants to agree long- term lease arrangements and leases were in the process of being drawn up by PCP's solicitors in March 2020. This was put on hold due to COVID-19.

Trustees recognise their legal obligation to obtain and consider a written report from a suitably qualified surveyor before any disposal such as a lease is granted out of a charity's land, in addition to their responsibility to achieve the best rent possible. Trustees have appointed an independent Chartered Surveyor to provide a market rent valuation report to be used as an indication of the value in accordance with the Charities Act Market Rent and S119 of the Charities Act 2011. This report will be considered in 2021-22 and lease arrangements finalised thereafter.

Investment Policy

PCP's investment portfolio is managed by Rathbone Investment Management Ltd. The portfolio is a combination of different asset types and weightings to take into account both long term investment behaviours and shorter term prevailing market conditions. The investment objective aims to preserve the capital investment in real terms whilst providing the opportunity for some growth in capital and income and therefore PCP opted for a medium risk tolerance for the fund.

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The investment portfolio performed strongly during the financial year ending 31 March 2021, posting a gain of 19.1%. Following the collapse in stock markets during the final quarter of the previous year as the Pandemic took hold, the significant amount of economic and monetary support provided by Governments and Central Banks worldwide enabled a swift and sustained recovery in value. The first day of the financial year represented the low point for the period and the PCP portfolio took full part in the recovery, such that by 31 March 2021 it stood at a record high since inception of the investment strategy. Whilst the short-term outlook remained cautious during 2020/21 amid uncertainty for the easing of lockdowns and the effectiveness of vaccination programmes, the long-term investment objectives remained in place; to preserve value in real terms whilst providing the opportunity for some growth in capital and income. As such, the portfolio remained invested throughout which resulted in a positive outcome for performance during the year.

In line with the organisation's Investment Policy, monies are also invested in a 7-year Fixed Bond Account with Secure Trust Bank. In March 2021 PCP opted to withdraw these funds following the decision of Secure Trust Bank to no longer offer this type of account.

Additionally PCP holds a 35 day reserve account and an instant access custom account, for which the current interest return on these accounts is significantly low due to the present economic climate.

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Reserves' Policy

PCP's Reserves' Policy ensures that Trustees, the Chief Executive and senior staff, act in the interests of their charity and its beneficiaries at all times. This Policy protects and safeguards organisational assets, assists Trustees to act with reasonable care and skill, and ensures that PCP is accountable.

The Reserves' Policy aims to aid PCP's strategic planning, budgeting and risk management processes. PCP reserves provide a cushion for planned or unplanned future needs safeguarding the organisation from unexpected events, losses of income and large unbudgeted expenses. The Reserves' Policy also aims to assist with the management of cash flow, provide working capital for day-to-day operations and aid decision making when considering investing in new ways of working.

The Policy and associated procedures sets out that PCP will aim to maintain reserves of a minimum of 6 months and maximum of 14 months core and centre operating costs. Where the reserves position exceeds this level the Board will then identify if resources are available to utilise to further PCP's charitable aims.

The organisational Reserves' Policy is reviewed on an annual basis by the Finance and Investment Sub Committee and full Board of Trustees. This was reviewed during 2020-21.

The Board of Trustees have stated that 'reserves' in this instance apply to general reserves, which is part of the income funds that are freely available for general use.

The charity has adopted a computational approach to justifying its reserves. This Reserves' Policy helps to ensure that the charity can meet its financial obligations to core and centre staff salary and operating costs. Other factors which are beginning to affect the organisation is that some funding streams have payments in arrears, therefore the organisation needs to have monies available to cushion this effect and ensure operational liquidity.

At 31 March 2021 the charity held free reserves of £1,026,440 which equates to 13 months core and centre running costs.

PCP Board of Trustees acknowledge and understand that as the COVID-19 pandemic unfolds and the organisation's income generating activities have ceased there may be the need to use a proportion of the reserves to support core and centre functions in 2020-21. The Board takes regular reports from the Chief Executive to closely monitor and assess the situation and ensure that appropriate and timely action is taken where required. This ongoing situation will be evaluated regularly by PCP.

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Quality

Quality is at heart of what PCP does and is vitally important to ensure we fulfil our mission, continue to meet the needs of local people and communities, strive for improvement and ultimately make a difference or positive impact. PCP achieved the Environmental Quality Standard ISO 14001 and ISO 9001 the international standard that specifies requirements for a quality management system. Both have been successfully reassessed during the year with the Environmental award being full recertified.

During 2020-21 PCP was also re-assessed against the Investors in People Standard. Investors in People have accredited more than 50,000 organisations, underpinning each of the 9 standards is a maturity model. This sets out the criteria of accreditation, from Bronze, Silver and Gold levels. Each level progresses from Developing to High Performing. PCP was delighted to have continued to progress significantly with its employment practices and was awarded GOLD in October 2020.

The Assessor said:

- You are an example of a charity which has continued to embrace proven principles of high performance management.
- There is a clear plan for the future based around delivering the mission and purpose of the charity.
- Your ambition is supported by formal planning processes and clear and concise impact plans for all areas within the charity, with effective governance from the board.
- As leaders, you clearly articulated a desire to build on the successes you have experienced since the last review and this is recognised across the board.
- You and your people clearly described the approaches designed to deliver success, all of which focused on doing the right things and examples even during the Pandemic supported this.
- Combine this desire with extensive reporting and evaluation activity and an open leadership style, and you have the recipe for success.
- More importantly, employees feel the charity remains a great place to work. Your people provided many examples to confirm this belief which was underpinned by a feeling of trust, transparency and empowerment.
- As a result of your hard work, you now have a loyal workforce who take pride in their work, who feel trusted, empowered and involved in delivering success.
- People are proud to be an employee of the charity and proud to be delivering support for the community.
- Pioneering Care Partnership is a great company to work for.

PCP Staff feedback included:

"At PCP we have a savings club, we get wellbeing support such as a 30 minute wellbeing break, which has been increased to 60 minutes, we have a cycle to work scheme, although I don't cycle and the best thing is we get loads of praise, even from our Chief Exec. They treat you as a real person here and appreciate the work you do."

"The charity celebrates events – for example we held a 20th Birthday celebration for PCP, they have Awards, they have events like Christmas and Halloween and provide long service awards."

"In 6 years I have been promoted three times and always get thanks and praise in my job – they have maintained a commitment to my development and supported me in my role."

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"The best thing about working here is that it's a really nice place and I feel valued for the work I do, helping people in the community and helping people who are vulnerable."

"During the Pandemic we have received regular update emails from the CEO about current and future issues – this gave me confidence and made me feel like the values are real."

Furthermore PCP continues to sustain the following standards such as:

- Investors in People Status
- Better Health at Work Continuing Excellence/Ambassador Status
- CHAS the Contractors Health and Safety Assessment Scheme
- ISO 9001 Quality Standard
- ISO 14001 Environmental Management System
- Time to Change Pledge
- Carer Pledge

PCP were awarded the County Durham Volunteering Kitemark which is awarded to organisations who demonstrate how their volunteering programmes endeavour to overcome barriers to volunteering, recognising the value of recruiting and retaining volunteers. The Kite Mark is valid for two years, PCP will be reassessed in 2021.

The achievement of these standards puts PCP in a strong position in the competitive tendering market in addition to demonstrating our commitment to quality for our customers, clients, staff and volunteers.

Key financial performance indicators (2020-21)

| Ratio | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2017-18 | 2015-16 |
|---|---------|---------|---------|---------|---------|---------|
| Liquidity ratio | 19.72:1 | 7.1:1 | 7.1:1 | 6.8:1 | 6.08:1 | 4.6:1 |
| Average Reserves : Expenditure (Other Charitable funds) | 1.071:1 | 0.54:1 | 0.58:1 | 0.63:1 | 0.66:1 | 0.61:1 |
| Debtors Days | 77 | 35 days | 26 days | 54 days | 58 days | 52 days |
| Labour Turnover (%) | 23.8% | 25.1% | 32.9% | 25.9% | 30.1% | 27.7% |
| Labour Stability Index (%) | 82% | 82% | 75% | 89% | 76% | 81% |
| Absence (%) | 2.2% | 2.6% | 2.6% | 2.9% | 2.7% | 3.4% |
| Staff participation in training And development (%) | 67.3% | 75% | 87% | 95% | 95% | 91% |

The organisation prides itself on being supportive to staff and we have a number of initiatives in place through our Work Life Balance policy and procedures and our return to work processes. The latest information published by the Office of National Statistics (ONS) estimate that the UK sickness absence rate has fallen to 1.8% in 2020. According to the ONS the coronavirus (COVID-19) pandemic has affected the sickness absence data in a number of ways; while the virus may have led to additional sickness absence, measures such as furloughing, social distancing, shielding and increased homeworking appear to have helped reduce other causes of absence.

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FOR THE YEAR ENDED 31 MARCH 2021

PCP's absence figures are ordinarily consistently lower than the UK average however during 2020-21 we have had one instance of long-term absence which has affected PCP's rate. Had this not occurred the PCP's absence rate would have been 1%. Organisationally PCP continues to strive to ensure we support our teams effectively and feedback has been overwhelmingly positive in relation to the measures in place. Staff particularly like the 2 hours paid wellbeing time provided throughout 2020-21.

PCP's Labour Market stability has always fluctuated due to the nature of the charitable business; short term contracts and externally funded projects and services, however it has been consistently high for the past 2 years. PCP works to sustain this through a number of support interventions and our strong track record of sustaining projects and interventions across the North East.

The organisation's liquidity ratio is high, as a result of project and service expenditure being dramatically reduced due to COVID-19. Following the COVID-19 pandemic, across the country, and indeed internationally, businesses from all sectors will be starting to consider and plan for a very different future. PCP has benefited from the assistance of the Job Retention Scheme, however PCP is not immune to the long-term financial impact of reduced services and therefore reduced income, particularly in relation to the Pioneering Care Centre. During 2020-21 a significant amount of work was undertaken to review the position and source new income streams. As the Country progressed throughout the pandemic and into recovery PCP will continue to effectively plan and take any necessary action to safeguard the organisation.

Future Priorities and Developments:

PCP priorities for 2021-22 will inevitably focus on COVID-19 recovery. These will be closely aligned to PCP's Strategic Plan and include:

1. Robust financial management

- a. Clear financial projections for 2021-22 and 2022-23 with COVID-19 scenario planning considerations developed on 'real time' data and forecasting principles.
- b. Financial review of the Pioneering Care Centre including tenancies and service delivery to understand and mitigate risks in relation to COVID-19
- c. Development of a full Financial Strategy

2. COVID-19 recovery and minimise impact and risk for 2021-22 any beyond

- a. Continue to critically review the organisational structure, specifically with regard to Pioneering Care Centre based services.
- b. Position future services to support communities with post-COVID-19 needs.
- c. Systematically consider learning points from COVID-19
- d. Implement new working practices, embedding agile methods, considering opportunities for hybrid models and talent management strategies across the organisation.

3. Continue with the Hydrotherapy Pool Renovation and other building works to sustain and improve the Pioneering Care Centre.

PIONEERING CARE PARTNERSHIP

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEE REPORT ON THE IMPLICATIONS OF COVID-19 MEASURES

Throughout the global COVID-19 pandemic PCP Trustees have provided oversight and support to enable the Chief Executive to lead and guide the organisation, navigating changeable restrictions and balancing with local measures whilst ensuring the safety of staff, volunteers and clients. During this period of rapid change PCP has ensured the organisational approach was robust, considered, timely, well-planned and effectively communicated.

PCP's approach included:

- **Governance** - monthly trustee meetings were scheduled, these continued to be held during 2020-21, in addition support was provided through 1-2-1 discussions with the Chair. In addition to full Board the Business Development Sub Committee and Finance and Investment Sub Committee re-commenced and a Centre Development Task Group was established to focus on building work and Hydrotherapy Pool renovation.
- **Preparation** - PCP's Business Continuity Plan was reviewed and the actions relating to pandemic considered. ICT infrastructure continued to be developed with the ongoing purchase of hardware and the move to Office 365. Training and support was provided to all staff and during 2021-22 bitesize learning will continue to be offered.
- **Communication** - regular updates and briefings are provided to staff, volunteers, tenants and beneficiaries across all areas of PCP. As central government updated measures standard notifications, posters and displays ensure consistency of approach. Staff and volunteer contact details (personal email addresses) remain fully up-to-date and therefore communication has been straightforward throughout the pandemic. Feedback from staff has been overwhelmingly positive with staff reporting that they felt engaged, supported and updated.
- **Working from home** - the majority of PCP's staff have been supported to work from home. Wellbeing is central to our approach to supporting teams and we have encouraged full flexibility to enable those who have caring or other responsibilities to have a healthy work life balance.
- **Closure of public buildings** - as a result of the announcement on 20th March 2020 the Pioneering Care Centre closed on Saturday 21st March 2020. Business Continuity Plans supported the process therefore the closure was executed effectively, likewise the re-opening has been managed well. This is an ongoing/phased process and subject to change.
- **Charity Financial Assistance** - PCP has utilised the HMRC Job Retention Scheme and continues to do so on a very limited basis. Also PCP received a small business grant and tenants are mainly statutory bodies and therefore have continued to pay rent. PCP delivers a day service for adults with learning and physical disabilities and sustainability payments have been received in 2020-21 from Durham County Council (DCC) for this service. This range of support and income has assisted with the financial stability of the Pioneering Care Centre and is in line with the government's ambition to not destabilise the charitable sector.
- **Staff Financial Support** - Financial hardship was a concern therefore PCP committed to pay those who were 'furloughed'/part of the HMRC Job Retention Scheme 100% of their salary. PCP immediately instigated working from home allowances to ensure that staff who incurred additional costs were supported financially, this is ongoing.

PIONEERING CARE PARTNERSHIP

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

- **Support for Communities** - all of PCP's projects continued to operate across the North East, this accounts for approximately 60% of the organisation's work. Whilst the Pioneering Care Centre was closed and therefore all of PCP's services ceased the charity supported communities virtually. PCP also provided additional space to the NHS free of charge to establish a local COVID-19 Testing and Treatment area. Tees Esk and Wear Valley took additional space to provide mental health support to children and young people; recognising the Pioneering Care Centre is a COVID Secure Environment.
- **Impact on Fundraising** - during the pandemic PCP has continued to seek new opportunities and secure new funding to expand and deliver services. During 2020-21 PCP secured funding to provide direct support to people affected by COVID-19 as well as a range of mental health and wellbeing related projects.
- **COVID-19 Secure:** During 2020-21 PCP sustained its work on all area risk assessments, relating to COVID-19, office locations, outside activities, lone working, etc. and has appropriate measures in place as set out in government guidance. Confidence in PCP's ability to manage the risk is high across all staff teams and tenants are comfortable with the approach taken.

COVID-19 FINANCIAL SUSTAINABILITY IMPACT

PCP Trustees agreed to postpone the AGM in 2020 to allow time to assess the financial situation and provide going concern assurance; however this is not required in 2021 and the AGM will be held in July as scheduled. Due to the foresight and work of the leadership team the organisation is in a very strong position with a range of new projects and services. These have been developed as a direct result of PCP's reputation, track record and networks.

The Chief Executive maintains strong communication with the Board to ensure trustees are fully apprised of the financial situation, any liabilities or risks and any opportunities. PCP is in a strong position but is not complacent. Following the COVID-19 pandemic, PCP is not immune to the long-term impact and there is a need to maintain an agile business model. PCP Trustees are confident that the organisation is a going concern as a result of the following:

- New projects and services
- Strong strategic relationship and networks
- Healthy level of reserves
- 2020-21 end of year position
- 2021-22 budget projections
- PCP projects are sustained, effective and efficient.
- Improved Management Account reporting – this has been refined during 2020-21 to improve understanding
- Liquidity ratio
- Assessment of liabilities - some areas of operation are considered to be low-level liabilities, these small departments and individual action plans are developed to mitigate any risk.
- Investment performance - PCP's investment portfolio value increase in 2020-21. Trustees are aware that this may fluctuate and PCP does not foresee the need to draw on this in the medium term.
- Development opportunities - PCP continues to work on new initiatives and the potential to extend existing contracts.

PIONEERING CARE PARTNERSHIP

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

- Operational considerations - the Pioneering Care Centre is reopening incrementally. Project and office staff will continue to work from home for the foreseeable future and some areas may not return to full operation for a significant period of time, this has been factored into projections.
- Staff satisfaction is high – staff turnover is low, our skilled, effective and experienced workforce are flexible and happy with how PCP has responded to the pandemic.

PCP's mission is Health, Wellbeing and Learning for All, and the organisation is central in supporting the COVID-19 response and recovery in communities. Given the significant impact the pandemic could have had on the charity PCP is in a strong financial and strategic position. It has sustained delivery where possible throughout 2020-21, taken a creative approach to developing new projects and supported innovation in partnership with statutory and voluntary sector providers. The Board of Trustees are satisfied that there are no significant risks, financial or otherwise, or any material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue as a going concern.

PIONEERING CARE PARTNERSHIP

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also the Directors of The Pioneering Care Partnership for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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.

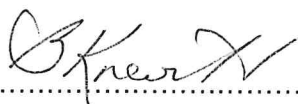
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

SIGNED ON BEHALF OF THE BOARD OF TRUSTEES:



Barry Knevitt - Chairperson

Dated 14/9/21

PIONEERING CARE PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF PIONEERING CARE PARTNERSHIP

Opinion

We have audited the financial statements of Pioneering Care Partnership (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charitable company's activities, customers, suppliers and wider economy. The trustees' view on the impact of COVID-19 is disclosed on within the trustees report on page 17 and within the accounting policies.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

PIONEERING CARE PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF PIONEERING CARE PARTNERSHIP

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

PIONEERING CARE PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF PIONEERING CARE PARTNERSHIP

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the directors and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Confirmation received direct from banks to verify balance as on the last day of the accounting year;
- Reviewed appropriateness of allocation of restricted funds;
- Reviewing minutes of meetings of those charged with governance.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



Gillian Benjamin ACA (Senior Statutory Auditor)
for and on behalf of Haines Watts North East Audit LLP

27th September 2021

Chartered Accountants
Statutory Auditor

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

PIONEERING CARE PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

Current financial year

| | | Unrestricted funds general 2021 £ | Unrestricted funds designated 2021 £ | Restricted funds 2021 £ | Total 2021 £ | Total 2020 £ |
|---|-------|---|--|----------------------------------|--------------------|--------------------|
| | Notes | | | | | |
| <u>Income from:</u> | | | | | | |
| Donations | 3 | 283,799 | 4,843 | 5,537 | 294,179 | 18,999 |
| Charitable activities | 4 | 1,768,887 | - | 1,593,233 | 3,362,120 | 2,459,729 |
| Other trading activities | 5 | 284,302 | 3,824 | - | 288,126 | 499,401 |
| Investments | 6 | 28,104 | - | - | 28,104 | 14,753 |
| Total income | | <u>2,365,092</u> | <u>8,667</u> | <u>1,598,770</u> | <u>3,972,529</u> | <u>2,992,882</u> |
| <u>Expenditure on:</u> | | | | | | |
| Raising funds | 7 | <u>40,956</u> | <u>-</u> | <u>-</u> | <u>40,956</u> | <u>109,622</u> |
| Charitable activities | 8 | <u>1,909,772</u> | <u>-</u> | <u>542,486</u> | <u>2,452,258</u> | <u>2,495,690</u> |
| Total resources expended | | <u>1,950,728</u> | <u>-</u> | <u>542,486</u> | <u>2,493,214</u> | <u>2,605,312</u> |
| Net gains/(losses) on investments | 13 | <u>44,130</u> | <u>-</u> | <u>-</u> | <u>44,130</u> | <u>(14,361)</u> |
| Net incoming resources before transfers | | 458,494 | 8,667 | 1,056,284 | 1,523,445 | 373,209 |
| Gross transfers between funds | | <u>(261,139)</u> | <u>211,092</u> | <u>50,047</u> | <u>-</u> | <u>-</u> |
| Net income for the year/ Net movement in funds | | 197,355 | 219,759 | 1,106,331 | 1,523,445 | 373,209 |
| Fund balances at 1 April 2020 | | <u>1,232,653</u> | <u>210,922</u> | <u>493,070</u> | <u>1,936,645</u> | <u>1,563,436</u> |
| Fund balances at 31 March 2021 | | <u>1,430,008</u> | <u>430,681</u> | <u>1,599,401</u> | <u>3,460,090</u> | <u>1,936,645</u> |

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

All income and expenditure derive from continuing activities.

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

PIONEERING CARE PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

Prior financial year

| | | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ |
|---|-------|------------------------------------|----------------------------------|-------------------------|
| | Notes | | | |
| Income from: | | | | |
| Donations | 3 | 11,429 | 7,570 | 18,999 |
| Charitable activities | 4 | 1,826,963 | 632,766 | 2,459,729 |
| Other trading activities | 5 | 499,401 | - | 499,401 |
| Investments | 6 | 14,753 | - | 14,753 |
| Total income | | <u>2,352,546</u> | <u>640,336</u> | <u>2,992,882</u> |
| Expenditure on: | | | | |
| Raising funds | 7 | <u>109,622</u> | <u>-</u> | <u>109,622</u> |
| Charitable activities | 8 | <u>2,180,525</u> | <u>315,165</u> | <u>2,495,690</u> |
| Total resources expended | | <u>2,290,147</u> | <u>315,165</u> | <u>2,605,312</u> |
| Net gains/(losses) on investments | 13 | <u>(14,361)</u> | <u>-</u> | <u>(14,361)</u> |
| Net incoming resources before transfers | | 48,038 | 325,171 | 373,209 |
| Gross transfers between funds | | <u>(36,344)</u> | <u>36,344</u> | <u>-</u> |
| Net income for the year/ Net movement in funds | | 11,694 | 361,515 | 373,209 |
| Fund balances at 1 April 2019 | | <u>1,431,881</u> | <u>131,555</u> | <u>1,563,436</u> |
| Fund balances at 31 March 2020 | | <u><u>1,443,575</u></u> | <u><u>493,070</u></u> | <u><u>1,936,645</u></u> |

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

All income and expenditure derive from continuing activities.

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

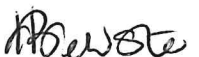
PIONEERING CARE PARTNERSHIP

BALANCE SHEET

AS AT 31 MARCH 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 14 | | 115,207 | | 131,030 |
| Investments | 15 | | 288,360 | | 494,853 |
| | | | <u>403,567</u> | | <u>625,883</u> |
| Current assets | | | | | |
| Debtors | 16 | 1,391,791 | | 273,179 | |
| Investments | 17 | 250,923 | | - | |
| Cash at bank and in hand | | 1,576,704 | | 1,252,966 | |
| | | <u>3,219,418</u> | | <u>1,526,145</u> | |
| Creditors: amounts falling due within one year | 18 | (162,895) | | (215,383) | |
| Net current assets | | | <u>3,056,523</u> | | <u>1,310,762</u> |
| Total assets less current liabilities | | | <u>3,460,090</u> | | <u>1,936,645</u> |
| Income funds | | | | | |
| Restricted funds | 21 | | 1,599,401 | | 493,070 |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds | 22 | 430,681 | | 210,922 | |
| General unrestricted funds | | 1,430,008 | | 1,232,653 | |
| | | | <u>1,860,689</u> | | <u>1,443,575</u> |
| | | | <u>3,460,090</u> | | <u>1,936,645</u> |

The financial statements were approved by the Trustees on 29/7/21



 H Brewster
 Trustee



 B Knevitt
 Trustee

Company Registration No. 03491237

PIONEERING CARE PARTNERSHIP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-----------|-----------|-----------|-----------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 26 | | 306,784 | | 429,815 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (10,850) | | (33,663) | |
| Purchase of investments | | (84,281) | | (48,347) | |
| Proceeds on disposal of investments | | 83,981 | | 46,705 | |
| Investment income received | | 28,104 | | 14,753 | |
| Net cash generated from/(used in) investing activities | | | 16,954 | | (20,552) |
| Net cash used in financing activities | | | - | | - |
| Net increase in cash and cash equivalents | | | 323,738 | | 409,263 |
| Cash and cash equivalents at beginning of year | | | 1,252,966 | | 843,703 |
| Cash and cash equivalents at end of year | | | 1,576,704 | | 1,252,966 |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Pioneering Care Partnership is a Company Limited by Guarantee registered in England and Wales. Every member of the company undertakes to contribute to the assets if the company is wound up while he/she is a member or within one year of ceasing to be a member, such amount as may be required not exceeding £1. The address of the registered office is given in the legal and administration information page.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees (Company Directors for the purpose of Company law) have reviewed and considered relevant information, including the annual budget in making their assessment. In particular, in response to the COVID-19 pandemic, the Trustees have tested their projections to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could and will be undertaken to mitigate the current adverse conditions, the current resources available and new projects already confirmed for 2021-22 the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Charitable funds

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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 financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with reasonable certainty. Income received to deliver services over a specific period covering more than one financial year is accounted for over the specific period; related expenditure is accounted when incurred.

Interest receivable on funds held on deposit is included when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

The charity is partially exempt for VAT and input VAT not recoverable is charged to management and administration costs.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------|-------------|
| Improvements to property | 6% on cost |
| Hydrotherapy pool | 25% on cost |
| Hydrotherapy Pool | 25% on cost |

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.

Fixed assets costing less than £1,500 are not capitalised.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity 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).

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.9 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.

1.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the testes set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.12 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The charity operates a defined contribution pension scheme. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity'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.

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Donations

| | Total | Total |
|----------------------|----------------|---------------|
| | 2021 | 2020 |
| | £ | £ |
| Donations and gifts | 66,461 | 10,243 |
| Job retention scheme | 227,718 | 8,756 |
| | <u>294,179</u> | <u>18,999</u> |

4 Charitable activities

| | 2021 | 2020 |
|------------------------------|------------------|------------------|
| | £ | £ |
| Contracts | 2,030,651 | 2,037,218 |
| Grants | 1,331,469 | 422,511 |
| | <u>3,362,120</u> | <u>2,459,729</u> |
| Analysis by fund | | |
| Unrestricted funds - general | 1,768,887 | 1,826,963 |
| Restricted funds | 1,593,233 | 632,766 |
| | <u>3,362,120</u> | <u>2,459,729</u> |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Other trading activities

| | Unrestricted funds general 2021 £ | Unrestricted funds designated 2021 £ | Unrestricted funds general 2021 £ | Unrestricted funds general 2020 £ |
|---------------------------|---|--|---|---|
| Hydropool takings | 720 | - | 720 | 53,088 |
| Rents and service charges | 245,587 | - | 245,587 | 231,902 |
| Fees and room hire | 12,963 | 3,824 | 16,787 | 60,555 |
| Therapy income | 370 | - | 370 | 31,159 |
| Classes and courses | - | - | - | 8,827 |
| Coffee shop | - | - | - | 67,329 |
| Fundraising | 24,453 | - | 24,453 | 28,617 |
| Other | 209 | - | 209 | 17,924 |
| | <u>284,302</u> | <u>3,824</u> | <u>288,126</u> | <u>499,401</u> |
| Other trading activities | 284,302 | 3,824 | 288,126 | 499,401 |

6 Investments

| | Unrestricted funds general 2021 £ | Unrestricted funds general 2020 £ |
|---------------------|---|---|
| Investment income | 3,300 | 4,642 |
| Interest receivable | 24,804 | 10,111 |
| | <u>28,104</u> | <u>14,753</u> |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Raising funds

| | Unrestricted funds general 2021 £ | Unrestricted funds general 2020 £ |
|------------------------------|---|---|
| <u>Trading costs</u> | | |
| Direct Delivery Costs | 9,948 | 37,231 |
| Staff costs | 27,282 | 69,388 |
| Hydropool costs | 726 | 3 |
| | <hr/> | <hr/> |
| Trading costs | 37,956 | 106,622 |
| | <hr/> | <hr/> |
| <u>Investment management</u> | 3,000 | 3,000 |
| | <hr/> | <hr/> |
| | 40,956 | 109,622 |
| | <hr/> | <hr/> |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Charitable activities

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Staff costs | 1,854,758 | 1,765,585 |
| Depreciation and impairment | 26,673 | 19,769 |
| Room Hire | (473) | 25,108 |
| Travel and Subsistence | 14,099 | 69,391 |
| Activity Expenditure | 104,266 | 44,430 |
| Partner Payments | 15,158 | 39,740 |
| Direct costs | 1,225 | 2,085 |
| Office costs | 184,298 | 202,361 |
| Training | 11,626 | 58,435 |
| Rent and rates | 90,180 | 83,071 |
| Marketing | 33,918 | 44,027 |
| Legal and professional | 39,184 | 41,379 |
| Hydropool maintenance | 1,722 | - |
| Bank charges | 3,198 | 4,117 |
| Irrecoverable VAT | 29,009 | 48,718 |
| Miscellaneous | 47 | - |
| | <u>2,408,888</u> | <u>2,448,216</u> |
| Share of support costs (see note 9) | 37,920 | 40,953 |
| Share of governance costs (see note 9) | 5,450 | 6,521 |
| | <u>2,452,258</u> | <u>2,495,690</u> |
| Analysis by fund | | |
| Unrestricted funds - general | 1,909,772 | 2,180,525 |
| Restricted funds | 542,486 | 315,165 |
| | <u>2,452,258</u> | <u>2,495,690</u> |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Support costs

| | Support costs | Governance costs | 2021 Support costs | Governance costs | 2020 |
|--|---------------|------------------|--------------------|------------------|---------------|
| | £ | £ | £ | £ | £ |
| Staff costs | 36,436 | - | 36,436 | 35,503 | 35,503 |
| Room hire | 63 | - | 63 | 941 | 941 |
| Office costs | 1,421 | - | 1,421 | 1,563 | 1,563 |
| Travel costs | - | - | - | 2,282 | 3,353 |
| Training | - | - | - | 664 | 664 |
| Audit fees | - | 5,450 | 5,450 | - | 5,450 |
| | <u>37,920</u> | <u>5,450</u> | <u>43,370</u> | <u>40,953</u> | <u>47,474</u> |
| Analysed between Charitable activities | <u>37,920</u> | <u>5,450</u> | <u>43,370</u> | <u>40,953</u> | <u>47,474</u> |

10 Net movement in funds

| | 2021 £ | 2020 £ |
|---|---------------|---------------|
| Net movement in funds is stated after charging/(crediting) | | |
| Fees payable to the company's auditor for the audit of the company's financial statements | 5,450 | 5,450 |
| Depreciation of owned tangible fixed assets | <u>26,673</u> | <u>19,773</u> |

11 Trustees

The trustees were not paid or received any other benefits from employment in the year (2020 - £nil).

No trustees received reimbursement of expenses during the year (2020 - three trustees received £1,547).

No trustee received payment for professional or other services supplied to the charity (2020 - £nil).

12 Employees

The average monthly number of employees during the year was:

| | 2021 Number | 2020 Number |
|--------------------------|----------------|----------------|
| Chief executive | 1 | 1 |
| Senior management | 6 | 6 |
| Quality, HR and finance | 6 | 10 |
| Admin & support | 10 | 11 |
| Other project staff, etc | <u>75</u> | <u>73</u> |
| Total | 98 | 101 |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Employees

| Employment costs | 2021 £ | 2020 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,720,032 | 1,698,451 |
| Social security costs | 123,280 | 117,479 |
| Other pension costs | 75,164 | 54,546 |
| | <u>1,918,476</u> | <u>1,870,476</u> |

The number of employees whose annual remuneration was £60,000 or more were:

| | 2021 Number | 2020 Number |
|-------------------|----------------|----------------|
| £60,000 - £70,000 | <u>1</u> | <u>1</u> |

The key management personnel include the Chief Executive, Executive Leads and Project and People Managers. The total employee benefits of the key management personnel of the charity were £263,916 (2020 - £266,007).

13 Net gains/(losses) on investments

| | Unrestricted funds general 2021 £ | Unrestricted funds general 2020 £ |
|------------------------------------|---|---|
| Gain/(loss) on sale of investments | <u>44,130</u> | <u>(14,361)</u> |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Tangible fixed assets

| | Improvements to property | Hydrotherapy pool | Fixtures, fitting & equipment | Total |
|------------------------------------|-----------------------------|----------------------|-------------------------------------|---------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 April 2020 | 209,511 | 41,829 | 198,092 | 449,432 |
| Additions | - | - | 10,850 | 10,850 |
| Disposals | - | - | (4,771) | (4,771) |
| At 31 March 2021 | 209,511 | 41,829 | 204,171 | 455,511 |
| Depreciation and impairment | | | | |
| At 1 April 2020 | 108,190 | 41,829 | 168,383 | 318,402 |
| Depreciation charged in the year | 12,571 | - | 14,102 | 26,673 |
| Eliminated in respect of disposals | - | - | (4,771) | (4,771) |
| At 31 March 2021 | 120,761 | 41,829 | 177,714 | 340,304 |
| Carrying amount | | | | |
| At 31 March 2021 | 88,750 | - | 26,457 | 115,207 |
| At 31 March 2020 | 101,320 | 17 | 6,259 | 131,030 |

All fixed assets are for direct charitable use.

During the year ended 31 March 2011 an extension to the Pioneering Care Centre was completed. The extension was developed by County Durham Council under a partnership agreement with PCP and was funded by the Community Assets Programme via The Big Lottery. As part of this partnership agreement, on completion of the building, Durham County Council adjusted the terms of the lease of the Pioneering Care Centre to PCP to a long term leasehold of 125 years, starting in April 2010, at a peppercorn rent.

Leasehold property improvements capitalised after the extension of the lease will be appraised on an individual project basis and will be depreciated according to the charity's assessment of their useful economic life.

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Fixed asset investments

| | Listed investments £ | Unlisted investments £ | Cash in portfolio | Total £ |
|--------------------------|----------------------------|------------------------------|----------------------|------------|
| Cost or valuation | | | | |
| At 1 April 2020 | 212,575 | 250,923 | 31,355 | 494,853 |
| Additions | 84,281 | - | - | 84,281 |
| Unrealised (loss) / gain | 44,130 | - | - | 44,130 |
| Cash held | - | (250,923) | (15,646) | (266,569) |
| Disposals | (68,335) | - | - | (68,335) |
| At 31 March 2021 | 272,651 | - | 15,709 | 288,360 |
| Carrying amount | | | | |
| At 31 March 2021 | 272,651 | - | 15,709 | 288,360 |
| At 31 March 2020 | 212,575 | 250,923 | 31,355 | 494,853 |

Equity investments that are traded on a quoted market are held at fair value determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

16 Debtors

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 1,268,150 | 184,700 |
| Other debtors | 390 | - |
| Prepayments and accrued income | 123,251 | 88,479 |
| | 1,391,791 | 273,179 |

17 Current asset investments

| | 2021 £ | 2020 £ |
|----------------------|-----------|-----------|
| Unlisted investments | 250,923 | - |

The charity holds a secured bond which has been invested for 7 years at an interest rate fixed at 3.13% per annum. Due to changes with the Trust the funds are held with this is due to mature at 31 March 2021.

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Creditors: amounts falling due within one year

| | Notes | 2021 £ | 2020 £ |
|------------------------------------|-------|----------------|----------------|
| Other taxation and social security | | 64,347 | 69,742 |
| Deferred income | 19 | 17,413 | 79,729 |
| Trade creditors | | 47,623 | 45,821 |
| Other creditors | | 100 | 100 |
| Accruals and deferred income | | 33,412 | 19,991 |
| | | <u>162,895</u> | <u>215,383</u> |

19 Deferred income

| | 2021 £ | 2020 £ |
|-----------------------|---------------|---------------|
| Other deferred income | <u>17,413</u> | <u>79,729</u> |

20 Financial instruments

| | 2021 £ | 2020 £ |
|---|----------------|----------------|
| Carrying amount of financial assets | | |
| Instruments measured at fair value through profit or loss | <u>523,574</u> | <u>212,575</u> |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Current year

| | Movement in funds | | | |
|---|----------------------------|-----------------------|-----------------------|------------------|
| | Balance at 1 April 2020 | Incoming resources | Resources expended | Transfers |
| | £ | £ | £ | £ |
| Hydrotherapy Pool | 80,098 | - | - | - |
| BBO Road | - | 138,711 | (146,889) | 8,178 |
| BBO SFTV | 3,079 | 38,246 | (39,986) | - |
| Growing our Community (formally Dementia Friendly Gardening Grant) | 5,213 | 1,320 | (563) | 563 |
| Together 21 | - | 45,201 | (62,263) | 37,062 |
| Healthwatch England Secondment | - | 30,000 | (22,893) | - |
| COVID-19 Resilience Hub (Durham) | - | 1,001,000 | (15,889) | - |
| Befriending Research Project | - | 206,000 | - | - |
| RCG Mapping Grant | 346,041 | - | (119,161) | (30,841) |
| Safe Haven | 39,909 | 103,555 | (104,716) | - |
| Options | - | 3,590 | - | - |
| Healthwatch CIC | 18,730 | - | (497) | - |
| Sport England - This Girl Can | - | 8,653 | (950) | - |
| Young Adults Support Cafe | - | 7,860 | (3,536) | 2,932 |
| RGC Befriending Research Project | - | 14,634 | (25,143) | 32,153 |
| | <u>493,070</u> | <u>1,598,770</u> | <u>(542,486)</u> | <u>(50,047)</u> |
| | | | | <u>1,599,401</u> |

Prior year

| | Movement in funds | | | |
|---|----------------------------|-----------------------|-----------------------|----------------|
| | Balance at 1 April 2019 | Incoming resources | Resources expended | Transfers |
| | £ | £ | £ | £ |
| Hydrotherapy Pool | 74,993 | 5,080 | 25 | - |
| BBO Road | - | 168,666 | (173,180) | 4,514 |
| BBO SFTV | 17 | 45,086 | (42,024) | - |
| Growing our Community (formally Dementia Friendly Gardening Grant) | 7,322 | 10,251 | (13,263) | 903 |
| Together 21 | 24,999 | 15,951 | (71,877) | 30,927 |
| RCG Mapping Grant | - | 350,000 | (3,959) | - |
| Safe Haven | - | 45,302 | (5,393) | - |
| Healthwatch CIC | 24,224 | - | (5,494) | - |
| | <u>131,555</u> | <u>640,336</u> | <u>(315,165)</u> | <u>36,344</u> |
| | | | | <u>493,070</u> |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Restricted funds

Hydrotherapy pool renovation fund is the amount set aside for the planned replacement of the Hydrotherapy pool in the Pioneering Care Centre.

Building Better Opportunities - Reaching Out Across Durham (ROAD) supports disadvantaged individuals in Durham aged 25+ who are furthest away from employment and experiencing significant barriers. ROAD is funded by the Big Lottery Fund and the European Social Fund, hosted by Groundwork NE & Cumbria and involves several partner organisations. PCP leads the health and wellbeing aspect and contributions to financial and digital inclusion work.

Building Better Opportunities - Step Forward Tees Valley (SFTV) support local people to overcome the complex reasons preventing them from finding work. These barriers could include physical or mental ill health, a lack of self-confidence, a gap in skills, a conviction or an addiction. Step Forward Tees Valley is joint funded by the Big Lottery Fund and the European Social Fund, as part of their investment in local projects that tackle the root causes of poverty and promote social inclusion. PCP delivers health and wellbeing support in Darlington, Redcar & Cleveland and Middlesbrough.

Dementia friendly gardening grant was received from Durham County Council in the year to support the Dementia Friendly Café.

Together 21 support children young people with Down Syndrome and their families in the Durham and Teesside area.

RCG Mapping Grant - PCP secured resource to support the development of information platforms for Children and Young People and Adults to support the work of County Durham's Mental Health Partnership and the Resilient Communities Group. This grant was awarded to enable scoping, testing and development prior to launching a platform (website) for use by local people. This work was due to fully commence at the end of 2019-20 but was delayed due to COVID-19.

Safe Haven - as part of a national NHS Transformation pilot PCP has been commissioned to develop 'Safe Havens' across the communities of County Durham and Darlington. This work was due to commence at the end of 2019-20 but was delayed due to COVID-19.

Healthwatch CIC relates to funds transferred to PCP during 2016 following the closure of the organisation.

Healthwatch England Secondment - expertise of a Healthwatch Project Lead to support the development of national governance templates, policies and procedures. This was a time-limit assignment.

PCP secured funding for COVID 19 Resilience Hub to help provide access to timely and local support for COVID-19 specific mental health and emotional wellbeing needs within County Durham.

The Befriending Research Project helps support in the response to community mental health needs and develop new systems for delivery of community support services.

Options is a member led day service providing support for adults with a range of learning and physical disabilities.

This Girl Can funding was received to support a programme of physical activity sessions that will encourage women to participate in a relaxed, informal environment with an emphasis on positivity, encouragement and support.

PCP provide a safe space for the Young Adults Support Café and a dedicated worker to deliver the sessions.

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

Current year

| | Movement in funds | | | | |
|--------------|----------------------------|-----------------------|-----------------------|----------------|-----------------------------|
| | Balance at 1 April 2020 | Incoming resources | Resources expended | Transfers | Balance at 31 March 2021 |
| | £ | £ | £ | £ | £ |
| Hydropool | 157,241 | 8,667 | - | 220,476 | 386,384 |
| Project Fund | 53,681 | - | - | (9,384) | 44,297 |
| | <u>210,922</u> | <u>8,667</u> | <u>-</u> | <u>211,092</u> | <u>430,681</u> |

Prior year

| | Movement in funds | | | | |
|--------------|----------------------------|-----------------------|-----------------------|---------------|-----------------------------|
| | Balance at 1 April 2019 | Incoming resources | Resources expended | Transfers | Balance at 31 March 2020 |
| | £ | £ | £ | £ | £ |
| Hydropool | 150,000 | 7,241 | - | - | 157,241 |
| Project Fund | - | - | - | 53,681 | 53,681 |
| | <u>150,000</u> | <u>7,241</u> | <u>-</u> | <u>53,681</u> | <u>210,922</u> |

Hydropool needs to be replaced. A fundraising campaign will commence to part raise the funds. Trustees have set aside some reserves to support the overall replacement costs.

Projects - This underspend relates to project delivery during 2019/20, for example County Durham Healthwatch.

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Analysis of net assets between funds

Current year

| | Unrestricted funds 2021 £ | Designated funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ |
|--|------------------------------------|----------------------------------|----------------------------------|--------------------|
| Fund balances at 31 March 2021 are represented by: | | | | |
| Tangible assets | 115,207 | - | - | 115,207 |
| Investments | 288,360 | - | - | 288,360 |
| Current assets/(liabilities) | 1,026,441 | 430,681 | 1,599,401 | 3,056,523 |
| | <u>1,430,008</u> | <u>430,681</u> | <u>1,599,401</u> | <u>3,460,090</u> |

Prior year

| | Unrestricted funds 2020 £ | Designated funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ |
|--|------------------------------------|----------------------------------|----------------------------------|--------------------|
| Fund balances at 31 March 2020 are represented by: | | | | |
| Tangible assets | 131,030 | - | - | 131,030 |
| Investments | 494,853 | - | - | 494,853 |
| Current assets/(liabilities) | 606,770 | 210,922 | 493,070 | 1,310,762 |
| | <u>1,232,653</u> | <u>210,922</u> | <u>493,070</u> | <u>1,936,645</u> |

24 Operating lease commitments

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

| | 2021 £ | 2020 £ |
|----------------------------|--------------|---------------|
| Within one year | 6,257 | 19,715 |
| Between two and five years | 147 | 6,403 |
| In over five years | 109 | 110 |
| | <u>6,513</u> | <u>26,228</u> |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

25 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

| | 2021 £ | 2020 £ |
|------------------------|-----------|-----------|
| Aggregate compensation | 263,916 | 266,007 |

26 Cash generated from operations

| | 2021 £ | 2020 £ |
|---|----------------|----------------|
| Surplus for the year | 1,523,445 | 373,209 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (28,104) | (14,753) |
| (Gain)/loss on disposal of investments | (44,130) | 14,361 |
| Depreciation and impairment of tangible fixed assets | 26,673 | 19,772 |
| Movements in working capital: | | |
| (Increase)/decrease in debtors | (1,118,612) | 16,027 |
| Increase/(decrease) in creditors | 9,828 | (26,970) |
| (Decrease)/increase in provisions | - | (100) |
| (Decrease)/increase in deferred income | (62,316) | 48,269 |
| Cash generated from operations | 306,784 | 429,815 |

27 Analysis of changes in net funds

The charity had no debt during the year.

Charity Registration No. 1067888

Company Registration No. 03491237 (England and Wales)

PIONEERING CARE PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

PIONEERING CARE PARTNERSHIP

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

C Briggs
D Cockburn
B Davidson
M Mohan
B Wilson
V Kotur
Dame D Smith
H Brewster
B Knevitt

Secretary

C Gaskarth

Charity number

1067888

Company number

03491237

Registered Address

Pioneering Care Centre
Carers Way
Newton Aycliffe
County Durham
DL5 4SF

Auditor

Haines Watts North East Audit LLP
17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Solicitors

Hewitt's Solicitors
207 Newgate Street
Bishop Auckland
County Durham
DL14 7EL

PIONEERING CARE PARTNERSHIP

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PIONEERING CARE PARTNERSHIP

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees submit their report and the audited accounts for the year ended 31 March 2021. They confirm that the report and accounts comply with current statutory requirements and the charity's memorandum and articles, and also the requirements of the Statement of Recommended Practice - Accounting and Reporting by Charities.

Structure, Governance and Management

Governing Document

The Pioneering Care Partnership (PCP) is a company limited by guarantee established on 7th January 1998 and a registered charity (registered 2nd Feb 1998). The company was established under a Memorandum of Association, which establishes the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount of £1 on the winding up of the organisation.

Governance Review

Over the past two years the Board of Trustees have taken the opportunity to reflect and refresh the content of PCP's governing documents using the Good Governance Code as a benchmark and through considering existing and emerging structures it was agreed that the most appropriate governing arrangements for the organisation is to remain a charitable company, limited by guarantees. Trustees have spent time redefining the charitable purpose and consulting with voting members; with the aim of finalising arrangements in 2020, however the COVID-19 pandemic has disrupted the timescales. In Quarter 4 of 2020-21 PCP sought to appoint legal expertise and the governance review will now be complete by September 2021.

Recruitment and Appointment of Trustees

The charity Trustees are also Company Directors for the purposes of company law. As a charity, under the requirements of the Memorandum and Articles of Association, at the annual general meeting one third of the trustees who are subject to retirement by rotation, or the number nearest to one third, shall retire. If the vacancies are not filled, the retiring trustees, if willing, can be deemed to have been re-appointed.

The Articles of Association state that the Company shall use all reasonable endeavours to ensure that not less than 25% of the Trustees from time to time shall be service users, 63% of the Board of Trustees can be considered to be service user representatives in 2020-21. PCP continues to refresh the Board to ensure a suitable mix of business skills, legal, charity leadership and accountancy and there are also a number of trustees who are disabled people, older people, carers, previous-carers or service users, thereby ensuring that the organisation is governed by representatives of those it seeks to serve.

Annually, PCP reviews Trustees skills and aspirations through a review with the Chair and Chief Executive and an anonymous survey. During 2020-21 the following were also reviewed: Scheme of Delegation and the Register of Interests (both of which are reviewed bi-annually at Board), succession plans and the Business Continuity plan. Trustees also completed the Automatic Disqualification Declaration, again this is an annual process.

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Trustee Induction and Training

There were no new Trustees recruited during 2020-21 and given it was a very unusual year, with the COVID-19 pandemic lasting the full 12 months Trustee training was limited. However online opportunities were provided for trustees in relation to Safeguarding, LGBTQI+ Awareness, Equality, Diversity and Inclusion training.

The Chief Executive took responsibility for ensuring Trustees were appraised of the situation with regard to COVID-19 and Trustee meetings were held on a monthly basis and guidance updates/briefings were regularly received. Trustee attendance was 100% demonstrating commitment, dedication to support the organisation throughout the most difficult situation and their ongoing understanding of the importance of maintaining knowledge and adhering to good governance.

Newer trustees also benefited from ongoing mentoring to ensure they could fully participate in discussion and decision making processes alongside more experienced colleagues. PCP's Chair remains a member of the Association of Chairs, the Chief Executive is a member of ACEVO (Association of Chief Executive of Voluntary Organisations) and the Chartered Institute of Management. Furthermore PCP NCVO (National Council of Voluntary Organisations) utilises articles and resources to assist to provide informative and timely updates around best practice and governance.

Training opportunities were limited during 2020-21 however self-directed learning was encouraged, articles and webinar details shared and structured sessions were provided on the topics of equality, diversity and inclusion and transgender awareness.

Further professional development and networking opportunities will be provided in 2021-22.

The Structure of the Organisation

The Board of Trustees are elected by the membership. The Board can have up to 12 members and have responsibility for strategic direction and policy ensuring PCP meets its legal requirements. The Board of Trustees meets quarterly and their work is supported by a robust sub group structure.

Throughout 2020-21 eight board meetings were held, this was an increase on the previous year in recognition of the need to provide additional governance support during the pandemic. Written board reports were received which provided details of trustee duties and obligations, ensuring full compliance. The board report structure continues to be based on the Charity Governance Code, this assists PCP trustees not only to embed the principles of sound governance but also to maintain a clear focus on the organisation's mission and objects. In 2020-21 reports included specific information regarding Safeguarding as a key governance priority along with board diversity.

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During 2020-21 the Board approved a number of documents to support good governance including:

- Business Development Sub Committee Terms of Reference
- Finance and Investment Sub Committee Terms of Reference
- PCP Fundraising Strategy
- PCP Investment Policy
- PCP Reserves Policy
- PCP Health and Safety Policy Statement
- PCP Equality and Diversity Policy Statement
- PCP Environmental Policy and Policy Statement

The Board also reviewed the organisation's Risk Register, Scheme of Delegation and Register of Interests.

During 2020-21 the Sub Committee Structure was stood down temporarily and all relevant items were overseen by the full Board of Trustees. Ordinarily PCP sub committees are:

1. **Business Development Sub Committee** - to further PCP's objects, ensuring that projects and services meet the organisational mission and aims and considering new opportunities.
2. **Finance and Investment Sub Committee** - to enhance the stewardship of the organisation's financial arrangements and ensure prudence, and ethical investment principles.
3. **Compliance and Best Practice Sub Committee** - to ensure PCP is run in a way that is legal, responsible and effective whilst also considering continuous improvement and striving for excellence.

Business Development and Finance and Investment Sub Committees recommenced in November 2020, a full review of the terms of reference was conducted along with key policies. During 2021-22 a review of the aims of the Compliance and Best Practice Sub Committee will be complete.

The Board of Trustees delegate the responsibility of the running of the organisation to the Chief Executive, whilst remaining fully accountable. PCP's Chief Executive has been in post for over eight years and during this time has ensured that systems and processes to govern the charity are robust, regularly reviewed and in line with best practice. PCP's Chief Executive is experienced and effectively oversees the organisation, including leading successfully through the challenge of the pandemic in a very different environment.

The organisation continues to thrive. Since 2013 income has increased by over 165%, the number and range of projects and services have evolved and the need to ensure appropriate leadership capacity grown. During 2020-21 the role of Executive Lead was introduced into the organisation with two existing leaders moving into these fundamental roles to directly support the Chief Executive. Additionally in 2021-22 an operations manager will be appointed to enhance and improve overall governance arrangements.

Leadership is not restricted to the Chief Executive and senior leaders, it is dispersed across the organisation and leadership attributes are encouraged throughout PCP. The success and ability for PCP to work towards the mission of, "Health, Wellbeing and Learning for All" relies on a full team, cross-organisational approach.

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Chief Executive Pay

Transparency is the first principle of good pay and is crucial if the voluntary sector is to retain public trust and PCP takes its obligations seriously and to this end PCP prides itself on the efficient use of resources and ensures that pay rates are proportionate. PCP does not pay higher salaries than are necessary and/or reasonable whilst valuing the importance of talented and experienced staff to the fulfilment of the charity's public benefit objectives. The procedure for setting PCP's Chief Executive pay is robust; periodically the Board appoints a task group of Trustees to consider the external environment and organisational performance to assess appropriate remuneration levels. This process includes taking independent advice and reviewing trends and benchmarks in the sector in addition to reviewing organisation-wide impacts, outputs and financial performance.

Volunteers

The organisation has a successful volunteer recruitment and support strategy. However as a direct consequence of the COVID-19 pandemic and the national and local restrictions, volunteering opportunities have been incredibly limited during 2020-21. Unfortunately initially all volunteering, with the exception of time dedicated by PCP Trustees, ceased in March 2020 as a result of the government's measures to control the COVID-19 outbreak.

Latterly some volunteering opportunities returned, particularly in outdoor activities such as the Community Garden, telephone and virtual support services such as Befriending and 'user voice' projects including local Healthwatch.

During 2020-21 PCP has maintained an average of 255 active volunteers who gave 6,502 hours supporting the projects and activities run by the organisation during the year. Using the real living wage as a benchmark, this is an in-kind equivalent of £61,769. Many of the volunteers have been service users themselves in the past and have progressed on to supporting the delivery of activities.

Volunteering remains at the heart of what PCP is about and during 2020-21 we will work to re-engage and support volunteers, in line with relevant guidance.

Risk Management

The Chief Executive leads a process with the Senior Management Team (SMT) and the Board of Trustees to conduct a bi-annual review of the risks which the organisation is exposed through assessing every area of the organisation's activity, covering the environment, governance and management, operational issues, financial and compliance risks and each of the organisation's activities to meet the objectives. In 2019-20 PCP implemented a process to rate and rank the organisational risk register, the rating against each risk is based on identifying the potential impact and likelihood.

PCP's Health and Safety Policy is reviewed annually along with the fire risk assessment and other organisational, building and activity risk assessments. PCP is compliant with CHAS the Contractors Health and Safety Assessment Scheme, this was renewed in December 2020.

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A full Business Continuity Plan was implemented in 2018 with different aspects tested periodically, during 2019-20 a test was undertaken of the 'Payroll' section. In March 2020 the 'health pandemic' section of the Business Continuity Plan was activated as a result of the COVID-19 global pandemic. PCP was well-prepared, the Chief Executive led on the effective close down of the Pioneering Care Centre and all office locations across the North East. Throughout 2020-21 central communication and staff support has been consistent, timely and well-received. At every stage PCP has interpreted the government guidelines, ensured compliance with legislation and adhered to all national measures. Additionally PCP has closely monitored and responded to the local and regional position. Feedback from both staff and commissioners continues to be positive. Staff remained designated as home-workers for the whole of 2020-21 with the exception of those who were unable to work from home; in this instance PCP utilised the Job Retention Scheme.

Across PCP staff teams managed remarkably well and quickly adjusted to home working. The vast majority of support for clients and beneficiaries in 2020-21 was provided remotely via telephone and video conferencing. Despite closure of offices, there continued to be no significant disruption to financial processes, payroll or other key management support functions.

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Aims, objectives and activities:

PCP has grown to become a leading third sector organisation working across the North East, whose charitable aims continue to focus on health improvement and reducing health inequalities through building capacity in disadvantaged communities. PCP continues to thrive and delivering services from eight sites. A planned expansion into Redcar and Middlesbrough remains on hold.

PCP continues to employ an average of 100 people. In 2020-21 staff stability was 82% which is the same as 2019-20 and a marked increase from 75% in the previous year (2018-19). To achieve this level of stability is extremely good given the short term nature of projects and services PCP delivers.

PCP has a focus on working with people who are disadvantaged across a population of over 1.2m people. PCP operates in the following areas:

| Area | Population* |
|--------------------|------------------|
| County Durham | 513,242 |
| Sunderland | 275,506 |
| Middlesbrough | 138,412 |
| Stockton-on-Tees | 191,610 |
| Redcar & Cleveland | 135,177 |
| TOTAL | 1,253,947 |

**usual population figures from ONS*

PCP's mission is **'Health, Wellbeing and Learning for All'**

The aim/purpose is: **"To improve the health, wellbeing and quality of life of local people disadvantaged through caring responsibilities, disability, age or ill health and reduce inequalities in health."**

The long term outcomes the PCP is seeking for disadvantaged people in order to achieve our aim are:

- To promote independence, choice & control
- To improve lifestyle
- To increase knowledge & skills
- To improve physical health
- To improve confidence, self-esteem & well-being
- To improve economic well-being
- To build community capacity
- To improve access to services for disadvantaged communities & groups
- To promote social inclusion

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Principal Activities

The Pioneering Care Centre

PCP manages a fully accessible purpose built healthy living centre, the Pioneering Care Centre in County Durham, providing services at a local, sub-regional and regional level.

The Pioneering Care Centre closed its doors to the general public as a result of the pandemic in March 2020 and remained closed for the vast majority of 2020-21. The Chief Executive and one caretaker facilitated access for key health and social care services until a skeleton staff team was brought back in August 2020. However due to local restrictions the Centre was not able to re-open as planned.

To support the local COVID-19 effort part of the building was allocated to the GP Practice/Primary Care Network to enable COVID-19 testing and treatment. In August 2020 it was decided to extend the space leased to the Practice and in November PCP supported the implementation of the Vaccination Centre.

Appointments for podiatry, speech and language and adult mental health services continued, Furthermore Tees, Esk and Wear Valley took additional space to offer mental health and wellbeing appointments for children and young people. House of Eden Day Nursery operated for part of the year following the 'bubble' system.

From January 2021 it was anticipated that PCP Centre-based activities would be able to recommence, however due to local restrictions this was not possible.

Usually PCP runs the following services and activities from the Pioneering Care Centre:

- Health and wellbeing activities
- A fully accessible hydrotherapy pool
- Natural Therapy Suite
- Conference, meeting, room hire facilities and hospitality services
- A community coffee shop
- Employability support services
- Community courses and adult learning opportunities
- Lifestyle and exercise classes and activities
- Health Trainer and Health Trainer Champion support services
- Community garden and allotments

The Centre also houses services delivered by other partners as follows:

- Jubilee Medical Practice
- The Village Pharmacy
- NHS clinics
- NHS Mental Health Services
- House of Eden Children's Nursery
- Great Aycliffe & Middridge Area Action Partnership (GAMP)
- Improving Access to Psychological Therapies (IAPT) Services

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PCP provides a number of projects across County Durham working in collaboration with a range of other voluntary or statutory organisation's. These have been delivered virtually during 2020-21 and include:

- County Durham Wellbeing for Life
- Joining the Dots (cancer support)
- Cancer Awareness
- 5 local Healthwatch contracts - County Durham, Sunderland, Stockton-on-Tees, Redcar & Cleveland and Middlesbrough (known locally as 'South Tees Healthwatch)
- Stockton Independent Complaints Advocacy Service
- ESF Building Better Opportunities Health and Financial Support (County Durham and Tees Valley)
- Stockton Service Navigation Project (Social Prescribing);
- Options Day Service
- Mental Health and Befriending services
- Workplace Health Support

New projects or service for 2020-21 include:

- SafeHaven/Happiness Hubs
- Stockton COVID-19 Community Champion Programme
- County Durham COVID-19 Resilience Team
- Peer Support and Befriending Research
- Primrose Lodge Events Worker
- Frail Elderly Link Worker

PCP is recognised for its expertise in health and wellbeing. PCP's Chief Executive plays a key role in developing community adult mental health wellbeing services across County Durham and beyond chairing the Resilient Communities Group a sub-committee of the Mental Health Strategic Partnership Board.

The COVID-19 impact on delivery is included in the 'Trustee Report on the 'Implications of COVID-19 measures' section on page 17 to 19.

For further information please refer to PCP's Annual Report which can be found on the website: www.pcp.uk.net

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Achievements and performance

PCP Strategic Plan

In June 2019 PCP's Board of Trustees approved a new 5-year Strategic Plan. This informs the future direction of the charity, feeds into the Chief Executive's objectives, supports the operational delivery and management of PCP and is reviewed annually by the Board. This annual assessment helps to determine where the organisation's energy and resources should focus for the coming year.

PCP's Strategic Plan is designed as a cross-cutting document to direct organisational focus, enable continuous development and to instill confidence in PCP's governance arrangements as a charity and company limited by guarantee. The Strategic Plan covers 10 main areas:

1. PCP Mission and Purpose
2. Health, Wellbeing and Learning for All - targeting support
3. Governance
4. Leadership
5. Core Values
6. Finance
7. Quality, Human Resources & Volunteering
8. Marketing, Communications & Engagement
9. Digital Strategy
10. Environmental Management

COVID-19 has not halted progress against PCP's Strategic Plan and in some areas the pandemic is expected to result in short term positive outcomes, such as reduction in PCP's carbon footprint through reduced travel, photocopying etc, agile working, embracing digital communications both internally and externally and importantly continued support for beneficiaries is able to be sustained through outreach teams and projects. However trustees recognise that COVID-19 recovery will take time and the short-term gains may be outweighed by longer term difficulties in developing new projects and services. In 2020-21 the Board agreed to extend the lifespan of the Strategic Plan, this now runs until 2026 to allow time to work towards the ambitions outlined for each area,

Monitoring & Evaluation

In 2020-21 PCP maintained the approach to apply a model of evaluation called 'Impact Mapping' developed by the New Economics Foundation (NEF). This is based on a 'theory of change' methodology and assist PCP to link our mission, objectives and activities with what happens because of them. This is the eighth year of successfully using this model to monitor performance, consequently the organisation is usually able to use previous data to benchmark performance and undertake trend analysis. 2020-21 has been a year like no other and unfortunately it cannot be compared against previous results.

Different monitoring and evaluation tools were explored during 2019-20 and it had been anticipated that the model may change in 2020-21, however this has been delayed as a result of COVID-19.

The following section highlights some of the key achievements for the year 2020-21:

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Further information can be found at the organisation's website www.pcp.uk.net

This year's headlines

A round up of what's happened!

**GP practice at the
Pioneering Care
Centre becomes a
vaccination centre**



**PCP launch new
befriending service**



**PCP win Garden
Award**



**Waterbabies continue
to use hydrotherapy
pool**



**This Girl Can and POW
virtual sessions
launch**



**Options return to the
Pioneering Care
Centre**



**New COVID-19
Stockton-On-Tees
Community
Champions go live**



**PCP launches the
County Durham
COVID-19 Resilience
Team**



**Day of Reflection
across PCP to
remember those
impacted by COVID-19**



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FINANCIAL REVIEW

During 2020-21 PCP planned to utilise reserves for a number of projects in support of the organisation's charitable objectives. Additional income has been secured for projects and services in 2020-21, this is 11% less than the budgeted income for the year 32% ahead of 2019-20. Furthermore, the efficient delivery of projects and services and the organisation's prudent approach saw expenditure 23% less than budgeted. This resulted in an end of year surplus position.

The full results and company's financial position at the end of the year are shown in the attached financial statements.

Activities generating funds

Activities generating funds for the organisation include the Kitchen Garden, Room Hire, Therapy Suite and the Hydrotherapy Pool within the Pioneering Care Centre, all of which have remained closed during 2020-21. Some elements of these services are usually subsidised by the charity in line with supporting the organisation's mission of health, wellbeing and learning for all and to enable people from disadvantaged communities to access services.

The organisation also sublets the Pioneering Care Centre to a number of Tenants within the building and charges rent and service charges for the appropriate allocated floor space. Tenants included: The Village Pharmacy; Jubilee Medical Group; Durham County Council; Tees, Esk & Wear Valley NHS Trust; House of Eden Children's Nursery, NHS Property Services and private counselling practitioners. During 2019-20 PCP worked with tenants to agree long- term lease arrangements and leases were in the process of being drawn up by PCP's solicitors in March 2020. This was put on hold due to COVID-19.

Trustees recognise their legal obligation to obtain and consider a written report from a suitably qualified surveyor before any disposal such as a lease is granted out of a charity's land, in addition to their responsibility to achieve the best rent possible. Trustees have appointed an independent Chartered Surveyor to provide a market rent valuation report to be used as an indication of the value in accordance with the Charities Act Market Rent and S119 of the Charities Act 2011. This report will be considered in 2021-22 and lease arrangements finalised thereafter.

Investment Policy

PCP's investment portfolio is managed by Rathbone Investment Management Ltd. The portfolio is a combination of different asset types and weightings to take into account both long term investment behaviours and shorter term prevailing market conditions. The investment objective aims to preserve the capital investment in real terms whilst providing the opportunity for some growth in capital and income and therefore PCP opted for a medium risk tolerance for the fund.

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The investment portfolio performed strongly during the financial year ending 31 March 2021, posting a gain of 19.1%. Following the collapse in stock markets during the final quarter of the previous year as the Pandemic took hold, the significant amount of economic and monetary support provided by Governments and Central Banks worldwide enabled a swift and sustained recovery in value. The first day of the financial year represented the low point for the period and the PCP portfolio took full part in the recovery, such that by 31 March 2021 it stood at a record high since inception of the investment strategy. Whilst the short-term outlook remained cautious during 2020/21 amid uncertainty for the easing of lockdowns and the effectiveness of vaccination programmes, the long-term investment objectives remained in place; to preserve value in real terms whilst providing the opportunity for some growth in capital and income. As such, the portfolio remained invested throughout which resulted in a positive outcome for performance during the year.

In line with the organisation's Investment Policy, monies are also invested in a 7-year Fixed Bond Account with Secure Trust Bank. In March 2021 PCP opted to withdraw these funds following the decision of Secure Trust Bank to no longer offer this type of account.

Additionally PCP holds a 35 day reserve account and an instant access custom account, for which the current interest return on these accounts is significantly low due to the present economic climate.

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Reserves' Policy

PCP's Reserves' Policy ensures that Trustees, the Chief Executive and senior staff, act in the interests of their charity and its beneficiaries at all times. This Policy protects and safeguards organisational assets, assists Trustees to act with reasonable care and skill, and ensures that PCP is accountable.

The Reserves' Policy aims to aid PCP's strategic planning, budgeting and risk management processes. PCP reserves provide a cushion for planned or unplanned future needs safeguarding the organisation from unexpected events, losses of income and large unbudgeted expenses. The Reserves' Policy also aims to assist with the management of cash flow, provide working capital for day-to-day operations and aid decision making when considering investing in new ways of working.

The Policy and associated procedures sets out that PCP will aim to maintain reserves of a minimum of 6 months and maximum of 14 months core and centre operating costs. Where the reserves position exceeds this level the Board will then identify if resources are available to utilise to further PCP's charitable aims.

The organisational Reserves' Policy is reviewed on an annual basis by the Finance and Investment Sub Committee and full Board of Trustees. This was reviewed during 2020-21.

The Board of Trustees have stated that 'reserves' in this instance apply to general reserves, which is part of the income funds that are freely available for general use.

The charity has adopted a computational approach to justifying its reserves. This Reserves' Policy helps to ensure that the charity can meet its financial obligations to core and centre staff salary and operating costs. Other factors which are beginning to affect the organisation is that some funding streams have payments in arrears, therefore the organisation needs to have monies available to cushion this effect and ensure operational liquidity.

At 31 March 2021 the charity held free reserves of £1,026,440 which equates to 13 months core and centre running costs.

PCP Board of Trustees acknowledge and understand that as the COVID-19 pandemic unfolds and the organisation's income generating activities have ceased there may be the need to use a proportion of the reserves to support core and centre functions in 2020-21. The Board takes regular reports from the Chief Executive to closely monitor and assess the situation and ensure that appropriate and timely action is taken where required. This ongoing situation will be evaluated regularly by PCP.

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Quality

Quality is at heart of what PCP does and is vitally important to ensure we fulfil our mission, continue to meet the needs of local people and communities, strive for improvement and ultimately make a difference or positive impact. PCP achieved the Environmental Quality Standard ISO 14001 and ISO 9001 the international standard that specifies requirements for a quality management system. Both have been successfully reassessed during the year with the Environmental award being full recertified.

During 2020-21 PCP was also re-assessed against the Investors in People Standard. Investors in People have accredited more than 50,000 organisations, underpinning each of the 9 standards is a maturity model. This sets out the criteria of accreditation, from Bronze, Silver and Gold levels. Each level progresses from Developing to High Performing. PCP was delighted to have continued to progress significantly with its employment practices and was awarded GOLD in October 2020.

The Assessor said:

- You are an example of a charity which has continued to embrace proven principles of high performance management.
- There is a clear plan for the future based around delivering the mission and purpose of the charity.
- Your ambition is supported by formal planning processes and clear and concise impact plans for all areas within the charity, with effective governance from the board.
- As leaders, you clearly articulated a desire to build on the successes you have experienced since the last review and this is recognised across the board.
- You and your people clearly described the approaches designed to deliver success, all of which focused on doing the right things and examples even during the Pandemic supported this.
- Combine this desire with extensive reporting and evaluation activity and an open leadership style, and you have the recipe for success.
- More importantly, employees feel the charity remains a great place to work. Your people provided many examples to confirm this belief which was underpinned by a feeling of trust, transparency and empowerment.
- As a result of your hard work, you now have a loyal workforce who take pride in their work, who feel trusted, empowered and involved in delivering success.
- People are proud to be an employee of the charity and proud to be delivering support for the community.
- Pioneering Care Partnership is a great company to work for.

PCP Staff feedback included:

"At PCP we have a savings club, we get wellbeing support such as a 30 minute wellbeing break, which has been increased to 60 minutes, we have a cycle to work scheme, although I don't cycle and the best thing is we get loads of praise, even from our Chief Exec. They treat you as a real person here and appreciate the work you do."

"The charity celebrates events – for example we held a 20th Birthday celebration for PCP, they have Awards, they have events like Christmas and Halloween and provide long service awards."

"In 6 years I have been promoted three times and always get thanks and praise in my job – they have maintained a commitment to my development and supported me in my role."

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"The best thing about working here is that it's a really nice place and I feel valued for the work I do, helping people in the community and helping people who are vulnerable."

"During the Pandemic we have received regular update emails from the CEO about current and future issues – this gave me confidence and made me feel like the values are real."

Furthermore PCP continues to sustain the following standards such as:

- Investors in People Status
- Better Health at Work Continuing Excellence/Ambassador Status
- CHAS the Contractors Health and Safety Assessment Scheme
- ISO 9001 Quality Standard
- ISO 14001 Environmental Management System
- Time to Change Pledge
- Carer Pledge

PCP were awarded the County Durham Volunteering Kitemark which is awarded to organisations who demonstrate how their volunteering programmes endeavour to overcome barriers to volunteering, recognising the value of recruiting and retaining volunteers. The Kite Mark is valid for two years, PCP will be reassessed in 2021.

The achievement of these standards puts PCP in a strong position in the competitive tendering market in addition to demonstrating our commitment to quality for our customers, clients, staff and volunteers.

Key financial performance indicators (2020-21)

| Ratio | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2017-18 | 2015-16 |
|--|---------|---------|---------|---------|---------|---------|
| Liquidity ratio | 19.72:1 | 7.1:1 | 7.1:1 | 6.8:1 | 6.08:1 | 4.6:1 |
| Average Reserves : Expenditure (Other Charitable funds) | 1.071:1 | 0.54:1 | 0.58:1 | 0.63:1 | 0.66:1 | 0.61:1 |
| Debtors Days | 77 | 35 days | 26 days | 54 days | 58 days | 52 days |
| Labour Turnover (%) | 23.8% | 25.1% | 32.9% | 25.9% | 30.1% | 27.7% |
| Labour Stability Index (%) | 82% | 82% | 75% | 89% | 76% | 81% |
| Absence (%) | 2.2% | 2.6% | 2.6% | 2.9% | 2.7% | 3.4% |
| Staff participation in training And development (%) | 67.3% | 75% | 87% | 95% | 95% | 91% |

The organisation prides itself on being supportive to staff and we have a number of initiatives in place through our Work Life Balance policy and procedures and our return to work processes. The latest information published by the Office of National Statistics (ONS) estimate that the UK sickness absence rate has fallen to 1.8% in 2020. According to the ONS the coronavirus (COVID-19) pandemic has affected the sickness absence data in a number of ways; while the virus may have led to additional sickness absence, measures such as furloughing, social distancing, shielding and increased homeworking appear to have helped reduce other causes of absence.

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PCP's absence figures are ordinarily consistently lower than the UK average however during 2020-21 we have had one instance of long-term absence which has affected PCP's rate. Had this not occurred the PCP's absence rate would have been 1%. Organisationally PCP continues to strive to ensure we support our teams effectively and feedback has been overwhelmingly positive in relation to the measures in place. Staff particularly like the 2 hours paid wellbeing time provided throughout 2020-21.

PCP's Labour Market stability has always fluctuated due to the nature of the charitable business; short term contracts and externally funded projects and services, however it has been consistently high for the past 2 years. PCP works to sustain this through a number of support interventions and our strong track record of sustaining projects and interventions across the North East.

The organisation's liquidity ratio is high, as a result of project and service expenditure being dramatically reduced due to COVID-19. Following the COVID-19 pandemic, across the country, and indeed internationally, businesses from all sectors will be starting to consider and plan for a very different future. PCP has benefited from the assistance of the Job Retention Scheme, however PCP is not immune to the long-term financial impact of reduced services and therefore reduced income, particularly in relation to the Pioneering Care Centre. During 2020-21 a significant amount of work was undertaken to review the position and source new income streams. As the Country progressed throughout the pandemic and into recovery PCP will continue to effectively plan and take any necessary action to safeguard the organisation.

Future Priorities and Developments:

PCP priorities for 2021-22 will inevitably focus on COVID-19 recovery. These will be closely aligned to PCP's Strategic Plan and include:

1. Robust financial management

- a. Clear financial projections for 2021-22 and 2022-23 with COVID-19 scenario planning considerations developed on 'real time' data and forecasting principles.
- b. Financial review of the Pioneering Care Centre including tenancies and service delivery to understand and mitigate risks in relation to COVID-19
- c. Development of a full Financial Strategy

2. COVID-19 recovery and minimise impact and risk for 2021-22 any beyond

- a. Continue to critically review the organisational structure, specifically with regard to Pioneering Care Centre based services.
- b. Position future services to support communities with post-COVID-19 needs.
- c. Systematically consider learning points from COVID-19
- d. Implement new working practices, embedding agile methods, considering opportunities for hybrid models and talent management strategies across the organisation.

3. Continue with the Hydrotherapy Pool Renovation and other building works to sustain and improve the Pioneering Care Centre.

PIONEERING CARE PARTNERSHIP

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEE REPORT ON THE IMPLICATIONS OF COVID-19 MEASURES

Throughout the global COVID-19 pandemic PCP Trustees have provided oversight and support to enable the Chief Executive to lead and guide the organisation, navigating changeable restrictions and balancing with local measures whilst ensuring the safety of staff, volunteers and clients. During this period of rapid change PCP has ensured the organisational approach was robust, considered, timely, well-planned and effectively communicated.

PCP's approach included:

- **Governance** - monthly trustee meetings were scheduled, these continued to be held during 2020-21, in addition support was provided through 1-2-1 discussions with the Chair. In addition to full Board the Business Development Sub Committee and Finance and Investment Sub Committee re-commenced and a Centre Development Task Group was established to focus on building work and Hydrotherapy Pool renovation.
- **Preparation** - PCP's Business Continuity Plan was reviewed and the actions relating to pandemic considered. ICT infrastructure continued to be developed with the ongoing purchase of hardware and the move to Office 365. Training and support was provided to all staff and during 2021-22 bitesize learning will continue to be offered.
- **Communication** - regular updates and briefings are provided to staff, volunteers, tenants and beneficiaries across all areas of PCP. As central government updated measures standard notifications, posters and displays ensure consistency of approach. Staff and volunteer contact details (personal email addresses) remain fully up-to-date and therefore communication has been straightforward throughout the pandemic. Feedback from staff has been overwhelmingly positive with staff reporting that they felt engaged, supported and updated.
- **Working from home** - the majority of PCP's staff have been supported to work from home. Wellbeing is central to our approach to supporting teams and we have encouraged full flexibility to enable those who have caring or other responsibilities to have a healthy work life balance.
- **Closure of public buildings** - as a result of the announcement on 20th March 2020 the Pioneering Care Centre closed on Saturday 21st March 2020. Business Continuity Plans supported the process therefore the closure was executed effectively, likewise the re-opening has been managed well. This is an ongoing/phased process and subject to change.
- **Charity Financial Assistance** - PCP has utilised the HMRC Job Retention Scheme and continues to do so on a very limited basis. Also PCP received a small business grant and tenants are mainly statutory bodies and therefore have continued to pay rent. PCP delivers a day service for adults with learning and physical disabilities and sustainability payments have been received in 2020-21 from Durham County Council (DCC) for this service. This range of support and income has assisted with the financial stability of the Pioneering Care Centre and is in line with the government's ambition to not destabilise the charitable sector.
- **Staff Financial Support** - Financial hardship was a concern therefore PCP committed to pay those who were 'furloughed'/part of the HMRC Job Retention Scheme 100% of their salary. PCP immediately instigated working from home allowances to ensure that staff who incurred additional costs were supported financially, this is ongoing.

PIONEERING CARE PARTNERSHIP

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

- **Support for Communities** - all of PCP's projects continued to operate across the North East, this accounts for approximately 60% of the organisation's work. Whilst the Pioneering Care Centre was closed and therefore all of PCP's services ceased the charity supported communities virtually. PCP also provided additional space to the NHS free of charge to establish a local COVID-19 Testing and Treatment area. Tees Esk and Wear Valley took additional space to provide mental health support to children and young people; recognising the Pioneering Care Centre is a COVID Secure Environment.
- **Impact on Fundraising** - during the pandemic PCP has continued to seek new opportunities and secure new funding to expand and deliver services. During 2020-21 PCP secured funding to provide direct support to people affected by COVID-19 as well as a range of mental health and wellbeing related projects.
- **COVID-19 Secure:** During 2020-21 PCP sustained its work on all area risk assessments, relating to COVID-19, office locations, outside activities, lone working, etc. and has appropriate measures in place as set out in government guidance. Confidence in PCP's ability to manage the risk is high across all staff teams and tenants are comfortable with the approach taken.

COVID-19 FINANCIAL SUSTAINABILITY IMPACT

PCP Trustees agreed to postpone the AGM in 2020 to allow time to assess the financial situation and provide going concern assurance; however this is not required in 2021 and the AGM will be held in July as scheduled. Due to the foresight and work of the leadership team the organisation is in a very strong position with a range of new projects and services. These have been developed as a direct result of PCP's reputation, track record and networks.

The Chief Executive maintains strong communication with the Board to ensure trustees are fully apprised of the financial situation, any liabilities or risks and any opportunities. PCP is in a strong position but is not complacent. Following the COVID-19 pandemic, PCP is not immune to the long-term impact and there is a need to maintain an agile business model. PCP Trustees are confident that the organisation is a going concern as a result of the following:

- New projects and services
- Strong strategic relationship and networks
- Healthy level of reserves
- 2020-21 end of year position
- 2021-22 budget projections
- PCP projects are sustained, effective and efficient.
- Improved Management Account reporting – this has been refined during 2020-21 to improve understanding
- Liquidity ratio
- Assessment of liabilities - some areas of operation are considered to be low-level liabilities, these small departments and individual action plans are developed to mitigate any risk.
- Investment performance - PCP's investment portfolio value increase in 2020-21. Trustees are aware that this may fluctuate and PCP does not foresee the need to draw on this in the medium term.
- Development opportunities - PCP continues to work on new initiatives and the potential to extend existing contracts.

PIONEERING CARE PARTNERSHIP

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

- Operational considerations - the Pioneering Care Centre is reopening incrementally. Project and office staff will continue to work from home for the foreseeable future and some areas may not return to full operation for a significant period of time, this has been factored into projections.
- Staff satisfaction is high – staff turnover is low, our skilled, effective and experienced workforce are flexible and happy with how PCP has responded to the pandemic.

PCP's mission is Health, Wellbeing and Learning for All, and the organisation is central in supporting the COVID-19 response and recovery in communities. Given the significant impact the pandemic could have had on the charity PCP is in a strong financial and strategic position. It has sustained delivery where possible throughout 2020-21, taken a creative approach to developing new projects and supported innovation in partnership with statutory and voluntary sector providers. The Board of Trustees are satisfied that there are no significant risks, financial or otherwise, or any material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue as a going concern.

PIONEERING CARE PARTNERSHIP

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also the Directors of The Pioneering Care Partnership for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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.

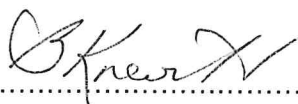
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

SIGNED ON BEHALF OF THE BOARD OF TRUSTEES:



Barry Knevitt - Chairperson

Dated 14/9/21

PIONEERING CARE PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF PIONEERING CARE PARTNERSHIP

Opinion

We have audited the financial statements of Pioneering Care Partnership (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charitable company's activities, customers, suppliers and wider economy. The trustees' view on the impact of COVID-19 is disclosed on within the trustees report on page 17 and within the accounting policies.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

PIONEERING CARE PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF PIONEERING CARE PARTNERSHIP

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

PIONEERING CARE PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF PIONEERING CARE PARTNERSHIP

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the directors and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Confirmation received direct from banks to verify balance as on the last day of the accounting year;
- Reviewed appropriateness of allocation of restricted funds;
- Reviewing minutes of meetings of those charged with governance.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



Gillian Benjamin ACA (Senior Statutory Auditor)
for and on behalf of Haines Watts North East Audit LLP

27th September 2021

Chartered Accountants
Statutory Auditor

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

PIONEERING CARE PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

Current financial year

| | | Unrestricted funds general 2021 £ | Unrestricted funds designated 2021 £ | Restricted funds 2021 £ | Total 2021 £ | Total 2020 £ |
|---|-------|---|--|----------------------------------|--------------------|--------------------|
| | Notes | | | | | |
| <u>Income from:</u> | | | | | | |
| Donations | 3 | 283,799 | 4,843 | 5,537 | 294,179 | 18,999 |
| Charitable activities | 4 | 1,768,887 | - | 1,593,233 | 3,362,120 | 2,459,729 |
| Other trading activities | 5 | 284,302 | 3,824 | - | 288,126 | 499,401 |
| Investments | 6 | 28,104 | - | - | 28,104 | 14,753 |
| Total income | | <u>2,365,092</u> | <u>8,667</u> | <u>1,598,770</u> | <u>3,972,529</u> | <u>2,992,882</u> |
| <u>Expenditure on:</u> | | | | | | |
| Raising funds | 7 | <u>40,956</u> | <u>-</u> | <u>-</u> | <u>40,956</u> | <u>109,622</u> |
| Charitable activities | 8 | <u>1,909,772</u> | <u>-</u> | <u>542,486</u> | <u>2,452,258</u> | <u>2,495,690</u> |
| Total resources expended | | <u>1,950,728</u> | <u>-</u> | <u>542,486</u> | <u>2,493,214</u> | <u>2,605,312</u> |
| Net gains/(losses) on investments | 13 | <u>44,130</u> | <u>-</u> | <u>-</u> | <u>44,130</u> | <u>(14,361)</u> |
| Net incoming resources before transfers | | 458,494 | 8,667 | 1,056,284 | 1,523,445 | 373,209 |
| Gross transfers between funds | | <u>(261,139)</u> | <u>211,092</u> | <u>50,047</u> | <u>-</u> | <u>-</u> |
| Net income for the year/ Net movement in funds | | 197,355 | 219,759 | 1,106,331 | 1,523,445 | 373,209 |
| Fund balances at 1 April 2020 | | <u>1,232,653</u> | <u>210,922</u> | <u>493,070</u> | <u>1,936,645</u> | <u>1,563,436</u> |
| Fund balances at 31 March 2021 | | <u>1,430,008</u> | <u>430,681</u> | <u>1,599,401</u> | <u>3,460,090</u> | <u>1,936,645</u> |

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

All income and expenditure derive from continuing activities.

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

PIONEERING CARE PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

Prior financial year

| | | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ |
|---|-------|------------------------------------|----------------------------------|-------------------------|
| | Notes | | | |
| Income from: | | | | |
| Donations | 3 | 11,429 | 7,570 | 18,999 |
| Charitable activities | 4 | 1,826,963 | 632,766 | 2,459,729 |
| Other trading activities | 5 | 499,401 | - | 499,401 |
| Investments | 6 | 14,753 | - | 14,753 |
| Total income | | <u>2,352,546</u> | <u>640,336</u> | <u>2,992,882</u> |
| Expenditure on: | | | | |
| Raising funds | 7 | <u>109,622</u> | <u>-</u> | <u>109,622</u> |
| Charitable activities | 8 | <u>2,180,525</u> | <u>315,165</u> | <u>2,495,690</u> |
| Total resources expended | | <u>2,290,147</u> | <u>315,165</u> | <u>2,605,312</u> |
| Net gains/(losses) on investments | 13 | <u>(14,361)</u> | <u>-</u> | <u>(14,361)</u> |
| Net incoming resources before transfers | | 48,038 | 325,171 | 373,209 |
| Gross transfers between funds | | <u>(36,344)</u> | <u>36,344</u> | <u>-</u> |
| Net income for the year/ Net movement in funds | | 11,694 | 361,515 | 373,209 |
| Fund balances at 1 April 2019 | | <u>1,431,881</u> | <u>131,555</u> | <u>1,563,436</u> |
| Fund balances at 31 March 2020 | | <u><u>1,443,575</u></u> | <u><u>493,070</u></u> | <u><u>1,936,645</u></u> |

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

All income and expenditure derive from continuing activities.

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

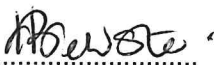
PIONEERING CARE PARTNERSHIP

BALANCE SHEET


AS AT 31 MARCH 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 14 | | 115,207 | | 131,030 |
| Investments | 15 | | 288,360 | | 494,853 |
| | | | <u>403,567</u> | | <u>625,883</u> |
| Current assets | | | | | |
| Debtors | 16 | 1,391,791 | | 273,179 | |
| Investments | 17 | 250,923 | | - | |
| Cash at bank and in hand | | 1,576,704 | | 1,252,966 | |
| | | <u>3,219,418</u> | | <u>1,526,145</u> | |
| Creditors: amounts falling due within one year | 18 | (162,895) | | (215,383) | |
| Net current assets | | | <u>3,056,523</u> | | <u>1,310,762</u> |
| Total assets less current liabilities | | | <u>3,460,090</u> | | <u>1,936,645</u> |
| Income funds | | | | | |
| Restricted funds | 21 | | 1,599,401 | | 493,070 |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds | 22 | 430,681 | | 210,922 | |
| General unrestricted funds | | 1,430,008 | | 1,232,653 | |
| | | | <u>1,860,689</u> | | <u>1,443,575</u> |
| | | | <u>3,460,090</u> | | <u>1,936,645</u> |

The financial statements were approved by the Trustees on 29/7/21


.....

H Brewster
Trustee


.....

B Knevitt
Trustee

Company Registration No. 03491237

PIONEERING CARE PARTNERSHIP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-----------|-----------|-----------|-----------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 26 | | 306,784 | | 429,815 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (10,850) | | (33,663) | |
| Purchase of investments | | (84,281) | | (48,347) | |
| Proceeds on disposal of investments | | 83,981 | | 46,705 | |
| Investment income received | | 28,104 | | 14,753 | |
| Net cash generated from/(used in) investing activities | | | 16,954 | | (20,552) |
| Net cash used in financing activities | | | - | | - |
| Net increase in cash and cash equivalents | | | 323,738 | | 409,263 |
| Cash and cash equivalents at beginning of year | | | 1,252,966 | | 843,703 |
| Cash and cash equivalents at end of year | | | 1,576,704 | | 1,252,966 |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Pioneering Care Partnership is a Company Limited by Guarantee registered in England and Wales. Every member of the company undertakes to contribute to the assets if the company is wound up while he/she is a member or within one year of ceasing to be a member, such amount as may be required not exceeding £1. The address of the registered office is given in the legal and administration information page.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees (Company Directors for the purpose of Company law) have reviewed and considered relevant information, including the annual budget in making their assessment. In particular, in response to the COVID-19 pandemic, the Trustees have tested their projections to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could and will be undertaken to mitigate the current adverse conditions, the current resources available and new projects already confirmed for 2021-22 the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Charitable funds

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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 financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with reasonable certainty. Income received to deliver services over a specific period covering more than one financial year is accounted for over the specific period; related expenditure is accounted when incurred.

Interest receivable on funds held on deposit is included when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

The charity is partially exempt for VAT and input VAT not recoverable is charged to management and administration costs.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------|-------------|
| Improvements to property | 6% on cost |
| Hydrotherapy pool | 25% on cost |
| Hydrotherapy Pool | 25% on cost |

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.

Fixed assets costing less than £1,500 are not capitalised.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity 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).

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.9 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.

1.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the testes set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.12 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The charity operates a defined contribution pension scheme. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity'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.

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Donations

| | Total | Total |
|----------------------|----------------|---------------|
| | 2021 | 2020 |
| | £ | £ |
| Donations and gifts | 66,461 | 10,243 |
| Job retention scheme | 227,718 | 8,756 |
| | <u>294,179</u> | <u>18,999</u> |

4 Charitable activities

| | 2021 | 2020 |
|------------------------------|------------------|------------------|
| | £ | £ |
| Contracts | 2,030,651 | 2,037,218 |
| Grants | 1,331,469 | 422,511 |
| | <u>3,362,120</u> | <u>2,459,729</u> |
| Analysis by fund | | |
| Unrestricted funds - general | 1,768,887 | 1,826,963 |
| Restricted funds | 1,593,233 | 632,766 |
| | <u>3,362,120</u> | <u>2,459,729</u> |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Other trading activities

| | Unrestricted funds general 2021 £ | Unrestricted funds designated 2021 £ | Unrestricted funds general 2021 £ | Unrestricted funds general 2020 £ |
|---------------------------|---|--|---|---|
| Hydropool takings | 720 | - | 720 | 53,088 |
| Rents and service charges | 245,587 | - | 245,587 | 231,902 |
| Fees and room hire | 12,963 | 3,824 | 16,787 | 60,555 |
| Therapy income | 370 | - | 370 | 31,159 |
| Classes and courses | - | - | - | 8,827 |
| Coffee shop | - | - | - | 67,329 |
| Fundraising | 24,453 | - | 24,453 | 28,617 |
| Other | 209 | - | 209 | 17,924 |
| | <u>284,302</u> | <u>3,824</u> | <u>288,126</u> | <u>499,401</u> |
| Other trading activities | 284,302 | 3,824 | 288,126 | 499,401 |

6 Investments

| | Unrestricted funds general 2021 £ | Unrestricted funds general 2020 £ |
|---------------------|---|---|
| Investment income | 3,300 | 4,642 |
| Interest receivable | 24,804 | 10,111 |
| | <u>28,104</u> | <u>14,753</u> |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Raising funds

| | Unrestricted funds general 2021 £ | Unrestricted funds general 2020 £ |
|------------------------------|---|---|
| <u>Trading costs</u> | | |
| Direct Delivery Costs | 9,948 | 37,231 |
| Staff costs | 27,282 | 69,388 |
| Hydropool costs | 726 | 3 |
| | <hr/> | <hr/> |
| Trading costs | 37,956 | 106,622 |
| | <hr/> | <hr/> |
| <u>Investment management</u> | 3,000 | 3,000 |
| | <hr/> | <hr/> |
| | 40,956 | 109,622 |
| | <hr/> | <hr/> |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Charitable activities

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Staff costs | 1,854,758 | 1,765,585 |
| Depreciation and impairment | 26,673 | 19,769 |
| Room Hire | (473) | 25,108 |
| Travel and Subsistence | 14,099 | 69,391 |
| Activity Expenditure | 104,266 | 44,430 |
| Partner Payments | 15,158 | 39,740 |
| Direct costs | 1,225 | 2,085 |
| Office costs | 184,298 | 202,361 |
| Training | 11,626 | 58,435 |
| Rent and rates | 90,180 | 83,071 |
| Marketing | 33,918 | 44,027 |
| Legal and professional | 39,184 | 41,379 |
| Hydropool maintenance | 1,722 | - |
| Bank charges | 3,198 | 4,117 |
| Irrecoverable VAT | 29,009 | 48,718 |
| Miscellaneous | 47 | - |
| | <u>2,408,888</u> | <u>2,448,216</u> |
| Share of support costs (see note 9) | 37,920 | 40,953 |
| Share of governance costs (see note 9) | 5,450 | 6,521 |
| | <u>2,452,258</u> | <u>2,495,690</u> |
| Analysis by fund | | |
| Unrestricted funds - general | 1,909,772 | 2,180,525 |
| Restricted funds | 542,486 | 315,165 |
| | <u>2,452,258</u> | <u>2,495,690</u> |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Support costs

| | Support costs | Governance costs | 2021 Support costs | Governance costs | 2020 |
|--|---------------|------------------|--------------------|------------------|---------------|
| | £ | £ | £ | £ | £ |
| Staff costs | 36,436 | - | 36,436 | 35,503 | 35,503 |
| Room hire | 63 | - | 63 | 941 | 941 |
| Office costs | 1,421 | - | 1,421 | 1,563 | 1,563 |
| Travel costs | - | - | - | 2,282 | 3,353 |
| Training | - | - | - | 664 | 664 |
| Audit fees | - | 5,450 | 5,450 | - | 5,450 |
| | <u>37,920</u> | <u>5,450</u> | <u>43,370</u> | <u>40,953</u> | <u>47,474</u> |
| Analysed between Charitable activities | <u>37,920</u> | <u>5,450</u> | <u>43,370</u> | <u>40,953</u> | <u>47,474</u> |

10 Net movement in funds

| | 2021 £ | 2020 £ |
|---|---------------|---------------|
| Net movement in funds is stated after charging/(crediting) | | |
| Fees payable to the company's auditor for the audit of the company's financial statements | 5,450 | 5,450 |
| Depreciation of owned tangible fixed assets | <u>26,673</u> | <u>19,773</u> |

11 Trustees

The trustees were not paid or received any other benefits from employment in the year (2020 - £nil).

No trustees received reimbursement of expenses during the year (2020 - three trustees received £1,547).

No trustee received payment for professional or other services supplied to the charity (2020 - £nil).

12 Employees

The average monthly number of employees during the year was:

| | 2021 Number | 2020 Number |
|--------------------------|----------------|----------------|
| Chief executive | 1 | 1 |
| Senior management | 6 | 6 |
| Quality, HR and finance | 6 | 10 |
| Admin & support | 10 | 11 |
| Other project staff, etc | <u>75</u> | <u>73</u> |
| Total | 98 | 101 |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Employees

| Employment costs | 2021 £ | 2020 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,720,032 | 1,698,451 |
| Social security costs | 123,280 | 117,479 |
| Other pension costs | 75,164 | 54,546 |
| | <u>1,918,476</u> | <u>1,870,476</u> |

The number of employees whose annual remuneration was £60,000 or more were:

| | 2021 Number | 2020 Number |
|-------------------|----------------|----------------|
| £60,000 - £70,000 | <u>1</u> | <u>1</u> |

The key management personnel include the Chief Executive, Executive Leads and Project and People Managers. The total employee benefits of the key management personnel of the charity were £263,916 (2020 - £266,007).

13 Net gains/(losses) on investments

| | Unrestricted funds general 2021 £ | Unrestricted funds general 2020 £ |
|------------------------------------|---|---|
| Gain/(loss) on sale of investments | <u>44,130</u> | <u>(14,361)</u> |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Tangible fixed assets

| | Improvements to property | Hydrotherapy pool | Fixtures, fitting & equipment | Total |
|------------------------------------|-----------------------------|----------------------|-------------------------------------|---------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 April 2020 | 209,511 | 41,829 | 198,092 | 449,432 |
| Additions | - | - | 10,850 | 10,850 |
| Disposals | - | - | (4,771) | (4,771) |
| At 31 March 2021 | 209,511 | 41,829 | 204,171 | 455,511 |
| Depreciation and impairment | | | | |
| At 1 April 2020 | 108,190 | 41,829 | 168,383 | 318,402 |
| Depreciation charged in the year | 12,571 | - | 14,102 | 26,673 |
| Eliminated in respect of disposals | - | - | (4,771) | (4,771) |
| At 31 March 2021 | 120,761 | 41,829 | 177,714 | 340,304 |
| Carrying amount | | | | |
| At 31 March 2021 | 88,750 | - | 26,457 | 115,207 |
| At 31 March 2020 | 101,320 | 17 | 6,259 | 131,030 |

All fixed assets are for direct charitable use.

During the year ended 31 March 2011 an extension to the Pioneering Care Centre was completed. The extension was developed by County Durham Council under a partnership agreement with PCP and was funded by the Community Assets Programme via The Big Lottery. As part of this partnership agreement, on completion of the building, Durham County Council adjusted the terms of the lease of the Pioneering Care Centre to PCP to a long term leasehold of 125 years, starting in April 2010, at a peppercorn rent.

Leasehold property improvements capitalised after the extension of the lease will be appraised on an individual project basis and will be depreciated according to the charity's assessment of their useful economic life.

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Fixed asset investments

| | Listed investments £ | Unlisted investments £ | Cash in portfolio | Total £ |
|--------------------------|----------------------------|------------------------------|----------------------|------------|
| Cost or valuation | | | | |
| At 1 April 2020 | 212,575 | 250,923 | 31,355 | 494,853 |
| Additions | 84,281 | - | - | 84,281 |
| Unrealised (loss) / gain | 44,130 | - | - | 44,130 |
| Cash held | - | (250,923) | (15,646) | (266,569) |
| Disposals | (68,335) | - | - | (68,335) |
| At 31 March 2021 | 272,651 | - | 15,709 | 288,360 |
| Carrying amount | | | | |
| At 31 March 2021 | 272,651 | - | 15,709 | 288,360 |
| At 31 March 2020 | 212,575 | 250,923 | 31,355 | 494,853 |

Equity investments that are traded on a quoted market are held at fair value determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

16 Debtors

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 1,268,150 | 184,700 |
| Other debtors | 390 | - |
| Prepayments and accrued income | 123,251 | 88,479 |
| | 1,391,791 | 273,179 |

17 Current asset investments

| | 2021 £ | 2020 £ |
|----------------------|-----------|-----------|
| Unlisted investments | 250,923 | - |

The charity holds a secured bond which has been invested for 7 years at an interest rate fixed at 3.13% per annum. Due to changes with the Trust the funds are held with this is due to mature at 31 March 2021.

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Creditors: amounts falling due within one year

| | Notes | 2021 £ | 2020 £ |
|------------------------------------|-------|----------------|----------------|
| Other taxation and social security | | 64,347 | 69,742 |
| Deferred income | 19 | 17,413 | 79,729 |
| Trade creditors | | 47,623 | 45,821 |
| Other creditors | | 100 | 100 |
| Accruals and deferred income | | 33,412 | 19,991 |
| | | <u>162,895</u> | <u>215,383</u> |

19 Deferred income

| | 2021 £ | 2020 £ |
|-----------------------|---------------|---------------|
| Other deferred income | <u>17,413</u> | <u>79,729</u> |

20 Financial instruments

| | 2021 £ | 2020 £ |
|---|----------------|----------------|
| Carrying amount of financial assets | | |
| Instruments measured at fair value through profit or loss | <u>523,574</u> | <u>212,575</u> |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Current year

| | Movement in funds | | | |
|---|----------------------------|-----------------------|-----------------------|-----------|
| | Balance at 1 April 2020 | Incoming resources | Resources expended | Transfers |
| | £ | £ | £ | £ |
| Hydrotherapy Pool | 80,098 | - | - | - |
| BBO Road | - | 138,711 | (146,889) | 8,178 |
| BBO SFTV | 3,079 | 38,246 | (39,986) | - |
| Growing our Community (formally Dementia Friendly Gardening Grant) | 5,213 | 1,320 | (563) | 563 |
| Together 21 | - | 45,201 | (62,263) | 37,062 |
| Healthwatch England Secondment | - | 30,000 | (22,893) | - |
| COVID-19 Resilience Hub (Durham) | - | 1,001,000 | (15,889) | - |
| Befriending Research Project | - | 206,000 | - | - |
| RCG Mapping Grant | 346,041 | - | (119,161) | (30,841) |
| Safe Haven | 39,909 | 103,555 | (104,716) | - |
| Options | - | 3,590 | - | - |
| Healthwatch CIC | 18,730 | - | (497) | - |
| Sport England - This Girl Can | - | 8,653 | (950) | - |
| Young Adults Support Cafe | - | 7,860 | (3,536) | 2,932 |
| RGC Befriending Research Project | - | 14,634 | (25,143) | 32,153 |
| | 493,070 | 1,598,770 | (542,486) | (50,047) |

Prior year

| | Movement in funds | | | |
|---|----------------------------|-----------------------|-----------------------|-----------|
| | Balance at 1 April 2019 | Incoming resources | Resources expended | Transfers |
| | £ | £ | £ | £ |
| Hydrotherapy Pool | 74,993 | 5,080 | 25 | - |
| BBO Road | - | 168,666 | (173,180) | 4,514 |
| BBO SFTV | 17 | 45,086 | (42,024) | - |
| Growing our Community (formally Dementia Friendly Gardening Grant) | 7,322 | 10,251 | (13,263) | 903 |
| Together 21 | 24,999 | 15,951 | (71,877) | 30,927 |
| RCG Mapping Grant | - | 350,000 | (3,959) | - |
| Safe Haven | - | 45,302 | (5,393) | - |
| Healthwatch CIC | 24,224 | - | (5,494) | - |
| | 131,555 | 640,336 | (315,165) | 36,344 |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Restricted funds

Hydrotherapy pool renovation fund is the amount set aside for the planned replacement of the Hydrotherapy pool in the Pioneering Care Centre.

Building Better Opportunities - Reaching Out Across Durham (ROAD) supports disadvantaged individuals in Durham aged 25+ who are furthest away from employment and experiencing significant barriers. ROAD is funded by the Big Lottery Fund and the European Social Fund, hosted by Groundwork NE & Cumbria and involves several partner organisations. PCP leads the health and wellbeing aspect and contributions to financial and digital inclusion work.

Building Better Opportunities - Step Forward Tees Valley (SFTV) support local people to overcome the complex reasons preventing them from finding work. These barriers could include physical or mental ill health, a lack of self-confidence, a gap in skills, a conviction or an addiction. Step Forward Tees Valley is joint funded by the Big Lottery Fund and the European Social Fund, as part of their investment in local projects that tackle the root causes of poverty and promote social inclusion. PCP delivers health and wellbeing support in Darlington, Redcar & Cleveland and Middlesbrough.

Dementia friendly gardening grant was received from Durham County Council in the year to support the Dementia Friendly Café.

Together 21 support children young people with Down Syndrome and their families in the Durham and Teesside area.

RCG Mapping Grant - PCP secured resource to support the development of information platforms for Children and Young People and Adults to support the work of County Durham's Mental Health Partnership and the Resilient Communities Group. This grant was awarded to enable scoping, testing and development prior to launching a platform (website) for use by local people. This work was due to fully commence at the end of 2019-20 but was delayed due to COVID-19.

Safe Haven - as part of a national NHS Transformation pilot PCP has been commissioned to develop 'Safe Havens' across the communities of County Durham and Darlington. This work was due to commence at the end of 2019-20 but was delayed due to COVID-19.

Healthwatch CIC relates to funds transferred to PCP during 2016 following the closure of the organisation.

Healthwatch England Secondment - expertise of a Healthwatch Project Lead to support the development of national governance templates, policies and procedures. This was a time-limit assignment.

PCP secured funding for COVID 19 Resilience Hub to help provide access to timely and local support for COVID-19 specific mental health and emotional wellbeing needs within County Durham.

The Befriending Research Project helps support in the response to community mental health needs and develop new systems for delivery of community support services.

Options is a member led day service providing support for adults with a range of learning and physical disabilities.

This Girl Can funding was received to support a programme of physical activity sessions that will encourage women to participate in a relaxed, informal environment with an emphasis on positivity, encouragement and support.

PCP provide a safe space for the Young Adults Support Café and a dedicated worker to deliver the sessions.

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

Current year

| | Movement in funds | | | | |
|--------------|----------------------------|-----------------------|-----------------------|----------------|-----------------------------|
| | Balance at 1 April 2020 | Incoming resources | Resources expended | Transfers | Balance at 31 March 2021 |
| | £ | £ | £ | £ | £ |
| Hydropool | 157,241 | 8,667 | - | 220,476 | 386,384 |
| Project Fund | 53,681 | - | - | (9,384) | 44,297 |
| | <u>210,922</u> | <u>8,667</u> | <u>-</u> | <u>211,092</u> | <u>430,681</u> |

Prior year

| | Movement in funds | | | | |
|--------------|----------------------------|-----------------------|-----------------------|---------------|-----------------------------|
| | Balance at 1 April 2019 | Incoming resources | Resources expended | Transfers | Balance at 31 March 2020 |
| | £ | £ | £ | £ | £ |
| Hydropool | 150,000 | 7,241 | - | - | 157,241 |
| Project Fund | - | - | - | 53,681 | 53,681 |
| | <u>150,000</u> | <u>7,241</u> | <u>-</u> | <u>53,681</u> | <u>210,922</u> |

Hydropool needs to be replaced. A fundraising campaign will commence to part raise the funds. Trustees have set aside some reserves to support the overall replacement costs.

Projects - This underspend relates to project delivery during 2019/20, for example County Durham Healthwatch.

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Analysis of net assets between funds

Current year

| | Unrestricted funds 2021 £ | Designated funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ |
|--|------------------------------------|----------------------------------|----------------------------------|--------------------|
| Fund balances at 31 March 2021 are represented by: | | | | |
| Tangible assets | 115,207 | - | - | 115,207 |
| Investments | 288,360 | - | - | 288,360 |
| Current assets/(liabilities) | 1,026,441 | 430,681 | 1,599,401 | 3,056,523 |
| | <u>1,430,008</u> | <u>430,681</u> | <u>1,599,401</u> | <u>3,460,090</u> |

Prior year

| | Unrestricted funds 2020 £ | Designated funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ |
|--|------------------------------------|----------------------------------|----------------------------------|--------------------|
| Fund balances at 31 March 2020 are represented by: | | | | |
| Tangible assets | 131,030 | - | - | 131,030 |
| Investments | 494,853 | - | - | 494,853 |
| Current assets/(liabilities) | 606,770 | 210,922 | 493,070 | 1,310,762 |
| | <u>1,232,653</u> | <u>210,922</u> | <u>493,070</u> | <u>1,936,645</u> |

24 Operating lease commitments

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

| | 2021 £ | 2020 £ |
|----------------------------|--------------|---------------|
| Within one year | 6,257 | 19,715 |
| Between two and five years | 147 | 6,403 |
| In over five years | 109 | 110 |
| | <u>6,513</u> | <u>26,228</u> |

PIONEERING CARE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

25 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

| | 2021 £ | 2020 £ |
|------------------------|-----------|-----------|
| Aggregate compensation | 263,916 | 266,007 |

26 Cash generated from operations

| | 2021 £ | 2020 £ |
|---|----------------|----------------|
| Surplus for the year | 1,523,445 | 373,209 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (28,104) | (14,753) |
| (Gain)/loss on disposal of investments | (44,130) | 14,361 |
| Depreciation and impairment of tangible fixed assets | 26,673 | 19,772 |
| Movements in working capital: | | |
| (Increase)/decrease in debtors | (1,118,612) | 16,027 |
| Increase/(decrease) in creditors | 9,828 | (26,970) |
| (Decrease)/increase in provisions | - | (100) |
| (Decrease)/increase in deferred income | (62,316) | 48,269 |
| Cash generated from operations | 306,784 | 429,815 |

27 Analysis of changes in net funds

The charity had no debt during the year.

Pioneering Care Partnership

Report to the Trustees following the audit of the financial
statements for the year ended 31 March 2021





The Trustees
Pioneering Care Partnership
Carer's Way
Newton Aycliffe
DL5 4SF

15 July 2021

Dear Trustees

Audit for the year ended 31 March 2021

Following the completion of our audit fieldwork on the financial statements of Pioneering Care Partnership for the year ended 31 March 2021 we have the pleasure of submitting our Report to Management, setting out the most significant matters which have come to our attention during our audit and of which we believe you need to be aware of when considering the financial statements. The matters included in this report have been discussed with management of Pioneering Care Partnership during the audit and at our closing meeting on 30 June 2021.

We would like to express our appreciation for the assistance provided to us by the finance team and other staff at the charity during the audit.

Use of this report

The procedures that we carry out are designed to provide us with reasonable assurance that the financial statements, taken as a whole, are free of material misstatement. They are not designed to disclose all errors or weaknesses in controls that exist and we report only on those that we have discovered during the course of our work. This report has been prepared for the Trustees' information only and is not intended to include every matter that may have come to our attention. We accept no responsibility for any reliance that might be placed on it for any purpose by third parties, to whom it should not be shown without our prior written consent.

Yours sincerely

Haines Watts



Pioneering Care Partnership

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Pioneering Care Partnership

Audit Overview



Audit scope and approach

Our audit work has been undertaken for the purpose of forming our audit opinion on the financial statements of Pioneering Care Partnership prepared by management with the oversight of the trustees and has been carried out in accordance with International Standards on Auditing (UK) (ISAs).

Our work combined substantive procedures, involving on a test basis direct verification of transactions and balances (including obtaining confirmations from third parties where we consider it necessary), with a review of your financial systems and controls where we considered relevant to our audit. No limitations were placed on our work.

Communicating significant findings from our audit

We are required by the ISAs to communicate with the trustees as “those charged with governance” various matters from our audit including:

- our views about significant qualitative aspects of the charity’s accounting practices, including accounting policies, accounting estimates and financial statement disclosures;
- significant difficulties, if any, encountered during the audit;
- any significant matters arising during the audit and written representations we are requesting;
- circumstances that affect the form and content of our audit report, if any; and
- any other significant matters brought to our attention during the audit.

This report refers only to material matters we have identified during the course of the audit of the financial statements of Pioneering Care Partnership for the year ended 31 March 2021 and which, in our professional opinion, are of sufficient importance to merit your attention. These matters are included within subsequent sections to this report.

You should note that our evaluation of the systems of control at Pioneering Care Partnership was carried out for the purpose of our audit and it is not intended to be a comprehensive review of systems and processes.



Pioneering Care Partnership

Audit Overview



Materiality and identified misstatement

For the purpose of the audit we calculated materiality for the year ended 31 March 2021 to be £44,300 with performance materiality being £35,000.

To assist you in fulfilling your governance responsibilities, which include maintaining oversight of the financial reporting process and the effectiveness of the system of internal control, we include, as part of Appendix B, a list of misstatements that were detected during the course of the audit. The adjustments processed within the financial statements have been agreed with the Chief Executive, Carol Gaskarth. There are no items that remain unadjusted which exceed the clearly trivial limit, which was set at £1,000.

Audit opinion

We have provided an unqualified audit opinion on the financial statements of Pioneering Care Partnership for the year ended 31 March 2021.

Financial statements

The trustees of Pioneering Care Partnership are responsible for the preparation of the financial statements on a going concern basis (unless this basis is not appropriate). The trustees are also responsible for ensuring that the financial statements give a true and fair view, that the process your management go through to arrive at the necessary judgements is appropriate and that any disclosure on going concern is appropriately made within the financial statements.



Pioneering Care Partnership

Significant matters arising from the audit

We reported in our Planning Communication Letter (dated 11 May 2021) a number of areas we identified as having specific audit risk, we have commented below on the work undertaken in these areas as well as any other additional key risks, judgements or other matters in relation to the financial statements of Pioneering Care Partnership identified during the course of the audit.

| MATTER IDENTIFIED | AUDIT IMPACT | RESPONSE |
|--|---|---|
| Revenue recognition In accordance with the ISAs completeness of income and cut-off is always considered a significant risk. | The financial statement may contain material misstatement as a result of inconsistent recognition with accounting policies. | A sample of grant and contract income was agreed back to documentation. Walkthroughs were performed on each income stream, along with transactional testing. Income is reviewed around the year end to ensure recorded in the appropriate period. |
| Management override - The ISA's state that this is always deemed to be high risk for an audit. | The financial statements may contain material misstatements as a result of fraud or error due to management override of controls. | Walkthroughs were performed on all material areas of the financial statements to ensure that key controls in place are followed. A sample of journals were reviewed and agreed to further documentation. |



Pioneering Care Partnership

Significant matters arising from the audit

| MATTER IDENTIFIED | AUDIT IMPACT | RESPONSE |
|--|---|---|
| ISA 540 – Accounting estimates Introduces the requirement to assess inherent and control risk when assessing the risk of material misstatement. | This increases the documentation and review of higher risk areas, along with increased disclosure in the financial statements. | We identified support cost allocation as a key accounting estimate highlighted in our planning communication letter. We reviewed the assumptions in place for support cost allocations. |
| ISA 570 – Going concern There is now a specific requirement to obtain sufficient appropriate audit evidence regarding, and conclude on, whether a material uncertainty related to going concern exists. | This is likely increase the level of challenge around the directors' assessment of the going concern and the information provided. | We undertook a review of managements assessment of going concern, including stress testing budgets provided to us. We gained an understanding and documented the impact COVID-19 has had on the charity in the year and have discussed any future risks facing the charity. These risks are included within the going concern assessment made. The entity remains a going concern for the year ended 31 March 2021. |
| ISA 240 – Auditors Responsibility relating to Fraud An Auditor is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. | The auditor's report shall explain to what extent the audit was considered capable of detecting irregularities, including fraud. This explanation shall be specific to the circumstances of the charity and work undertaken during the audit. | We discussed with management and no issues were brought to our attention, this is also included in our management representation letter. We obtained external confirmation of bank balances at the period and noted no differences. We obtained external confirmation of creditor balances with creditors outstanding at the year end. |



Pioneering Care Partnership

Systems and controls issues

We have set out below certain potential improvements to the charity's processes and controls which we noted during our audit work.

In order to provide you with a clear picture of the significance of the issues raised, we have graded the issues by significance/priority.

| | |
|--------|---|
| High | These findings are significant and require urgent attention |
| Medium | These findings are less urgent but still require reasonably prompt action |
| Low | These findings merit attention within an agreed timescale |

| AUDIT FINDINGS | RECOMMENDATIONS | PRIORITY | MANAGEMENT RESPONSE |
|--|--|----------|---------------------|
| There was no detailed documentation available for the Tees Esk & Wear Valley NHS Trust grant | We recommend all grants have filed documentation to ensure appropriate restrictions are identified and monitored | Low | |
| Risk Register does not include COVID-19 as a specific risk to the organisation | COVID-19 and the impact on the charity should be identified as a risk and monitored closely by the trustees and management | Low | |



Pioneering Care Partnership

Appendix A – Developments in the sector

Charity Commission publications

The Charity Commission has a number of publications offering guidance; the following have been updated over the last year:

- Coronavirus (Covid-19) guidance for the charity sector (March 2020)
- Filing charity annual returns during the coronavirus pandemic (March 2020)
- Coronavirus: what to report and how (March 2020) – since updated as noted below
- Preparing a charity annual return (March 2020)
- Charity Commission whistleblowing privacy notice (January 2020)
- Reporting a serious incident in your charity when it involves a partner (December 2019)
- Change your charity's structure (November 2019)
- Preventing charity cyber crime: insights and action (October 2019)
- Protect your charity from fraud and cyber crime (October 2019)
- CC23 - Exempt charities (August 2019)
- CC31 - Independent examination of charity accounts: guidance for trustees (August 2019)
- How to report a serious incident in your charity (June 2019)

Charity governance, finance and resilience – 15 questions trustees should ask

CC3 – The essential trustees set out six key duties for a charity trustee. Focusing on three of these duties The Commission has designed 15 questions to get trustees to consider the charity's solvency, resilience and quality of governance.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/569550/15_questions_trustees_should_ask.pdf

Filing charity annual returns during the coronavirus pandemic

The Charity Commission identifies that the charity sector faces a number of challenges during the recent pandemic but will also play a vital role to their beneficiaries, therefore they want to assure charities that their approach during this period of uncertainty will be as supportive as possible.

As a result charities which are due to file their annual return imminently but feel that they cannot do so can request an extension. This would need to be done by calling The Charity Commission on 0300 066 9197.



Pioneering Care Partnership

Appendix A – Developments in the sector

Charities Commission guidance regarding Covid-19

The Charity Commission has published guidance for the charity sector in respect of difficulties they may be facing due to the Coronavirus (COVID-19) pandemic. For some charities, this may be an increase in demand for others a grim financial impact.

<https://www.gov.uk/government/news/coronavirus-covid-19-guidance-for-the-charity-sector>

The Charity Commission guidance highlights the following key areas for charities to consider:

- Financial support for those charities no longer able to operate due to COVID-19 to enable charities to pay wages is available in the same way that it is to businesses.
- Reserves held by the charity can be spent to help cope with the charity's financial position; however trustees will still need to consider the short, medium and longer term priorities.
- Funds that have been designated for particular projects by the trustees can be undesignated and used for other purposes.

- Restricted and permanently endowed funds (where the donor has specified that the funds must be used for a particular purpose) should only be considered after other options such as the use of reserves are not possible. There may be ways under the Charities Act 2006 or the terms of the original gift to amend or release the restrictions on these funds; but you should seek professional advice if you are considering this option and that the Charity Commission will be as helpful as possible where its consent is needed.
- If necessary to postpone or cancel an AGM or other critical meetings. This is acceptable given the circumstances but you should record this.
- Check your governing document if you are planning to hold meetings by video or teleconferencing. Some governing documents will include a provision allowing this, others will not. You should ensure that you demonstrate good governance if you decide to proceed with meetings in this way.
- Charities are reminded to ensure that volunteers and staff are protected and it is recommended that charities refer to the Charity Commission safeguarding guidance.
- The Charity SORP accounting standards has issued updated guidance. The guidance considers the implications for the trustees' annual report, going concern and the alternative basis to going concern when preparing accounts under the SORP.



Pioneering Care Partnership

Appendix A – Developments in the sector

SORP – Second Edition

In October 2019, the second edition Charities SORP FRS (102) was released. This edition of the SORP consolidates the changes made by SORP Updates Bulletins 1 and 2 into one document, along with changes in Accounting Standards and legislation subsequent to the first edition.

A copy of the updated SORP can be found at the following address;

<https://www.charitySORP.org/media/647945/charities-sorp-frs102-2019a.pdf>

Further SORP updates

There are a further two update Bulletin updates which are not yet reflected in the SORP, these include;

- Information Sheet 3
- Information Sheet 4

Information sheet 3 will be of relevance to charitable companies and addresses the implications of The Companies (Miscellaneous Reporting) Regulations 2018. The new regulations require charitable companies to include additional content on governance issues in their annual report from 1 January 2019. These changes only apply to large charitable companies.

Information Sheet 4 will only be of relevance to those charities that participate in multi-employer defined benefit schemes, in relation to a recent amendment to FRS102. The amendments are applicable from 1 January 2020, although early adoption is permitted. The information sheet provides some detailed guidance to those charities participating in multi-employer defined benefit plans where the current treatment of the plan is that of a defined contribution plan in the absence of detailed information for the specific charity. Where sufficient information becomes available to account for the plan as a defined benefit scheme, there will be a transition from one basis of accounting to the other; the information sheet explains the accounting requirements and associated disclosures required.

Future developments of the SORP

In 2019, new plans were announced that changes the way the SORP would be developed in the future. This included changes to the governance of the SORP making committee with a view to making the SORP more relevant to the needs of the charitable sector following criticism that charity accounts were becoming increasingly complex and difficult to prepare and comprehend. In February, new members were appointed to the new look SORP committee so it's expected we will hear more over the coming months.



Pioneering Care Partnership

Appendix B – Letter of representation

Haines Watts
17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charitable company's financial statements for the year ended 31 March 2021. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

General

1. We have fulfilled our responsibilities as directors as set out in the terms of your engagement letter dated 7 August 2018 under the Companies Act 2006 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.

-
2. All the transactions undertaken by the charitable company have been properly reflected and recorded in the accounting records.
 3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charitable company, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with The Charity Commission.
 4. The financial statements are free of material misstatements, including omissions.
 5. The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total.

Internal control and fraud

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
7. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
8. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.



Pioneering Care Partnership

Appendix B – Letter of representation

Assets and liabilities

9. The charitable company has satisfactory title to all assets and there are no liens or encumbrances on the charitable company's assets, except for those that are disclosed in the notes to the financial statements
10. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
11. We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.

Accounting estimates

12. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Loans and arrangements

13. The charitable company has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

Legal claims

14. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

Laws and regulations

15. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

16. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.

Subsequent events

17. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.



Pioneering Care Partnership

Appendix B – Letter of representation

Going concern

- 18. We have considered the impact of Covid-19 on the going concern of the charitable company and have made appropriate disclosures within the financial statements.
- 19. We believe that the charitable company’s financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charitable company’s needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charitable company’s ability to continue as a going concern need to be made in the financial statements.

Grants and donations

- 20. All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.
- 21. The restricted grants and donations are included within the financial statements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each director has taken all the steps that they ought to have taken as a director in order to make them aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

.....
Signed on behalf of the board of directors

Date



Pioneering Care Partnership

Appendix B – Letter of representation

Summary of adjustments and unadjusted errors

| | Dr | Cr | Adj? | Adjusted | Unadjusted |
|--|--------|--------|------|------------------|--------------|
| Surplus per management accounts | | | | 1,462,396 | |
| 1 VAT Creditor | 5,874 | | | | 5,874 |
| Turnover | | 5,874 | | | |
| Being difference on VAT turnover reconciliation | | | N | | |
| 2 Investment | 44,430 | | | | |
| Investment income | | 3,300 | | 3,300 | |
| Investment manager costs | 3,000 | | | (3,000) | |
| Gain on investment | | 44,130 | | 44,130 | |
| Being recognition of investment movement in the period | | | Y | | - |
| 3 Accrued income | 16,619 | | | | |
| Bank interest | | 16,619 | | 16,619 | |
| Being the debit balances on the creditors ledger | | | Y | | |
| | | | | <u>1,523,445</u> | <u>5,874</u> |