

Pioneering Care Partnership

Report to the Trustees following the audit of the financial
statements for the year ended 31 March 2022





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

26 July 2022

Dear Trustees

Audit for the year ended 31 March 2022

Following the completion of our audit fieldwork on the financial statements of Pioneering Care Partnership for the year ended 31 March 2022 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 12 July 2022.

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

Contents



	Page
Audit overview	4-5
Significant matters arising from the audit	6-7
System and control weaknesses	8
Appendices	
Developments in the Sector	9-11
Letter of Representation	12-14



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 2022 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 2022 to be £40,500 with performance materiality being £32,700.

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 2022.

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 21 April 2022) 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 and existence 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 supporting documentation



Pioneering Care Partnership

Significant matters arising from the audit

MATTER IDENTIFIED	AUDIT IMPACT	RESPONSE
ISA 540 – Accounting estimates ISA 540 includes revised audit requirements that are more specifically directed at the components of an accounting estimate.	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 The revised ISA 570 requires more reporting to ensure that the underlying budget assumptions and forecasts are realistic and free from management bias.	The auditor's will perform a detailed review of the directors' assessment of the going concern and the information provided for a period of at least 12 months post audit report date.	We undertook a review of managements assessment of going concern, including stress testing budgets provided to us. The entity remains a going concern for the year ended 31 March 2022.
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 have enquired with management of any frauds during the year, through discussions and review of records during the audit. These procedures have been detailed within the audit report in line with the changes to the ISA.



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
During a walkthrough on reception sales income, it was noted that there was a lack of segregation of duties between the member of staff cashing the monies in the bank and the person entering the details on the nominal.	A 3-way check between the till records, cash banked and nominal should be undertaken.	Low	Systems and processes have been checked and refined to take account of suggestions at Audit. Segregation is now achieved through the following; 1. Daily cashing up sheets to be scanned and emailed to the Finance generic email address; 2. This daily record will then be stored on the finance system; 3. A separate member of the finance team will complete the banking and the ledger; 4. Quarterly a sample will be spot checked by the Finance Manager. This process will be implemented from 1st September 2022



Pioneering Care Partnership

Appendix A – Developments in the sector

Charity Commission publications

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

- Protect your charity from fraud and cyber crime (October 2021)
- Prepare a charity annual return (July 2021) – update on filing extensions
- Independent examination of charity accounts; guidance for trustees (July 2021) – updated to reflect the use of electronic signatures
- Coronavirus (Covid-19) guidance for the charity sector (October 2021) – updates made to charity meetings and insolvency help for charities
- Charity reporting and accounting: the essentials (July 2021)
- Charities and terrorism (June 2021) – Chapter 1 of the compliance toolkit has been updated to reflect UK counter-terrorism legislative developments
- Charity purpose and rules (November 2020) – details the rules you must follow to govern your charity
- Charity Commission guidance (November 2020) – guidance to help you set up and run a charity
- Managing conflicts of interest in a charity (November 2020)
- Reporting serious incidents to the Charity Commission during the coronavirus pandemic (June 2020)

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

5-minute guides for charity trustees

In February the Charity Commission issued bite-sized guidance to refresh trustees knowledge in various topics, these included; purpose, finance, conflicts of interest, decisions and support.

<https://www.gov.uk/government/collections/5-minute-guides-for-charity-trustees>



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.

The initial guidance has been updated throughout the pandemic with recent guidance adding some insolvency guidance to charities.



Pioneering Care Partnership

Appendix A – Developments in the sector

SORP – Second Edition

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

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

The next version of the Charity SORP was discussed at the July 2020 SORP Committee meeting. Future changes to the Charity SORP will be closely tied to more general developments in UK accounting practice and the next update of FRS102, the financial reporting standard upon which the SORP is based. As a result we can now expect that a draft of the next version of the Charity SORP will be published no earlier than July 2022, with a consultation and finalisation process taking up to a year to complete. It is hoped that the next version of the Charity SORP will then be finalised no later than October 2023 and will come into force for accounting periods beginning on or after 1 January 2024. This means the existing version of the Charity SORP will remain in force for a few years yet.

Streamlined energy and carbon reporting framework

The Streamlined Energy and Carbon Reporting (SECR) legislation was implemented on 1 April 2019. The new regulations apply to quoted and large unquoted companies, including charitable companies. The new regulations require companies to disclose their energy and carbon emissions in their annual report. Charities who fall below this threshold are not prevented from including these disclosures should they wish to improve transparency.

The requirements, as a minimum include reporting on UK energy use from electricity, gas and transport fuel, and associated greenhouse gases, and narrative reporting on measures taken to improve the businesses' energy efficiency in the year. Further details on climate related reporting can be found in guidance issued by the FRC in October 2019, Climate Change Reporting: Where to next.

Filing charity annual returns during the coronavirus pandemic

The Charity Commission has identified during the pandemic that the charity sector have faced a number of challenges, to show their support they have offered extensions to the filing of the annual return. This has recently been reviewed and for charities with an imminent filing deadline from 1 July to 30 September you can continue to apply for a fixed three month extension from the date of application.

This would need to be done by emailing filingextension@charitycommission.gov.uk



Pioneering Care Partnership

Appendix B – Letter of representation

Haines Watts
17 Queens Lane
Newcastle upon Tyne
NE1 1RN

To whom it may concern,

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 2022. 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 28 July 2021 under the Charities Act 2011 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 charity 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 charity has satisfactory title to all assets and there are no liens or encumbrances on the charity'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. The methods, data and significant assumptions used by us in making the accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

Loans and arrangements

13. The charity 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 charity and have made appropriate disclosures within the financial statements.
- 19. We believe that the charities 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 charities 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

Registered number: 03491237
Charity number: 1067888

Pioneering Care Partnership
Report of the Trustees and Financial Statements
For the year ended 31 March 2022

Pioneering Care Partnership

Contents

	Page
Report of the Trustees	1 - 21
Report of the Independent Auditors	22 - 24
Statement of Financial Activities	25
Balance Sheet	26
Cash Flow Statement	27
Notes to the Financial Statements	28 - 41

Pioneering Care Partnership

Report of the Trustees

For the year ended 31 March 2022

The Trustees submit their report and the audited accounts for the year ended 31st March 2020. They confirm that the report and accounts conform 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.

Reference and administrative details

Company Number	3491237
Charity Number	1067888
Registered Office	Pioneering Care Centre, Carers Way, Newton Aycliffe, County Durham DL5 4SF
Board of Trustees	Barry Knevitt (Chairperson) Heather Brewster (Treasurer) Carol Briggs David Cockburn Brenda Davidson Marilyn Mohan Vijaya Kotur (Vice Chair) Dame Dela Smith
Company Secretary	Carol Gaskarth
Principal Staff	Carol Gaskarth (Chief Executive) Nigel Brough (Executive Lead) Jane Buckton (Project Development Manager) Toni McHale (Project Development Manager) Lindsay Sheridan (People & Impact Manager) Lynsey Todd (Executive Lead)
Auditors	Haines Watts, 17 Queens Lane, Newcastle Upon Tyne, NE1 1RN
Bankers	Unity Trust Bank Plc, Nine Brindley Place, 4 Oozells Square, Birmingham, B1 2HB NatWest, 29 Newgate Street, Bishop Auckland, Co Durham, DL14 7ET
Solicitors	Hewitt's Solicitors, 207 Newgate Street, Bishop Auckland, County Durham, DL14 7EL

Pioneering Care Partnership

Report of the Trustees (*Continued*) For the year ended 31 March 2022

The Trustees submit their report and the audited accounts for the year ended 31 March 2022. 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

Periodically PCP's Board of Trustees review the organisation's governing documents and prior to the pandemic it was decided to conduct a full refresh. The activities, projects and services PCP provides have developed over time and the communities we serve have broadened across the North East. It is important the governing document reflects the current status of the organisation.

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 guarantee. Trustees spent time redefining the charitable purpose and consulting with voting members; with the aim of finalising arrangements in 2020, however the COVID-19 pandemic disrupted the timescales. In Quarter 4 of 2020-21 PCP appointed Ward Hadaway to provide legal expertise, this work progressed throughout the year and the refined articles of association were approved by PCP Board of Trustees in December 2021. These, along with a commentary on regulated changes have been submitted to the Charity Commission and PCP is awaiting feedback.

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 are considered to be service user representatives in 2021-22. 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.

Pioneering Care Partnership

Report of the Trustees (*Continued*) For the year ended 31 March 2022

Annually, PCP reviews Trustee skills and aspirations through a review with the Chair and Chief Executive and an anonymous survey. Results included:

- 100% felt the Board were Good or Excellent at ensuring PCP meets its objective
- 100% felt the Board were Good or Excellent at supporting strategic decision making
- 100% felt the Board were Good or Excellent in ensuring financial stability
- 100% of trustees upheld the reputation of PCP
- 86% felt the Board were Good or Excellent at evaluating PCP's effectiveness
- 100% felt progress against the Strategic Plan was being made as anticipated
- 87% felt the Board effectively holds the Chief Executive to account
- 100% felt PCP was in a strong position post COVID-19.

Comments included:

"Current Trustees all have a passion for the work that is carried out at PCP and will continue to support the Chief Exec and the staff to continue and progress effectively and sustain the work done so far. The communities we support are looking forward to some normality in the future."

"I believe that PCP makes a significant and positive difference to the lives of the people the organisation supports and those who work within it. The Board has a number of opportunities to meet the staff teams and the users and understand their experiences, especially in the Pioneering Care Centre. I am proud to have a small part in the team."

"A very big thankyou to the Chair, Chief Executive, board of trustees and all of the staff for their loyalty to PCP through these very hard times and still staying positive ...and looking into a brighter future, thank you."

Trustee Induction and Training

PCP currently has 8 active trustees, through the annual skills audit, trustee reviews and general feedback the charity feels presently the experience, knowledge and expertise covers the range of topics required to effectively govern the organisation. Consequently, there were no new Trustees recruited during 2021-22. The emphasis for the organisation has been on approving the new governing documents and once this is finalised trustee recruitment will commence. Comprehensive trustee recruitment and induction processes are in place and ready to be utilised when required. These were refreshed during 2021-22.

Induction and 'onboarding' processes are also well-established, covering governance, leadership, charity guidance, PCP policies and procedures and expectations from both the perspective of the organisation and individual. Mentoring and peer support from experienced trustees is offered to newcomers and often this is matched based on areas for development or where skills could be enhanced.

Throughout the year training has been informal with opportunities to reflect and learn integrated into both Board meetings and sub committees. This has included reflection on progress toward the strategic plan, presentations from projects and services, workshops to support the development of the Financial Strategy and COVID-19 updates.

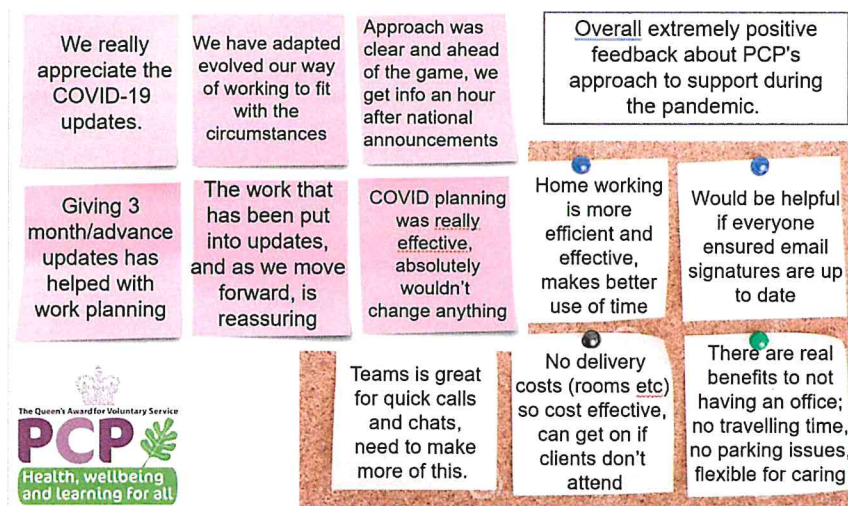
During 2021-22 PCP maintained the previous approach to COVID-19 communication and support, namely:

- Chief Executive leading on interpreting guidance and ensuring restrictions and measures were adhered to;
- Monthly Chief Executive email updates to all staff; and
- Standard agenda item at Board meetings.

Pioneering Care Partnership

Report of the Trustees (Continued) For the year ended 31 March 2022

With the duty of care for vulnerable people who access projects and services and the wellbeing of our staff and volunteer team at the forefront of minds, PCP has consistently taken a more cautious approach than outlined in central government guidance. This strategy has been welcomed with comments received including:



Staff were asked to use one word to describe PCP:



Trustee meetings returned to being held quarterly with a mix of face-to-face and virtual depending upon the restrictions, with a hybrid of the two in some instances. Trustee attendance and commitment remains excellent. They are dedicated to supporting the charity to grow and develop and provide effective constructive challenge, scrutiny and support. To do this they question, read and reflect. Chief Executive reports include links to key documents and reference materials to help with overall knowledge and skills development which in turn assist to ensure PCP maintains good governance.

External support is sourced where this is appropriate. In addition to contracting independent HR and Health & Safety specialists, PCP's Chair continues to be 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 is a member of VONNE (Voluntary Organisations Network North East) and utilises articles and resources from NCVO (National Council of Voluntary Organisations) and The Charity Commission to assist to provide informative and timely updates around best practice and governance.

Further professional development and networking opportunities will be provided in 2022-23. The Chair and Chief Executive will be attending the Civil Society Trustee Exchange in May 2022 and all Trustees and the Executive Team will benefit from charity finance training in August 2022.

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 2021-22 six board meetings were held, four ordinary board meetings, one specific budget board meeting and one informal meeting to discuss the Pioneering Care Centre and centre renovation plans. Written board reports 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.

To support good governance PCP's Board of Trustees reviewed and updated the organisation's Scheme of Delegation and Register of Interests.

Annually Trustees, the Chief Executive and both Executive Leads completed the Automatic Disqualification Declaration, this process ensures PCP is confident those who are appointed to govern or lead the organisation are not disqualified from acting as a charity trustee or holding a senior management position. The Charity Commission guidance suggests that this check should be conducted periodically, PCP has chosen to do this annually. With regard to Senior Managers the Charity Commission refers to the Chief Executive, Finance Director and Chief Operating Officer, however PCP has deemed it appropriate that all executive leadership team members should complete this form for completeness.

During 2021-22 the following were also reviewed: PCP's Risk Register, Confidentiality Policy, Whistleblowing Policy, Compliments, Comments and Complaints Policy, Equality, Diversity & Inclusion Policy, Financial Controls, PCP Reserves Policy, Investment Policy and the Voting Member Policy. Trustees also reviewed the Health and Safety Policy Statement and the Environmental Policy Statement, both of which are signed by the Chair and Chief Executive demonstrating the organisational commitment to best practice.

Following the pandemic PCP Sub Committees resumed with two out of the three meeting quarterly during the year:

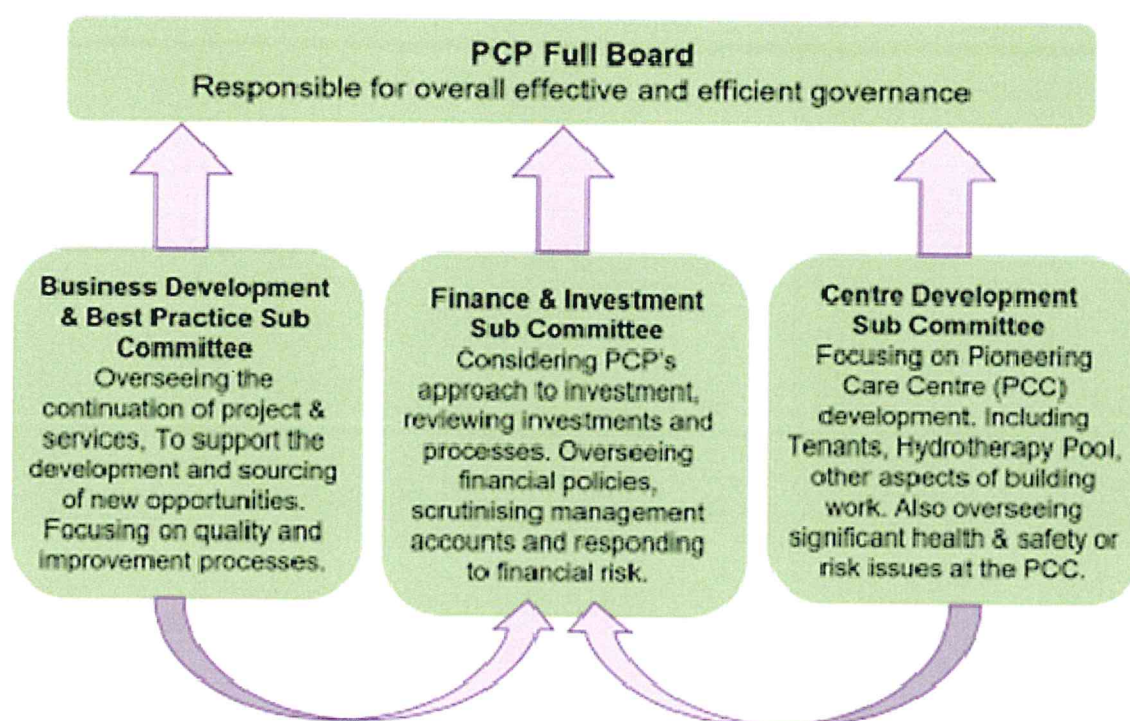
1. **Business Development Sub Committee** - to further PCP's objects, ensuring that projects and services meet the organisational mission and aims and considering new opportunities.
2. **Finance and Investment Sub Committee** - to enhance the stewardship of the organisation's financial arrangements and ensure prudence, and ethical investment principles.

The terms of reference along with key policies were reviewed to ensure they remain fit for purpose.

Pioneering Care Partnership

Report of the Trustees (Continued) For the year ended 31 March 2022

The third sub committee, the **Compliance and Best Practice Sub Committee** did not resume and a review of PCP's subcommittee structure took place in Quarter 3. This concluded to change the sub committees and the proposal was approved by PCP's Board as follows:



The main Board retains responsibility for decision making and a subcommittee reporting structure enables all trustees to maintain oversight.

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 nine 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.

PCP's Chief Executive has a strong track record of sustaining projects and services and fundraising, she has a good reputation and is well-respected in her field. The Chief Executive works to ensure we achieve the organisation's mission and purpose and also represents the organisation on a number of networks and forums, chairing County Durham's Resilient Community Group and co-chairing the Mental Health Transformation Steering Group; she is therefore well-placed to ensure continuity and sustainability. The organisation continues to thrive. Since her tenure as Chief Executive 2013 income has increased by over 172%.

The Chief Executive is supported by PCP's experienced and forward-thinking leadership team (known as the Executive Leadership Team/ELT) who assist with strategic development and day-to-day management of the organisation. The number and range of projects and services have evolved and the Executive Lead structure which was introduced in 2020 provides appropriate and effective cross-organisational support.

Pioneering Care Partnership

Report of the Trustees (*Continued*) For the year ended 31 March 2022

An Operations Manager was appointed in 2021 and this addition has proved successful in assisting with effective compliance, supporting Health and Safety, GDPR, lease arrangements for tenants and marketing. The postholder also leads on the Centre Development work and has been instrumental in assisting the organisation to make improvements in the ICT infrastructure and in 2022-23 a full digital strategy will be developed.

Towards the end of 2021-22 a 'Management Development Meeting (MDM)' comprising of ELT, Senior Managers and all project and service leads was created. The aim of the 'MDM' is to improve communications, aid organisational development and share best practice. Throughout 2022-23 the MDM will assist with reviewing operational policies, help to progress numerous quality standards and continually improve monitoring and evaluation processes.

PCP relies upon its dedicated, skilled and knowledgeable team of staff and volunteers to work with people, organisations and communities and it is through their highly-effective work that PCP is able to sustain services for a significant number of years. Our excellent track record of delivering projects effectively often results in projects and services being re-commissioned, a clear testament to the wider-team's effectiveness.

Chief Executive Pay

Transparency is the first principle of good pay and is crucial if the voluntary sector is to retain public trust. 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. This process was last conducted in 2014-15 and the Chief Executive has been at the top of their pay scale for a number of years, however the Chief Executive does not feel it is appropriate to review this and given the current climate the Board is in agreement with this.

Volunteers

The organisation has a successful volunteer recruitment and support strategy and as we move into COVID recovery and reset it is has been pleasing to see volunteers returning to supporting projects and services across the whole organisation.

During 2021-22 PCP was supported by an average of 422 active volunteers who gave 5,536 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 £54,807. 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 2022-23 PCP will be reassessed for the Volunteer Kitemark and also will work to identify more volunteering opportunities for local people.

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 its objectives. To ensure time to discuss the potential impact and likelihood in 2021-22 the Business Development and Best Practice took responsibility for a thorough review prior to discussion and approval at Board.

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 2021 and will be assessed again in December 2022.

Aims, objectives and activities:

The Pioneering Care Partnership's (PCP) is a multi-award-winning organisation whose mission is: "Health, Wellbeing and Learning for All," and PCP operates across the North East of England predominately in County Durham, Sunderland, and Teesside.

PCP's purpose is: **'To improve health, wellbeing and quality of life for people disadvantaged by disability, age, ill health and/ or caring responsibilities, and reduce inequalities in health.'**

The long-term outcomes the PCP is seeking to support 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

As a Charity and Company Limited by Guarantee PCP exists to serve local people and our customer-base is wide ranging. PCP supports groups and communities through projects and services which aim to build capacity and cohesion and individual people, particularly those who may be disadvantaged in localities, businesses with employee health and wellbeing and other charities through mentoring support. During 2021-22 PCP also began to support smaller voluntary and community sector organisations with grant funding, this has a particular emphasis on mental health and wellbeing, improving access to services and offering a wider range of opportunities for local people.

Whilst PCP's predominant focus is on health and wellbeing, it considers health in its widest sense. There are many factors, or determinates, that impact upon health and wellbeing including educational attainment, employment status, physical health, family and social connections, the environment in which people live, income, mental and emotional resilience therefore the thematic areas PCP covers are cross-cutting.

Partnership is in our name, because we aim to bring people together, working collectively to help but importantly we do this with local people and communities so they are a key stakeholder in all we do.

Pioneering Care Partnership

Report of the Trustees (Continued) For the year ended 31 March 2022

PCP has a focus on working with people who are disadvantaged across a population of almost 1.4m people. PCP operates in the following areas:

Area	Population*
County Durham	533,937
Darlington	106,933
Sunderland	277,576
Middlesbrough	140,301
Stockton-on-Tees	198,706
Redcar & Cleveland	138,354
TOTAL	1,395,807

*figures from the Office for National Statistic (ONS) Population figures over a 25-year period

PCP employ's an average of 105 people and ended the financial year with 114 employees. In 2021-22 staff stability was 85% which, despite some contracts ending and COVID-19, is a slight improvement on the last two years, where it stood at 82% and a marked increase from 75% in 2018-19. Naturally the voluntary sector can have a high turnover due to the short-term nature of projects and services. Therefore to achieve this level of stability is extremely good and is testament to the organisation's solid HR policies, focus on employee wellbeing, talent management and support to sustain staff wherever possible.

Principal Activities

The Pioneering Care Partnership is a multi-award-winning organisation whose impact spans across the North East.

PCP's first achievement was the development of a unique healthy living centre, bringing together voluntary and statutory services under one roof; the Pioneering Care Centre in Newton Aycliffe opened in 1999 and is seen as a beacon on best practice, replicated across the Country. The Pioneering Care Centre in Newton Aycliffe is home to a range of accessible activities designed to bring people together and support healthier lifestyles. A community hub that provides a range of health and wellbeing activities including community events, exercise classes, learning workshops, a community garden, community coffee shop, hydrotherapy pool, natural therapies, employability support services, and disability projects. The Centre also houses a GP Practice, Pharmacy, Mental Health Services, Children's Nursery, Speech and Language Service and other health and social care services making it a real community hub and hive of activity.

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 however during 2021-22 the Centre opened incrementally. Throughout the pandemic PCP took a more cautious approach to lifting the restrictions, the overall aim was to keep people safe, instill confidence and support the range of people who access the Pioneering Care Centre, many of whom are vulnerable, have a disability or are carers. This has been welcomed by clients/service users, staff and volunteers.

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.

Pioneering Care Partnership

Report of the Trustees (*Continued*)

For the year ended 31 March 2022

Centre-based activities which recommenced included:

- Health and wellbeing activities
- A fully accessible Hydrotherapy Pool
- Community garden and allotments
- Conference, meeting, room hire facilities and hospitality services
- The Garden Kitchen, community coffee shop
- Community courses and adult learning opportunities Lifestyle and exercise classes and activities
- Wellbeing Practitioner support services

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 & Middlesbrough Area Action Partnership (GAMP)
- Improving Access to Psychological Therapies (IAPT) Services

Employability support and the Natural Therapy suite services will recommence in 2022-23.

PCP provides a number of projects across the North East working in collaboration with a range of other voluntary or statutory organisation's.

In 2001 the organisation began to work more on an outreach basis and over the years this has developed, PCP now provides over 35 projects and services across the North East. These include:

- Options, supporting adults with learning and physical disabilities
- County Durham and Sunderland Workplace Health
- Wellbeing for Life
- Stockton Community Connect Social Prescribing/community Connect Service
- Stockton Independent Complaints Advocacy Service
- Joining the Dots MacMillan Cancer Support
- Healthwatch in County Durham, Redcar & Cleveland, Middlesbrough, Stockton and Sunderland
- ESF Building Better Opportunities Step Forward Tees Valley
- ESF Building Better Opportunities Reaching Out Across Durham
- SafeHaven 'Happiness Hubs' Grants Programme
- COVID-19 Resilience Team County Durham
- Cancer Champions
- Stockton COVID-19 Community Champion Programme
- Frail Elderly Link Worker
- Primrose Lodge Events Worker
- Peer Support and Befriending Research
- Learning Disability & Autism Research
- COVID-19 Resilience Research
- Physical Health Workers in County Durham

In 2021-22 PCP was awarded funding from the Lottery Health Equalities Development Grant (HEDG) to consider the feasibility of alliance working in County Durham. This partnership proposal was jointly submitted by PCP, Durham Community Action, Investing in Children, Durham County Council Public Health and the NHS/Clinical Commissioning Group. This work will be taken forward during 2022-23.

Pioneering Care Partnership

Report of the Trustees (*Continued*)

For the year ended 31 March 2022

Partnership working is an essential part of PCP's success. PCP is recognised for its expertise in health and wellbeing and the Chief Executive plays a key role in developing community adult mental health wellbeing services across County Durham. She chairs the external County Durham Resilient Communities Group a sub-committee of the Mental Health Strategic Partnership Board and is a proactive member of several external networks and forums. During 2021-22 she has also commenced joint-chairing the County Durham Mental Health Transformation Steering Group and this work seeks to ensure that services are tailored to individual need, accessible in local communities and developed with those who have lived experience of mental health issues.

In the latter part of the year, it was pleasing to see the COVID-19 impact on delivery reducing with most projects and services returning to in-person support. Like many organisations PCP will learn from the COVID experience and aims to sustain some of the approaches, such as supporting people through video-conferencing, offering staff the opportunity to blend working arrangement between the office and home and delivering some meetings virtually to save travel time and costs.

PCP continued throughout 2021-22 with clear, concise and regular COVID-19 communications further details of the organisational approach are 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

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. COVID-19 has not halted progress against PCP's Strategic Plan but trustees recognised COVID-19 recovery will take time and could lead to 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.

PCP's Strategic Plan is designed as a cross-cutting document to direct organisational focus, enable continuous development and to instil 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

Specific progress has been made in the following areas during 2021-22

- a. Refreshing PCP's organisational purpose and embedding in delivery;
- b. Finalising the new governance arrangements so that they remain fit for purpose over the life of the strategic plan;
- c. Improving trustee training, sustaining Board commitment to being a learning board;
- d. Reviewing effectiveness of the leadership structure of the organisation
- e. Considering the implications of values-based recruitment;
- f. Improving data, research and reporting capability across PCP;
- g. Engaging with local people and applying asset-based community development techniques; and
- h. Improving environmental monitoring.

Monitoring & Evaluation

PCP continues to maintain 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 assists PCP to link our mission, objectives and activities with what happens because of them. This is the ninth 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. Both 2021-22 and 2020-21 was impacted by COVID -19 and cannot be compared against previous results, therefore when setting targets for 2022-23 PCP will use 2019-20 as the benchmark.

The following section highlights some of the key achievements for the year 2021-22:

Pioneering Care Partnership Annual Report 2021-22

This year's headlines

A round up of what's happened!



**Pioneering Care Centre
reopens following the
pandemic**



**Befriending Group
launched in
County Durham**



**PCP contracted to
support Primrose Lodge
in Chester-le-Street**



**PCP awarded new
Healthwatch contract
for Stockton-on-Tees**



**Community Garden
achieves Northumbria in
Bloom RHS Award**



**PCP to deliver leading
COVID recovery project
in Stockton-on-Tees**



**Community COVID team
crowned champions
at Catalyst Awards**



**Pioneering Care Centre's
Christmas Fayre
raises over £2,100**



**Healthwatch South Tees
celebrate health and social
care with STAR Awards**

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

Pioneering Care Partnership

Report of the Trustees (*Continued*) For the year ended 31 March 2022

FINANCIAL REVIEW

During 2021-22 PCP planned to utilise reserves for a number of projects in support of the organisation's charitable objectives. Additional income was secured for projects and services in 2021-22, this equated to 8% more than the previous year. Furthermore, the efficient delivery of projects and services and the organisation's prudent approach saw expenditure 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 re-opened during 2021-22.

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 2021-22 an independent valuation assessed the rental costs for the Pioneering Care Centre to ensure market value and to fulfil the trustees 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. The independent Chartered Surveyor's report was considered in 2021-22 and lease arrangements are in the process of being finalised.

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 consider both long term investment behaviours and short-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.

Investment Update

The 2021-22 financial year started on a positive footing as the global economy continued to re-open following the COVID-19 Pandemic and hopes for a successful global vaccination programme built. Furthermore, additional financial and economic support packages were enacted by Governments and Central Banks in developed markets which saw equity markets continue to climb above pre-COVID levels.

However, as 2021 drew to a close it became clear that such loose monetary and fiscal policies would be wound down and eventually need to be paid for, mainly through higher taxes while inflationary forces began to build and consumers who had managed to save during the Pandemic became increasingly nervous about the cost of living during the years ahead.

Pioneering Care Partnership

Report of the Trustees (*Continued*) For the year ended 31 March 2022

As a result, market volatility spiked following a period of relative calm and equities and bonds sold off during the closing weeks of the financial year as inflation jumped and Central bankers wrestled with the prospect of hiking interest rates. The nervous tone was exacerbated by the Russian invasion of Ukraine as both countries have played a major role in the supply of global commodities, both energy and agricultural.

The PCP portfolio was not immune to this volatility but still managed to post a gain of +6.4% for the financial year which was a reasonable outcome.

The economic and political outlook has worsened since the beginning of 2022 with financial assets remaining extremely volatile and against such an uncertain backdrop there will undoubtedly be some difficult months ahead.

However, the PCP portfolio remains well diversified across asset classes which should enable it to be relatively resilient in the short-term and perform well over the long-term.

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, however this did not occur during the financial year and will be progressed in 2022-23.

During 2021-22 PCP undertook a review of its bank accounts and Trustees agreed to move from Unity Trust to Nat West Bank. The switch commenced in February 2022, however to ensure all transactions are effectively transferred the Unity Trust Accounts will remain open for a period of 6 months.

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 2021-22.

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 2022 the charity held free reserves of £799,756 which equates to 7 months core and centre running costs. It should be noted that as a result of COVID-19 and lower expenditure on some projects and services this includes funds which have been designated for 2022-23. Furthermore, £485,361 has been earmarked by Board to carry forward into 2022/23 and annual running costs are expected to be £1,200,913.

Report of the Trustees (Continued)
For the year ended 31 March 2022

PCP Board of Trustees acknowledge and understand that as the COVID-19 pandemic continues and moves into the reset/resilience phase, many of the organisation's income generating activities now require subsidy whilst they return to pre-pandemic levels, and this could take several months. Therefore, there may be the need to use a proportion of the reserves to provide additional support to core and centre functions in 2021-22. 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.

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. A significant piece of work during 2021-22 took place to bring these standards together as one and enable a joined reaccreditation to both standards. The assessment in February 2022 was successful with positive feedback from the assessor/auditor about PCP's approach, progress and continuous development.

During 2021-22 PCP also maintained:

- Investors in People Standard, Gold Award
- Better Health at Work Award, Maintaining Excellence and Ambassador Status
- CHAS the Contractors Health and Safety Assessment
- Volunteer Kitemark
- Time to Change Pledge
- Carer's Pledge
- Mindful Employer/Charter for Employers who are Positive About Mental Health

Feedback from the Better Health at Work Award Assessor included:

- This is a very good Maintaining Excellence submission from PCP, with a wealth of activity across the organisation and a concerted staff focus.
- They have demonstrated a consistent approach, with annual strategy reviews and 3 yearly policy reviews, as well as regular consultation.
- The early delivery of another Health Needs Assessment in May 2021 is good practice and shows that there is an increasing drive to be proactive and address issues at early intervention and prevention points. The high response rate also illustrates that staff were very willing to engage and share their thoughts and feedback.
- PCP deserve credit for their extremely thorough analysis and for asking questions that many employers would be reluctant to. It is fantastic to see that the staff self-scores for physical and mental wellbeing have both held steady at an average of 7 out of 10, despite the very challenging circumstances and changes experienced over the last almost 2 years. This is indicative that PCP has worked hard to put in mitigating measures and ensure staff feel supported at work and able to support themselves.
- The increase of the allotted 30 mins 'Wellbeing time' for staff was increased to 2 hours per week during the pandemic and has remained, which is very likely to be a contributory factor to this - the survey showed that 86% of staff take advantage of this benefit!

Mindful Employer Assessment feedback included:

- It was reassuring to read that you provide training specifically for managers. Line managers are usually the initial point of contact for staff so have a crucial role to play in staff's experience of being supported by the organisation.
- Our social and working lives have changed enormously since March 2020. Your review showed a variety of support already available to staff, we recommend staff are regularly reminded of the range of support available to them.

Pioneering Care Partnership

Report of the Trustees (Continued) For the year ended 31 March 2022

PCP has had a focus on the environment during 2021-22 and PCP has pledged publicly our commitment through the North East Climate Coalition (NEECCo). PCP pledged: **“To understand the impact the organisation has on the environment. We will monitor energy consumption and actively strive to reduce it. We will work with our teams to increase awareness and encourage ideas to take positive action at work, home and in the community.”**

The environmental categories PCP contributes to are:

- Consumption/shopping habits
- Encouraging nature and biodiversity
- Reducing energy usage
- Reducing travel/ greener travel
- Reducing Waste/recycle

During 2022-23 PCP will be reassessed for the Volunteer Kitemark and during the year we will also look to develop further volunteering roles and opportunities across the organisation

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 (2021-22)

Ratio	2021-22	2020-21	2019-20	2018-19	2017-18	2017-18
Liquidity ratio	23.05:1	19.72:1	7.1:1	7.1:1	6.8:1	6.08:1
Average Reserves : Expenditure (Other Charitable funds)	1.277:1	1.071:1	0.54:1	0.58:1	0.63:1	0.66:1
Debtors Days	162 days	77 days	35 days	26 days	54 days	58 days
Labour Turnover(%)	15.2%	23.8%	25.1%	32.9%	25.9%	30.1%
Labour Stability Index(%)	85%	82%	82%	75%	89%	76%
Absence(%)	2.6%	2.2%	2.6%	2.6%	2.9%	2.7%
Staff participation in training and development(%)	96%	68%	75%	87%	95%	95%

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.

PCP's absence figures are ordinarily consistently lower than the UK average however during 2021-22 we have had a few instances of long-term absence which has affected PCP's rate. 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.

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 3 years, with a slight increase in 2021-22. 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. 17

Pioneering Care Partnership

Report of the Trustees (*Continued*) For the year ended 31 March 2022

An emphasis on staff training and development has seen dramatic improvements in the uptake of training and development across all teams, resulting a 28% increase in the take-up of training opportunities meaning 96% of our workforce undertook personal or professional development during the year.

The organisation's liquidity ratio is high again, as a result of project and service expenditure being dramatically reduced due to COVID-19.

Notably there has been a significant change in Debtors Days, this is due to the process of raising high value invoices at the beginning of the financial year which are paid incrementally over the year and therefore is not an organisational risk or concern.

As outlined in last year's Trustee report, 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 and this worked continued in 2021-22. Work to develop PCP's Financial Strategy has progressed and this will enable improved forward-planning and financial modelling considering long term risks and how to mitigate or prevent these.

Future Priorities and Developments:

PCP priorities for 2021-22 will inevitably continue to focus on COVID-19 recovery but will also closely aligned to PCP's Strategic Plan and include:

1. Robust Financial Management

- a. Clear financial projections for 2021-22 and 2022-23 and beyond, recognizing a number of PCP projects and services are scheduled to cease in March 2023.
- b. Ongoing financial review of the Pioneering Care Centre, tenancies were considered during 2021-22, in the coming year each area will be assessed and reviewed.
- c. Development of a full Financial Strategy, this will be complete by September 2022.

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

Progress during 2021-22 has been strong with momentum now building in readiness to submit a planning application in 2022. It is anticipated that work will commence in October/November 2022 with an aim of reopening in quarter 1 of 2023-24.

3. Strategic Plan priorities - trustees received a report on the 2021-22 progress which also outlined areas to prioritise in 2022-23. These included:

- a. Considering how to more effectively target support;
- b. Trialing distributed management approaches;
- c. Further developing internal reporting mechanisms;
- d. Publishing a Marketing Strategy to include stakeholder engagement and asset based community development;
- e. Increasing talent management capacity; and
- f. Embedding PCP's approach to environmental management and corporate social responsibility.

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** – trustee meetings returned to be quarterly on the understanding that if required the frequency would be increased. In addition support was provided through 1-2-1 discussions between the Chair and Chief Executive remained in place with a focus on COVID. As well as full Board the Business Development Sub Committee and Finance and Investment Sub Committee continued and the Centre Development Task Group was established as a full sub committee. This provided robust and supportive governance during the continuing pandemic.
- **Preparation** – 'mini-lockdowns' which occurred during the year were well lead through the Chief Executive and further development of the ICT infrastructure was ongoing. Training and support was provided to all staff and during 2021-22 the bitesize learning offer has continued.
- **Communication** - regular updates and briefings are provided to staff, volunteers, tenants and beneficiaries across all areas of PCP. Central government measures varied throughout the year and as well as standard notifications, posters and displays to ensure consistency of approach PCP updated staff on our local response. This was consistently more cautious than the government advice for two reasons; firstly the North East experienced infection 'waves' later than the South and secondly many of those who access PCP support are vulnerable or have long term health conditions and we felt it was more appropriate to delay lifting some of the restrictions. Feedback from staff remains overwhelmingly positive with staff reporting that they felt engaged, supported and updated.
- **Working from home** – in 2021-22 PCP was quick to respond to the changing needs of our clients and workforce. During 2020-21 the majority of PCP's staff worked from home, but longer-term we needed a different solution. PCP have moved staff to a blended approach. This is not flexible working, it is set days at home and set days in the office enabling teams to come back together in a consistent and measured way, again to aid communication and support. We also recognised that those who had started their employment during COVID had missed out on informal learning and the opportunity to connect with colleague, again feedback has been positive.
- **Support for Communities** – the Pioneering Care Centre has been open for the vast majority of 2021-22 and PCP's projects have continued to operate across the North East, offering virtual and in-person support. PCP has found people are keen to re-connect and come together. Some service users, for example the Options members had found the lockdowns particularly hard and this has had an impact on their confidence and also some knowledge and skills had declined as a result of the break in service. Teams have worked hard to encourage interactions, support positive contribution/networking, develop learning and reset how we work.
- **Impact on Fundraising** – in the short-term COVID has had a positive impact on funding, through grants and local authority support but also as a result of commissioning and effect relationships. Longer-term PCP anticipates funding will be a challenge. Work will continue during 2022-23 to secure resource and mitigate any risks.

COVID-19 FINANCIAL SUSTAINABILITY IMPACT

The Chief Executive maintains strong communication with the Board to ensure trustees are fully appraised 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
- 2021-22 end of year position
- 2022-23 budget projections
- PCP projects are sustained, effective and efficient.
- Improved Management Account reporting
- Liquidity ratio

Ongoing 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 - 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.

Operational considerations - the Pioneering Care Centre was open at different periods over the past 2 years so now has the experience and processes in place to react quickly should this be required again in the future. The Centre is fully operational with classes, courses and events recommencing early 2022-23.

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 organization is central in supporting the COVID-19 response and recovery in communities. Given the significant impact the pandemic could have had upon the charity PCP is in a strong financial and strategic position. It has sustained delivery over the past 2 years, during the most challenging time for everyone. PCP takes 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

Report of the Trustees (Continued) For the year ended 31 March 2022

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;
- 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.

ON BEHALF OF THE BOARD OF TRUSTEES:



Barry Knevitt - Chairperson

Dated 8 August 2022

**Report of the Independent Auditors to the Members of Pioneering Care Partnership
For the year ended 31 March 2022**

Opinion

We have audited the financial statements of Pioneering Care Partnership (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 group's or parent charitable company'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our Report of the Independent Auditors thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Report of the Independent Auditors to the Members of Pioneering Care Partnership (Continued)
For the year ended 31 March 2022

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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 a Report of the Independent Auditors 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

Pioneering Care Partnership

Report of the Independent Auditors to the Members of Pioneering Care Partnership (*Continued*) For the year ended 31 March 2022

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.

We obtained an understanding of the legal and regulatory framework applicable to both the charitable 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 Charities Act 2011, 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:

- making enquires of trustees and management as to where they consider there to be a susceptibility to fraud and 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;
- reviewing the minutes of meetings of those charged with governance;
- assessing the risk of management override including identifying and testing journal entries;
- confirmation received directly from the banks to verify the balance at 31 March 2022; and
- challenging the assumptions and judgements made by management in its significant accounting estimates.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Donna Bulmer BA (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Haines Watts

19 August 2022
.....

Statutory Auditors

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Pioneering Care Partnership

Statement of Financial Activities *(Incorporating the Income and Expenditure Account)* For the year ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income from:					
Donations	4	15,262	6,641	21,903	294,179
Charitable activities					
Grant income	5	41,717	1,135,153	1,176,870	2,030,651
Contract Income	5	1,815,456	634,523	2,449,979	1,331,469
Trading activities	6	402,844	13,848	416,692	288,126
Investment income	7	3,759	-	3,759	28,104
Total income		<u>2,279,038</u>	<u>1,790,165</u>	<u>4,069,203</u>	<u>3,972,529</u>
Expenditure on:					
Raising funds					
Investment manager costs		3,000	-	3,000	3,000
Trading activities	8	13,324	-	13,324	37,956
Charitable activities	9	1,760,481	1,317,126	3,077,607	2,452,258
Total expenditure		<u>1,776,805</u>	<u>1,317,126</u>	<u>3,093,931</u>	<u>2,493,214</u>
Net gains on investments		<u>13,827</u>	<u>-</u>	<u>13,827</u>	<u>44,130</u>
Net income/expenditure before transfers		<u>516,060</u>	<u>473,039</u>	<u>989,099</u>	<u>1,523,445</u>
Transfers	19	(25,905)	25,905	-	-
Net income/expenditure		<u>490,155</u>	<u>498,944</u>	<u>989,099</u>	<u>1,523,445</u>
Reconciliation of funds					
Total funds brought forward		1,860,689	1,599,401	3,460,090	1,936,645
Total funds carried forward		<u>2,350,844</u>	<u>2,098,345</u>	<u>4,449,189</u>	<u>3,460,090</u>

Pioneering Care Partnership

Balance Sheet As at 31 March 2022

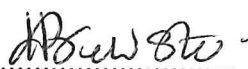
	Notes	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	15		127,184		115,207
Investments	16		302,904		288,360
			<u>430,088</u>		<u>403,567</u>
Current assets					
Debtors	17	1,196,751		1,391,791	
Investments		258,779		250,923	
Cash at bank and in hand		2,745,447		1,576,704	
		<u>4,200,977</u>		<u>3,219,418</u>	
Liabilities					
Creditors: amounts falling due within one year	18	(181,876)		(162,895)	
		<u></u>		<u></u>	
Net current assets			4,019,101		3,056,523
Total net assets			<u>4,449,189</u>		<u>3,460,090</u>
The funds of the charity					
Unrestricted funds			1,715,205		1,599,401
Designated funds			635,639		430,681
Restricted funds			2,098,345		1,430,008
	19		<u>4,449,189</u>		<u>3,460,090</u>

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

The financial statements were approved by the Board of Trustees on 8 August 2022 and were signed on its behalf by:



Barry Knevitt – Chairperson



Heather Brewster - Treasurer

Company Number: 03491237

The notes form part of these financial statements

Pioneering Care Partnership

Cash Flow Statement

For the year ended 31 March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Cash generated from operations	24	1,203,438	306,784
Net cash provided by (used in) operating activities		<u>1,203,438</u>	<u>306,784</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(38,374)	(10,850)
Purchase of fixed asset investments		(26,922)	(84,281)
Sale of fixed asset investments		26,842	83,981
Interest received		3,759	28,104
Net cash provided by (used in) investing activities		<u>(34,695)</u>	<u>16,954</u>
Change in cash and cash equivalents in the reporting period		<u>1,168,743</u>	<u>323,738</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,576,704</u>	<u>1,252,966</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,745,447</u></u>	<u><u>1,576,704</u></u>

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

Pioneering Care Partnership meets the definition of a public benefit entity under FRS 102. The financial statements are prepared on a going concern basis under the historical convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

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 consider 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 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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 can only be used for particular restricted purposes specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1.4 Income

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

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.

Notes to the financial statements (Continued)
for the year ended 31 March 2022

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing.

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 and irrecoverable VAT

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.

1.6 Support cost allocation

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.

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 6% on cost
Hydrotherapy pool	- 20% on cost
Equipment	- 20% - 33% on cost

Assets costing less than £1,500 are not capitalised.

1.8 Investments

Investments are recognised initially as fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through Statement of Financial Activities.

1.9 Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

1.10 Financial instruments

The charitable company 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 tests 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 Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

1.13 Leasing

Rentals payable under operating lease contracts are charged to management and support costs on a straight line basis over the term of the contract.

The Charity extended its lease with Durham County Council on the Pioneering Care Centre during the year ended 31 March 2011. The Council will now terminate the lease in 125 years from April 2010. 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.

1.14 Significant judgements and estimations

In the application of the charity's accounting policies the trustees are required to make judgements, estimates and assumptions about the carrying amounts of certain assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The items in the financial statements where these judgements and estimates have been made include:

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy.

2. Legal form

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 charity information in the reference and administration pages of these financial statements.

Notes to the financial statements (Continued)
for the year ended 31 March 2022

3. Statement of financial activities for the prior year

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income from:					
Donations	4	288,642	5,537	294,179	18,999
Charitable activities	5	1,768,887	1,593,233	3,362,120	2,459,729
Other trading activities	6	288,126	-	288,126	499,401
Investment income	7	28,104	-	28,104	14,753
Total income		2,373,759	1,598,770	3,972,529	2,992,882
Expenditure on:					
Raising Funds	8	40,956	-	40,956	109,622
Charitable activities		1,909,772	542,486	2,452,258	2,495,690
Total expenditure		1,950,728	542,486	2,493,214	2,605,312
Net gains/(losses) on Investments		44,130	-	44,130	(14,361)
Net income/expenditure before transfers		467,161	1,056,284	1,523,445	373,209
Transfers	20	(50,047)	50,047	-	-
Net income/expenditure		417,114	1,106,331	1,523,445	373,209
Reconciliation of funds					
Total funds brought forward		1,443,575	493,070	1,936,645	1,563,436
Total funds carried forward		1,860,689	1,599,401	3,460,090	1,936,645

4. Donations and legacies

	2022 £	2021 £
Donations and gifts	7,289	66,461
Job Retention Scheme	14,614	227,718
	21,903	294,179

Pioneering Care Partnership

Notes to the financial statements (Continued) for the year ended 31 March 2022

5. Income from charitable activities

	2022	2021
	£	£
Grants	1,176,870	2,030,651
Contracts	2,449,979	1,331,469
	<u>3,626,849</u>	<u>3,362,120</u>
Analysis by fund:		
	£	£
Unrestricted funds	1,857,173	1,768,887
Restricted funds	1,769,676	1,593,233
	<u>3,626,849</u>	<u>3,362,120</u>

6. Other trading activities

	2022	2021
	£	£
Hydropool takings	26,890	720
Rents and service charges	294,723	245,587
Fees and room hire	43,208	16,787
Therapy income	2,346	370
Classes and courses	224	-
Coffee shop	8,077	-
Options	2,938	-
Fundraising	11,526	24,453
Other	26,760	209
	<u>416,692</u>	<u>288,126</u>

7. Investment income

	2022	2021
	£	£
Bank interest receivable	42	3,300
Investment income	3,717	24,804
	<u>3,759</u>	<u>28,104</u>

8. Raising funds

	2022	2021
	£	£
Direct delivery	7,228	37,230
Hydropool maintenance	6,096	726
Investment manager	3,000	3,000
	<u>16,324</u>	<u>40,956</u>

Pioneering Care Partnership

Notes to the financial statements (Continued) for the year ended 31 March 2022

9. Charitable activities costs

	Direct costs £	Support costs £	2022 £	2021 £
Salaries & related costs	2,144,769	32,959	2,177,728	1,891,194
Depreciation and impairment	26,399	-	26,399	26,673
Room hire	7,643	-	7,643	(410)
Travel and subsistence	34,607	3,607	38,214	14,099
Activity expenditure	178,153	-	178,153	104,266
Payments to Partners	142,538	-	142,538	15,158
Miscellaneous	606	-	606	2,994
Office Costs	225,853	1,129	226,982	185,719
Training	34,372	-	34,372	11,626
Rent and rates	98,478	-	98,478	90,180
Marketing	36,335	-	36,335	33,918
Legal and professional	50,699	5,650	56,349	44,634
Bank charges	11,724	-	11,724	3,198
Irrecoverable VAT	42,086	-	42,086	29,009
	<u>3,034,262</u>	<u>43,345</u>	<u>3,077,607</u>	<u>2,452,258</u>

Analysis by fund:

	£	£
Unrestricted funds	1,760,481	1,909,772
Restricted funds	1,317,126	542,486
	<u>3,077,607</u>	<u>2,452,258</u>

10. Support costs

	2022 £	2021 £
Staff costs	32,959	36,436
Premises costs	-	63
Travel costs	2,236	-
Office costs	1,129	1,421
Governance costs	7,021	5,450
	<u>43,345</u>	<u>43,370</u>

11. Governance costs

	2022 £	2021 £
Trustee expenses	1,371	-
Audit fee	5,650	5,450
	<u>7,021</u>	<u>5,450</u>

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

12. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation	26,398	26,673
Operating lease rentals – property	23,272	4,051
Operating lease rentals – equipment	3,719	2,451
	<u> </u>	<u> </u>

13. Auditors' remuneration

	2022	2021
	£	£
Fees payable to the charity's auditors for the audit of the charity's annual accounts	5,650	5,450
	<u> </u>	<u> </u>

14. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2022	2021
	£	£
Wages and salaries	1,945,991	1,720,032
Social security costs	144,814	123,280
Other pension costs	80,605	75,164
	<u> </u>	<u> </u>
	2,171,410	1,918,476
	<u> </u>	<u> </u>

The average monthly number of employees during the year was as follows:

	2022	2021
	No.	No.
Chief Executive	1	1
Senior Managers	5	6
Quality, HR & Finance staff	7	6
Administration & support	14	10
Other project staff, etc	77	75
	<u> </u>	<u> </u>
	104	98
	<u> </u>	<u> </u>

Notes to the financial statements *(Continued)*
for the year ended 31 March 2022

14. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel *(Continued)*

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

	2022 No.	2021 No.
£60,000 to £70,000	-	1
£70,000 to £80,000	1	-

The charity trustees were not paid or received any other benefits from employment in the year (2020 - £nil). Three trustees were reimbursed expenses during the year of £1,371 (2021 - £0). No charity trustee received payment for professional or other services supplied to the charity (0 - £nil).

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 £273,682 (2021 - £263,916)

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

15. Tangible fixed assets

	Improvement to property £	Hydrotherapy pool £	Equipment £	Totals £
Cost				
At 1 April 2021	209,511	41,829	204,171	455,511
Additions	-	-	38,374	38,374
Disposals	-	-	(4,204)	(4,204)
At 31 March 2022	209,511	41,829	238,341	489,681
Depreciation				
At 1 April 2021	120,761	41,829	177,714	340,304
Charge for year	12,571	-	13,827	26,398
Eliminated on disposal	-	-	(4,205)	(4,205)
At 31 March 2022	133,332	41,829	187,336	362,497
Net book value				
At 31 March 2022	76,179	-	51,005	127,184
At 31 March 2021	88,750	-	26,457	115,207

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.

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

16. Fixed asset investments

	Listed investments	Cash in portfolio	Total
Cost or valuation			
At 1 April 2021	272,651	15,709	288,360
Additions	15,074	-	15,074
Unrealised gains	14,464	-	14,464
Net Cash movements in portfolio	-	11,848	11,848
Disposals	(26,842)	-	(26,842)
At 31 March 2022	<u>275,347</u>	<u>27,557</u>	<u>302,904</u>

Listed 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.

Within current assets, the charity holds a secured bond which has been invested for 7 years at an interest rate fixed at 3.13% per annum.

17. Debtors: Amounts falling due within one year

	2022	2021
	£	£
Trade debtors	1,070,001	1,268,150
Prepayments and accrued income	124,968	123,251
Other Debtors	1,782	390
	<u>1,196,751</u>	<u>1,391,791</u>

18. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	72,883	47,623
Social security and other taxes	70,072	64,347
Other creditors	100	100
Accrued expenses	35,411	33,412
Deferred income	3,410	17,413
	<u>181,876</u>	<u>162,895</u>

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

19. Statement of funds

For the year ended 31 March 2022

	Balance at 1 April 2021 £	Income £	Expenditure £	Investment gains/losses £	Transfers £	Balance at 31 March 2022 £
Unrestricted funds						
General funds	1,430,008	2,279,038	(1,768,860)	13,827	(238,808)	1,715,205
Designated funds						
Hydrotherapy pool renewal	161,065	-	-	-	-	161,065
Projects	44,297	-	(7,945)	-	-	36,352
Centre Renovation	225,319	-	-	-	212,903	438,222
Total Unrestricted funds	<u>1,860,689</u>	<u>2,279,038</u>	<u>(1,776,805)</u>	<u>13,827</u>	<u>(25,905)</u>	<u>2,350,844</u>
Restricted fund						
Hydrotherapy pool	80,098	545	-	-	-	80,643
BBO SFTV	1,339	38,496	(42,481)	-	2,646	-
BBO Road	-	147,174	(151,523)	-	4,349	-
Growing Our Community	6,533	-	-	-	-	6,533
Together 21	20,000	36,245	(59,692)	-	3,447	-
RCG Mapping Grant	196,039	-	(34,058)	-	(9,159)	152,822
Befriending	21,644	-	(24,915)	-	9,159	5,888
Safe Haven	38,748	245,505	(180,250)	-	-	104,003
Healthwatch CIC	18,233	-	(4,817)	-	-	13,416
Healthwatch England	7,107	-	(6,160)	-	-	947
Covid 19 Resilience Hub	985,111	576,722	(480,168)	-	-	1,081,665
Befriending Research Project	206,000	212,000	(95,050)	-	-	322,950
Options Grant	3,590	85,489	(95,537)	-	15,463	9,005
Young Adults Support Café	7,256	7,860	(6,019)	-	-	9,097
This Girl Can	7,703	-	(6,366)	-	-	1,337
LD & Autism Research	-	237,521	(14,879)	-	-	222,642
Welfare Roadshow	-	5,000	-	-	-	5,000
Lottery development Alliance work	-	50,000	-	-	-	50,000
Catalyst Stockton	-	33,050	(16,357)	-	-	16,693
Stockton Covid Community Champions	-	114,558	(98,854)	-	-	15,704
Total restricted funds	<u>1,599,401</u>	<u>1,790,165</u>	<u>(1,317,126)</u>	<u>-</u>	<u>25,905</u>	<u>2,098,345</u>
Total Reserves	<u>3,460,090</u>	<u>4,069,203</u>	<u>(3,093,931)</u>	<u>13,827</u>	<u>-</u>	<u>4,449,189</u>

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

19. Statement of funds (*Continued*)*For the year ended 31 March 2021*

	Balance at 1 April 2020 £	Income £	Expenditure £	Investment gains/losses £	Transfers £	Balance at 31 March 2021 £
Unrestricted funds						
General funds	1,232,653	2,365,092	(1,950,728)	44,130	(261,139)	1,430,008
Designated funds						
Hydrotherapy pool renewal	157,241	8,667	-	-	220,476	386,384
Project Fund	53,681	-	-	-	(9,384)	44,297
Total unrestricted funds	<u>1,443,575</u>	<u>8,667</u>	<u>-</u>	<u>-</u>	<u>(50,047)</u>	<u>1,860,689</u>
Restricted funds						
Hydrotherapy pool	80,098	-	-	-	-	80,098
BBO Road	-	138,711	(146,889)	-	8,178	-
BBO STV	3,079	38,246	(39,986)	-	-	1,339
Growing our Community	5,213	1,320	(563)	-	563	6,533
Together 21	-	45,201	(62,263)	-	37,062	20,000
Healthwatch England Secondment	-	30,000	(22,893)	-	-	7,107
Covid- 19 Resilience Hub	-	1,001,000	(15,889)	-	-	985,111
Befriending research Project	-	206,000	-	-	-	206,000
RCG Mapping Grant	346,041	-	(119,161)	-	(30,841)	196,039
Safe Haven	39,909	103,555	(104,716)	-	-	38,748
Options	-	3,590	-	-	-	3,590
Healthwatch CIC	18,730	-	(497)	-	-	18,233
Sport England	-	8,653	(950)	-	-	7,703
Young Adults support Café	-	7,860	(3 536)	-	2,932	7,256
RGC Befriending Research Project	-	14,634	(25,143)	-	32,153	21,644
Total Restricted Funds	<u>493,070</u>	<u>1,598,770</u>	<u>(542,486)</u>	<u>-</u>	<u>50,047</u>	<u>1,599,401</u>

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

19. Statement of funds (*Continued*)

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.

20. Analysis of net assets

For the year ended 31 March 2022

	Unrestricted funds	Designated funds	Restricted funds	Total
Tangible assets	127,184	-	-	127,184
Investments	302,904	-	-	302,904
Net current assets / liabilities	1,285,117	635,639	2,098,345	4,019,101
	<u>1,715,205</u>	<u>635,639</u>	<u>2,098,345</u>	<u>4,449,189</u>

For the year ended 31 March 2021

	Unrestricted funds	Designated funds	Restricted funds	Total
Tangible assets	115,207	-	-	115,207
Investments	288,360	-	-	288,360
Net 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>

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

21. Pensions

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £0 (2021 - £40).

22. Leasing agreements

	Land & buildings			Other
	2022	2021	2022	2021
	£	£	£	£
Expiring:				
Within one year	23,272	4,051	3,719	2,451
Between one and five years	15,704	23,554	4,191	143
In more than five years	108	109	-	-
	<u>39,084</u>	<u>27,714</u>	<u>7,910</u>	<u>2,594</u>

23. Related party disclosures

There were no related party transactions for the year ended 31 March 2022 (2021 – none).

24. Reconciliation of net income to net cash from operating activities

	2022	2021
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	989,099	1,523,445
Adjustments for:		
Investment income	(3,759)	(28,104)
Interest payable	11,724	-
Depreciation charges	26,398	26,673
Unrealised gains on investments	(14,464)	(44,130)
Interest paid	(19,580)	-
Decrease/(increase) in debtors	195,040	(1,118,612)
Increase/(decrease) in creditors	18,980	(52,488)
Net cash provided by operating activities	<u>1,203,438</u>	<u>306,784</u>

Pioneering Care Partnership

Report to the Trustees following the audit of the financial
statements for the year ended 31 March 2022





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

26 July 2022

Dear Trustees

Audit for the year ended 31 March 2022

Following the completion of our audit fieldwork on the financial statements of Pioneering Care Partnership for the year ended 31 March 2022 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 12 July 2022.

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

Contents



	Page
Audit overview	4-5
Significant matters arising from the audit	6-7
System and control weaknesses	8
Appendices	
Developments in the Sector	9-11
Letter of Representation	12-14



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 2022 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 2022 to be £40,500 with performance materiality being £32,700.

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 2022.

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 21 April 2022) 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 and existence 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 supporting documentation



Pioneering Care Partnership

Significant matters arising from the audit

MATTER IDENTIFIED	AUDIT IMPACT	RESPONSE
ISA 540 – Accounting estimates ISA 540 includes revised audit requirements that are more specifically directed at the components of an accounting estimate.	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 The revised ISA 570 requires more reporting to ensure that the underlying budget assumptions and forecasts are realistic and free from management bias.	The auditor's will perform a detailed review of the directors' assessment of the going concern and the information provided for a period of at least 12 months post audit report date.	We undertook a review of managements assessment of going concern, including stress testing budgets provided to us. The entity remains a going concern for the year ended 31 March 2022.
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 have enquired with management of any frauds during the year, through discussions and review of records during the audit. These procedures have been detailed within the audit report in line with the changes to the ISA.



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
During a walkthrough on reception sales income, it was noted that there was a lack of segregation of duties between the member of staff cashing the monies in the bank and the person entering the details on the nominal.	A 3-way check between the till records, cash banked and nominal should be undertaken.	Low	Systems and processes have been checked and refined to take account of suggestions at Audit. Segregation is now achieved through the following; 1. Daily cashing up sheets to be scanned and emailed to the Finance generic email address; 2. This daily record will then be stored on the finance system; 3. A separate member of the finance team will complete the banking and the ledger; 4. Quarterly a sample will be spot checked by the Finance Manager. This process will be implemented from 1st September 2022



Pioneering Care Partnership

Appendix A – Developments in the sector

Charity Commission publications

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

- Protect your charity from fraud and cyber crime (October 2021)
- Prepare a charity annual return (July 2021) – update on filing extensions
- Independent examination of charity accounts; guidance for trustees (July 2021) – updated to reflect the use of electronic signatures
- Coronavirus (Covid-19) guidance for the charity sector (October 2021) – updates made to charity meetings and insolvency help for charities
- Charity reporting and accounting: the essentials (July 2021)
- Charities and terrorism (June 2021) – Chapter 1 of the compliance toolkit has been updated to reflect UK counter-terrorism legislative developments
- Charity purpose and rules (November 2020) – details the rules you must follow to govern your charity
- Charity Commission guidance (November 2020) – guidance to help you set up and run a charity
- Managing conflicts of interest in a charity (November 2020)
- Reporting serious incidents to the Charity Commission during the coronavirus pandemic (June 2020)

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

5-minute guides for charity trustees

In February the Charity Commission issued bite-sized guidance to refresh trustees knowledge in various topics, these included; purpose, finance, conflicts of interest, decisions and support.

<https://www.gov.uk/government/collections/5-minute-guides-for-charity-trustees>



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.

The initial guidance has been updated throughout the pandemic with recent guidance adding some insolvency guidance to charities.



Pioneering Care Partnership

Appendix A – Developments in the sector

SORP – Second Edition

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

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

The next version of the Charity SORP was discussed at the July 2020 SORP Committee meeting. Future changes to the Charity SORP will be closely tied to more general developments in UK accounting practice and the next update of FRS102, the financial reporting standard upon which the SORP is based. As a result we can now expect that a draft of the next version of the Charity SORP will be published no earlier than July 2022, with a consultation and finalisation process taking up to a year to complete. It is hoped that the next version of the Charity SORP will then be finalised no later than October 2023 and will come into force for accounting periods beginning on or after 1 January 2024. This means the existing version of the Charity SORP will remain in force for a few years yet.

Streamlined energy and carbon reporting framework

The Streamlined Energy and Carbon Reporting (SECR) legislation was implemented on 1 April 2019. The new regulations apply to quoted and large unquoted companies, including charitable companies. The new regulations require companies to disclose their energy and carbon emissions in their annual report. Charities who fall below this threshold are not prevented from including these disclosures should they wish to improve transparency.

The requirements, as a minimum include reporting on UK energy use from electricity, gas and transport fuel, and associated greenhouse gases, and narrative reporting on measures taken to improve the businesses' energy efficiency in the year. Further details on climate related reporting can be found in guidance issued by the FRC in October 2019, Climate Change Reporting: Where to next.

Filing charity annual returns during the coronavirus pandemic

The Charity Commission has identified during the pandemic that the charity sector have faced a number of challenges, to show their support they have offered extensions to the filing of the annual return. This has recently been reviewed and for charities with an imminent filing deadline from 1 July to 30 September you can continue to apply for a fixed three month extension from the date of application.

This would need to be done by emailing filingextension@charitycommission.gov.uk



Pioneering Care Partnership

Appendix B – Letter of representation

Haines Watts
17 Queens Lane
Newcastle upon Tyne
NE1 1RN

To whom it may concern,

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 2022. 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 28 July 2021 under the Charities Act 2011 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 charity 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 charity has satisfactory title to all assets and there are no liens or encumbrances on the charity'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. The methods, data and significant assumptions used by us in making the accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

Loans and arrangements

13. The charity 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 charity and have made appropriate disclosures within the financial statements.
- 19. We believe that the charities 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 charities 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