

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Company Registration Number: 04061592
Charity Number: 1084083

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

CONTENTS	PAGES
Members of the Board and professional advisers	1
Trustees' annual report	2 to 13
Auditors' report	14 to 16
Statement of financial activities	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 to 35

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST
MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS
YEAR ENDED 31 MARCH 2021

The board of trustees

David Barker
Ian Dodds
Paul Ennals
Michael Pratt
Fiona Wharton
Alison Dunn
Donna Bulmer
Kasia Kurowska (retired March 2021)
Jennifer McAteer
David Robinson
Steven Duckworth
Michael Fawole
Edward Kunonga
Kerry Robinson
Kumareswaradas Ramanathas

Company secretary

Carol Ownsworth (nee Botten)

Registered office

4th Floor
MEA House
Ellison Place
Newcastle upon Tyne
Tyne and Wear
NE1 8XS

Accountants

Debére Limited
Chartered Accountants
Swallow House
Parsons Road
Washington
Tyne and Wear
NE37 1EZ

Auditors

Read, Milburn & Co
Chartered Accountants
71 Howard Street
North Shields
Tyne and Wear
NE30 1AF

Bankers

Unity Trust Bank Plc
Four Brindleyplace
Birmingham
B1 2HB

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2021

The trustees, who are the directors of the organisation for the purpose of Company Law, present their annual director's report together with the charity's financial statements for the year ended 31 March 2021, which are also prepared to meet the requirements of a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2019.

Reference and administrative details

Name: Voluntary Organisations' Network North East (VONNE)

Charity Registration Number: 1084083

Registered Office: 4th Floor, MEA House, Ellison Place, Newcastle upon Tyne NE1 8XS

Company Registration Number: 4061592

Names of the charity trustees at the date this report was approved:

Chair: Sir Paul Ennals

Treasurer: Donna Bulmer

Trustees:

Vice Chair: David Barker MBE

Ian Dodds, Fiona Wharton, Mike Pratt, Kerry Robinson, Alison Dunn, Jenny McAteer, David Robinson, Kasia Kurowska*, Steven Duckworth, Michael Fawole, Professor Edward Kunonga and Kumareswaradas Ramanathas

*retired March 2021

Company Secretary: Carol Ownsworth (nee Botten)

Key Management Personnel: Carol Botten, Chief Executive; Anne Fry, Deputy Chief Executive

Bankers: Unity Trust Bank plc, Four Brindleyplace, Birmingham, B1 2HB

Accountants: Debére, Swallow House, Parsons Road, Washington, Tyne and Wear, NE37 1EZ

Auditors: Read Milburn & Company, 71 Howard Street, North Shields, Tyne & Wear NE30 1AF

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2021

Structure, governance and management

Governing document

The organisation is controlled by its governing document, the Articles of Association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006, and is a registered charity.

Recruitment and appointment of new trustees

The VONNE trustee board has between three and fifteen members. Trustees to the VONNE board are nominated and elected from the membership. Notice is sent to all members prior to the Annual General Meeting (AGM), with each member organisation entitled to vote. Up to six trustees may be appointed by serving trustees for their particular expertise, qualifications, and knowledge.

Induction and training of new trustees

New trustees have a full induction delivered by the chief executive and key team members prior to attending their first board meeting. They are provided with an induction pack containing all the key information about VONNE, Charity Commission guidance, role descriptions and other relevant materials.

Organisational structure

VONNE is managed by a Board of Trustees elected from the membership and governed by the Memorandum and Articles of Association.

The board takes all strategic decisions relating to VONNE, including:

- Receiving and reviewing reports from the chief executive and company secretary;
- Acting as the formal employer of VONNE's staff, ensuring that activity and performance is regularly reviewed and evaluated;
- Monitoring and assessing the financial position of VONNE, including budget setting;
- Developing, reviewing and monitoring VONNE's strategic plan and annual work plan to influence and direct VONNE's work;
- Agreeing and reviewing appropriate policies and ensuring VONNE meets its legal responsibilities;
- Communicating relevant information and views gathered outside of VONNE to staff and trustees. There is a finance sub-group which reports to the board on finance, internal policy and HR issues.

Risk management

Trustees reviewed the risk register this year and monitor it regularly with a full review annually. Trustees are confident that risks have been identified, appropriate preventative measures are in place and remedial activities are available. VONNE's financial processes are regularly reviewed both by the board and externally, to ensure they continue to be robust.

Indemnity insurance

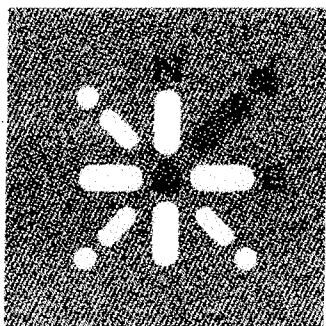
VONNE has professional indemnity insurance cover, in respect of the trustees and officers of the charity.

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2021

VONNE'S mission



To support the development and sustainability of a strong, effective and well governed Voluntary, Community and Social Enterprise (VCSE) sector, and promote engagement, involvement and collaboration within the sector as a valued partner.

VONNE's strategic aims 2015-2021

- To be the expert source of knowledge and intelligence on the VCSE sector in the North East.
- To be a source of information to the VCSE sector on issues that impact upon it.
- To raise the North East sector's profile and be a leading voice on its behalf.
- To support external stakeholders to effectively engage and collaborate with the VCSE sector.
- To support the North East VCSE sector to be effective, ambitious and enterprising.
- VONNE also aims to be an effective and sustainable organisation.

VONNE's values

- Striving for excellence
- Transparency
- Inclusivity and fairness
- Learning and sharing

Public benefit

- VONNE's objectives provide benefit to the public in the North East region of England (area of benefit) by promoting and supporting the effectiveness of voluntary and community organisations.
- Trustees of VONNE confirm they have read and paid due regard to the Charity Commission's guidance on public benefit. The trustees confirm they've complied with their duties under Section 4 of the Charities Act 2011 with regard to public benefit. Having considered the guidance, the trustees have concluded that the work of VONNE directly supports and strengthens the VCSE sector in the North East with information and support, and strengthens the VCSE sector's ability to influence policy and practice in the region.

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2021

ANNUAL REVIEW

VONNE membership

Our 1,290 members, 45 percent of whom are Membership+ supporters (a membership scheme with enhanced benefits for a variable fee), allow us to continue our work to strengthen and support the VCSE sector in the North East. Around 72 percent of our overall Membership+ supporters renewed during the financial year.

While this is a reduction compared to the previous year, it should be acknowledged that the financial implications of the Covid-19 pandemic are beginning to be felt more keenly across the North East VCSE community. The VONNE team has been working from home since mid-March 2020, and member services are being delivered as normal, with stakeholder events now hosted exclusively on digital platforms such as Zoom and Microsoft Teams.

VONNE jobs

Our job and trustee advertising services continue to develop, and we have made some improvements to our website to make it easier and clearer to find information about each of our services in this area, which has led to a number of enhanced service requests, the income from which will be realised in the new financial year as detailed below.

Our jobs pages receive an average of around 20,500 page views each month, and we advertised almost 700 job and trustee vacancies in sector organisations across the region through the year. Both these figures represent decreases on last year that can be attributed to the ongoing disruption of the pandemic, as the difference was most marked in the first few months after the initial lockdown. We are now seeing numbers return to more normal levels.

This year we also pledged to always #ShowTheSalary as part of a national campaign to promote transparency and encourage fairer wages across the VCSE sector.

Developing our member services

This year, in preparation for the opening up of workplaces as lockdown restrictions ease, we launched our Workspace Finder, which gives organisations an opportunity to collaborate with those in the private sector, as well as to diversify and be more enterprising in a changed operating landscape, while helping VONNE become more sustainable.

We are marketing the service, which allows advertisers to promote their event spaces, meeting rooms, hot-desking facilities and offices for use by members of the VCSE community, in such a way that becoming a Membership+ or Associate Membership+ supporter is encouraged. As yet, there has been no income from the Workspace Finder as its launch is in its infancy, with an introductory offer in place, including free credits for members, to encourage people to explore its potential. While easing, lockdown restrictions also remain in place.

Our enhanced recruitment services, however, have generated an income of £2,900 from four contracts throughout the year, with an additional pipeline of £4k from recently secured contracts.

Information and intelligence

We raise the profile of the sector and ensure it is valued as an equal partner. We are an expert source of intelligence on the sector and provide information to the sector on the issues that affect it.

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2021

Our ebulletins

Our various ebulletins inform the North East VCSE sector on relevant news and events, providing up to date funding opportunities, job and trustee vacancies, and news on criminal justice and health and wellbeing matters. Last year we sent a total of 133 ebulletins to more than 8,200 opted-in subscribers, which is a slight decrease on 2019/2020 as the Funding Information North East (FINE) bulletin was temporarily open to all through much of 2020/2021 due to the pandemic. However, the figure is in line with pre-Covid subscriber levels, and numbers are consistently increasing month on month.

VCS Emergencies Partnership

VONNE is the regional Liaison Lead for the VCS Emergencies Partnership project, which escalates unmet needs linked to the Covid-19 pandemic identified by the VCSE sector, and shares local intelligence with regional and national structures to inform responses and influence policy decisions.

VCSE Sector Surveys

In May and November 2020 we surveyed the region's VCSE sector to gather intelligence on the impact of Covid-19 on people and communities. Across the two surveys we had more than 600 responses and were able to share the intelligence back to the sector, to funders and commissioners, and to statutory agencies such as local authorities, combined authorities and Local Enterprise Partnerships (LEPs). In the North East LEP area, our findings formed the basis of the impact on the VCSE sector detailed as part of a wider Covid impact report.

EU exit implementation group

Through our membership of the EU Exit Implementation Group, the North East VCSE sector's voice was heard in national conversations around Brexit and its impact, and we are now working to minimise any disruption to the sector due to our exit from the EU.

The UK Shared Prosperity Fund (UKSPF) is due to launch by April 2022, and the publication of the UKSPF Investment Framework is due in mid to late 2021. Although further consultation on the fund is likely to be minimal, VONNE intends to be involved in shaping and supporting bids into the Community Renewal Fund in 2021/22, which will help shape and test various approaches to inform the UKSPF.

VONNE is well positioned nationally to engage in the roll out of the UKSPF through our role on the European Social Investment Fund (ESIF) Growth Programme Board, North East LEP area ESIF sub-committee, and the UKSPF Employment Related Services Association (ERSA)/National Council for Voluntary Organisations' (NCVO) joint working group.

Partnerships and collaboration

We facilitate networks to strengthen the voluntary, community and social enterprise sector and act as a 'connector', bringing people and organisations together to make things happen.

Networks

We provide learning opportunities and encourage collaboration through our Membership+ supporter scheme and CEO Peer Support Network, which is a benefit of silver and gold Membership+ that usually meets monthly but initially met weekly following the onset of Covid-19, to collaborate on scenario planning and shared concerns emerging from the pandemic. The network, which is open to the CEOs of silver and gold Membership+ supporters, is now meeting monthly again.

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2021

Networks *continued*

We facilitate the North East and Cumbria Funders' Network, through which we share information and support funders to collaborate and better support grant applicants. In early 2020 we took a place-based approach to increase practical information exchange and partnerships, and more effectively align resources with needs. We met more regularly as a network, and shared emerging thinking and approaches to Covid response and recovery funding over the course of the year. We also consulted with the network and our stakeholders across the sector to produce a series of reports detailing the key asks of funders, commissioners, the government and other agencies, as well as from the sector itself, to aid the region's ongoing recovery from the Covid-19 crisis.

We are a key partner of the North East Social Leaders Network, the North of Tyne Combined Authority Inclusive Economy Board, and within the North East LEP, on which our CEO serves as a board member, we represent the sector on the North East Skills Advisory Panel, and the Employment Inclusion and Progression Steering Group. We facilitate the VCSE Skills, Inclusion and Employment Focus Group to feed in and back to these structures.

We have facilitated the North East Building Better Opportunities Network, bringing projects together with representatives from both the North East LEP and Tees Valley Combined Authority to ensure learning and legacy can be fed into UKSPF plans and wider employability provision and policy.

As members of the North East Child Poverty Commission, we worked with other members and the North East Chamber of Commerce to demand urgent government action to address the levels of child poverty in the region, and widen access to free school meals.

We support networks of Local Infrastructure Organisations (LIOs) across the region, bringing them together both to facilitate joint working, and to disseminate relevant policy information from VONNE to their grassroots member groups.

Continuing partnership projects include:

- **Safer Culture North East** with LIOs from across the region, which was reconfigured due to Covid-19, and supports organisations to understand their safeguarding responsibilities when delivering digital services. The project highlights the importance of safeguarding to informal community and mutual aid groups and delivers online training sessions for participants across the North East region.
- **Local Access Redcar & Cleveland and Hartlepool (LARCH)**, which is tackling local inequality by boosting the Tees Valley's social economy through enterprise development support and access to blended social investment. We are finalising programme plans and will be launching LARCH in 2021.
- **Small Charity Week North East** with LIOs and other partner organisations, to support and celebrate our region's smallest charities, which make up around 90 per cent of the sector. This year, the focus will be on inclusion.
- The **VONNE Climate Action Alliance**, which, having been through the Catalyst-funded Definition programme, is in the process of engaging with potential member organisations from across the VSCE sector to support the region's communities to confront the climate crisis. Learning is being shared with members and stakeholders. VONNE has also signed the Climate Coalition's declaration stating the time is now to lead the UK towards a healthier, greener and fairer future.
- The cross-sectoral **North East England Climate Coalition (NEECCo)**, hosted by VONNE, continues to work towards a regional approach to address the climate emergency, ecological collapse and the need for a just transition.

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2021

Networks *continued*

- **Developing a VCSE community hub with the MEA Trust at MEA House:** Focus groups have now been held with stakeholders and feedback shared with the MEA Trust to develop a proposal that will be considered during a period of consultation with the VCSE sector.

New partnerships and projects that are in development or have launched so far in 2021 include:

- **The National Lottery Community Fund's Digital Infrastructure programme**, which will allow us to use and improve the quality of our data to strengthen our offer to the VCSE sector and share our learnings to benefit all members.
- With Social Value UK, hosting a series of **Inspiring Impact webinars** to encourage and empower iterative evaluation of organisational activities, to demonstrate value and drive effective investment across the sector.
- Working with **Digital City** Teesside University to develop a digital offer to Tees Valley-based organisations, supporting them to access funds and expertise.
- Representing the VCSE community on the **Northumbria Local Resilience Forum Strategic Coordination Group** and various **local Covid-19 recovery groups**.

Health and wellbeing

VONNE is the lead VCSE partner in the North East and North Cumbria (NENC) VCSE Leadership Programme, an NHS England and NHS Improvement-funded scheme supporting the VCSE community to create alliances to facilitate a coordinated VCSE voice at Integrated Care System (ICS) level, and have greater strategic influence in emerging ICS governance structures resulting from the white paper, *Integration and Innovation: working together to improve health and social care for all*, which set out legislation to move ICSs onto a statutory footing.

To support this, VONNE launched the NENC Health and Wellbeing Network for VCSE organisations working across health and wellbeing, and the NENC VCSE Partnership Forum for senior managers responsible for organisational policy and strategy, to act as a representative group with whom external stakeholders can engage. VONNE recruited a Deputy Programme Manager to support this.

We have supported the ICS mental health programme board to recruit a VCSE mental health lead in partnership with Blue Stone Collaborative, and a focused sub-group of the Partnership Forum has been formed to engage mental health VCSE organisations across the NENC ICS. Resource has been secured to continue this for a further year.

VONNE represented the VCSE community in collaboration with the regional NHS Charities Together lead, ICS leads and regional community foundations to provide £1.4m emergency grant funding for innovative social and healthcare partnerships to support communities impacted by Covid-19. We're a partner in the public health and-ICS led Covid-19 Health Inequalities Impact Assessment Steering Group, exploring the pandemic's direct and indirect impact on vulnerable and at-risk groups. As part of this, we worked with NENC Applied Research Collaboration (ARC) health inequalities researchers and public health leads to produce qualitative research into this; more in-depth work is now underway to explore longer-term impacts on these groups and the VCSE that supports them.

In addition, VONNE represents the National Academy for Social Prescribing (NASP) in the North East and Yorkshire as the regional lead for *Thriving Communities*, a programme for voluntary, community, faith and social enterprise groups supporting communities impacted by Covid-19. More than 70 leaders have joined the associated regional *Learning Together* programme, to share learning, gain ideas, access funding and develop partnerships across sectors. NASP is extending the contract for 12 months and we're working with them to shape the future programme.

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2021

Health and wellbeing *continued*

Our Health and Wellbeing Associate acts as the NENC Social Prescribing Facilitator, working with NHS England and NHS Improvement to support its regional roll out. As part of this, the area's 70 primary care networks and partners have been supported to recruit a total of 176 social prescribing link workers, supporting patients with referrals to wider social support and activities often provided by the VCSE.

VONNE is co-lead for a North East pilot project supported by the author Ann Cleaves, who has donated funds matched by five local authorities to get recruitment of community reading facilitators underway, to help people access books to improve their health and wellbeing.

Digital and innovation

Supported by the Innovation SuperNetwork and the European Regional Development Fund (ERDF), our programme of sectoral support has helped the region's VCSE community understand and embrace digital technology and innovation throughout a year marked by Covid-19 and multiple lockdowns.

Immediately following the announcement of a UK-wide lockdown we opened our 'Tech Lunch Tuesday' drop-in sessions with our digital technology specialists to encourage questions, facilitate discussion, and help members of the VCSE community make cross-sector connections. We supported the sector to understand how to innovate online with a two-part webinar and accompanying guide to implementation, and delivered the following further workshops:

- *How to innovate through change and uncertainty*: helping participants understand how to innovate, not simply to cope with the pandemic, but as an opportunity to rethink provision.
- *Design Hops*: three workshops that introduced charities to the possibilities of digital and demystified technology, using a tried and tested method to explore problems and begin to develop solutions.
- *Strategically thinking the unthinkable*: a personal story of a merger and step by step demystification of the process.
- *Moving from non-racist to anti-racist for the VCSE sector*: helping members of the VCSE community understand how to become actively anti-racist as individuals, and embed that work in organisations.
- *Planning your lockdown three exit strategy*: empowering the sector to think through the huge array of issues to consider during the daunting process of bringing staff back from extended periods of furlough and/or remote working.

Throughout the year, the issue of digital exclusion and poverty was a recurring theme in conversations in the sector. In June 2020, VONNE convened a roundtable event to bring people working in this space together and identify issues and challenges. The learning from this work informed planned delivery and we worked in collaboration with Not Equal, Open Lab at Newcastle University to support the design of workshops that aimed to understand the interventions that are successful in tackling digital exclusion, producing a good practice guide for the sector.

We are also champions of the Charity Digital Code, using the code principles ourselves, and empowering organisations to embed it as well.

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2021

Criminal justice

Our partnership with Clinks ensures the voluntary sector in the North East is kept up to date with changes to criminal justice policy, in partnership with local organisations and agencies, to build strategic relationships and represent voluntary organisations within local statutory structures.

Clinks' development work in the North East focuses on listening to local need and ensuring voluntary organisations have their voices heard both locally and nationally. As part of this, informal Criminal Justice Hour sessions have been introduced online, to provide those working in the system an arena to share opportunities, challenges and offer peer support to one another throughout the pandemic. We conducted research through this partnership to capture the impact of lockdown on the prison system, and monitoring is ongoing. Finally, our bulletins were sent out more frequently to keep up with changing developments and requirements of lockdown.

The area development officer provides support to voluntary sector organisations working in criminal justice, and gathers frontline intelligence to inform Clinks' national policy work and strategic direction, in preparation for the new probation model being introduced in June 2021.

We continue to support and develop *Making Every Adult Matter* (MEAM) in Durham, Middlesbrough and Redcar & Cleveland, to better meet the needs of, and improve outcomes for adults facing multiple disadvantage. Through better partnership and cross-sector working, MEAM advocates for wider system change and this has led to increased co-commissioning opportunities.

Support and resilience

We provide the sector with funding information and encourage consideration of different funding streams. We also work to increase understanding among funders of the sector's needs.

Last year, we:

- Continued our community support and engagement work with Northern Powergrid, recruiting and facilitating a new *Future Fairness Panel* of representatives from VCSE organisations across the north, to amplify the needs of 'seldom heard' voices with planning and engagement processes.
- Supported the North East Charity Awards to pivot to a virtual platform in light of Covid-19 lockdown restrictions, to celebrate and promote the sector's vital work across the region despite the pandemic.
- Kept up to date with funding information and opportunities through our FINE service. Usually a benefit of Membership+ support, at the outset of the pandemic we made the online searchable FINE directory open access, and FINE ebulletins were sent to all VONNE subscribers for around six months.

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW

The 2020/21 financial year saw a significant growth of overall income (85.8%) and expenditure (33.8%) from the previous financial year, due in part to new project development and funding for our work addressing the climate emergency, engaging the VCSE sector with the ICS, and Safer Culture North East project, as well as other project funds, including more than £70k in charitable grants for our work to support the sector through the pandemic. Our core earned income from membership fees and job advertising dipped significantly in the first quarter but recovered to pre-pandemic levels by the end of the year.

At year end, we achieved a surplus of almost £85k on the general unrestricted fund, a better position than budgeted for due to additional income and reduced core costs. In addition, we spent some designated funds consistent with our strategic objectives and against allocations made towards the end of the previous financial year. We had a planned surplus of restricted funds totalling just under £80k, relating to income for a number of projects spanning the 2020-2021 and 2021-2022 financial years. We anticipate these to be spent in 2021-2022.

In response to the Covid-19 pandemic, the trustees have prepared forecasts for 2021-2023 to take into account the potential impact on VONNE of possible scenarios on funding, alongside measures that can be taken to mitigate these. Based on these assessments and the current reserves position, the trustees have concluded they can continue to adopt the going concern basis in preparing the annual report and financial statements.

Reserves policy

VONNE believes it is important to maintain a reserves policy to ensure effective resource management, and to enable financial viability and longer-term sustainability. Four key elements have been taken into consideration to assess a realistic level of reserves. These are:

1. The reliability of current income sources and new income opportunities.
2. Expenditure on planned activities.
3. Future needs, contingencies and risks.
4. Consequences of being unable to meet forecast needs.

VONNE has no endowment funding and has no significant capital assets it could earn from, or dispose of, to realise additional income. Significant levels of activity are funded through grants or contracts from the public and charitable sectors, but these resources are generally time-limited and are usually restricted by the funder. Uncertainties are compounded by the anticipation of further public spending cuts. In addition, the board considers there to be higher levels of uncertainty around funding and income streams for infrastructure organisations. As a consequence, a conservative reserves policy is considered the most appropriate.

The VONNE board uses a continual process of careful financial management, and will aim to review, establish and maintain adequate reserves to enable the organisation to function effectively. A cautious approach to investment is adopted, maximising income by using interest-earning, short-term, accessible bank accounts.

The board will review annually the amount of funds designated for specific purposes, such as maternity and sickness salary cover, redundancy liability, and organisational development funds (outlined in full below). In addition, the board agrees to hold six to twelve months running costs, with a target of nine months' general unrestricted reserves, to continue VONNE's activities should anticipated income not be received.

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2021

Designated funds

The current total amount of Designated funds carried forward for specific purposes is £188,126. Over and above these amounts, VONNE holds a total of £87,693 in general unrestricted reserves, which would be sufficient to continue VONNE's core activities for just under seven months should anticipated income not be received.

Since core costs change from year to year and have such an influence over the total level of reserves required, all elements of this policy will be reviewed bi-annually in June and December, or more frequently if required by the board.

The trustees wish to allocate the unrestricted closing reserve level of £275,819 in the following manner:

Project development and innovation fund A project development fund to support new initiatives and unforeseen project activities to strengthen the VCSE sector in the North East or the sustainability of VONNE.	£40,000
European Regional Development Fund (ERDF) Innovation Clusters match fund Agreed match funding for this ERDF-funded project to support innovation in the North East VCSE sector.	£16,665
Repair and renewals fund To meet the ongoing costs of repairing and replacing capital equipment, and in particular IT equipment.	£2,500
Maternity cover and jury service reserve To meet the additional costs of maternity pay and cover, or the costs of longer-term sick leave or jury service.	£45,377
Redundancy fund To cover the costs of redundancy for individuals whose posts may be lost during a restructure or as a result of funding streams coming to an end. Redundancy costs are calculated on the basis of current weekly pay.	£28,584
Organisational development fund To meet the development costs of new income generation/sustainability activities for VONNE, including significant staff development investments. Any activities funded would include a proportion of related staff costs.	£40,000
COVID-19 working arrangements reconfiguration fund To meet the specific costs of any COVID-19 related reconfigurations to the VONNE office or working practices.	£5,000
Office reconfiguration To meet the costs of longer-term reconfigurations to the VONNE office to enable a more flexible working space.	£10,000
TOTAL DESIGNATED FUNDS	£188,126
Unrestricted (free) reserves	£87,693

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2021

Statement of trustees' responsibilities

The trustees (who are also the directors of Voluntary Organisations' Network North East 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year that 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 apply them consistently;
- observe the methods and principles in the charity Statement of Recommended Practice (SORP) (FRS102);
- make judgements and estimates that are reasonable and prudent;
- prepare financial statements on an ongoing 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, 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.

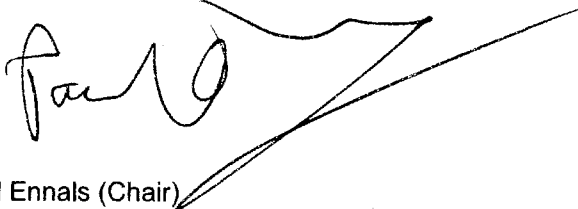
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware;
- and the trustees have taken all steps 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 Read, Milburn & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:



Sir Paul Ennals (Chair)

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Voluntary Organisations' Network North East (the 'charitable company') for the year ended 31 March 2021 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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 Auditors' 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 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 Annual Report, 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST
YEAR ENDED 31 MARCH 2021

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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.

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST
YEAR ENDED 31 MARCH 2021

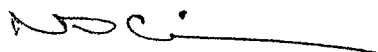
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. In this regard, our procedures include the following:

- Enquiry of management around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Liley FCA (Senior Statutory Auditor)
for and on behalf of Read, Milburn & Co
71 Howard Street
North Shields
Tyne and Wear
NE30 1AF

Date: 15/10/21.....

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2021

		Unrestricted Funds			Total Funds 2021	Total Funds 2020
	Notes	General Funds £	Designated Funds £	Restricted Funds £	£	£
INCOME FROM:						
Voluntary income	4	300	–	–	300	320
Investment income	5	3,156	–	–	3,156	3,149
Charitable activities	6	<u>343,602</u>	<u>–</u>	<u>348,453</u>	<u>692,055</u>	<u>370,793</u>
TOTAL INCOME		<u>347,058</u>	<u>–</u>	<u>348,453</u>	<u>695,511</u>	<u>374,262</u>
EXPENDITURE ON:						
<i>Charitable activities</i>		<u>(261,122)</u>	<u>(24,066)</u>	<u>(268,556)</u>	<u>(553,744)</u>	<u>(413,794)</u>
TOTAL EXPENDITURE	7	<u>(261,122)</u>	<u>(24,066)</u>	<u>(268,556)</u>	<u>(553,744)</u>	<u>(413,794)</u>
NET INCOME/(EXPENDITURE)		85,936	(24,066)	79,897	141,767	(39,532)
Transfers between funds	15	<u>(95,123)</u>	<u>73,177</u>	<u>21,946</u>	<u>–</u>	<u>–</u>
Net movement in funds	8	(9,187)	49,111	101,843	141,767	(39,532)
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>96,880</u>	<u>139,015</u>	<u>–</u>	<u>235,895</u>	<u>275,427</u>
TOTAL FUNDS CARRIED FORWARD		<u>87,693</u>	<u>188,126</u>	<u>101,843</u>	<u>377,662</u>	<u>235,895</u>

All of the above amounts relate to continuing activities.

The notes on pages 20 to 35 form part of these financial statements

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

Registered Number 04061592

BALANCE SHEET

31 MARCH 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	11	8,053	9,591 ¹
Tangible assets	12	<u>5,295</u>	<u>4,424</u>
		13,348	14,015
CURRENT ASSETS			
Debtors	13	160,543	196,055
Cash at bank and in hand		<u>536,253</u>	<u>285,269</u>
		696,796	481,324
CREDITORS			
Amounts falling due within one year	14	<u>(332,482)</u>	<u>(259,444)</u>
NET CURRENT ASSETS		364,314	221,880
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>377,662</u>	<u>235,895</u>
NET ASSETS		<u>377,662</u>	<u>235,895</u>
The funds of the charity:			
Unrestricted funds:			
General fund		87,693	96,880
Designated funds		<u>188,126</u>	<u>139,015</u>
		275,819	235,895
Restricted funds		<u>101,843</u>	<u>—</u>
TOTAL FUNDS	15	<u>377,662</u>	<u>235,895</u>

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

The trustees acknowledge their responsibilities for complying with the requirements of Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the Board of Directors on 9/9/21 and signed on their behalf by:



Donna Bulmer (Treasurer)

The notes on pages 20 to 35 form part of these financial statements

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

STATEMENT OF CASH FLOWS

31 MARCH 2021

	Notes	2021 £	2020 £
Cash generated from operating activities	17	<u>253,918</u>	<u>18,655</u>
Net cash from operating activities		<u>253,918</u>	<u>18,655</u>
Cash flows from investing activities			
Purchase of intangible assets		(3,000)	(13,750)
Purchase of tangible assets		(3,090)	(4,767)
Interest received		<u>3,156</u>	<u>3,149</u>
Net cash used in investing activities		<u>(2,934)</u>	<u>(15,368)</u>
Net increase/(decrease) in cash and cash equivalents		250,984	3,287
Cash and cash equivalents at beginning of year		<u>285,269</u>	<u>281,982</u>
Cash and cash equivalents at end of year		<u>536,253</u>	<u>285,269</u>

The notes on pages 20 to 35 form part of these financial statements

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1 Accounting policies

Accounting convention

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) effective from 1 January 2019, the Charities Act 2011 and UK Generally Accepted Accounting Practice.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the levels of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. In response to the COVID-19 pandemic, the trustees have considered the impact on their business, alongside the measures they can take to mitigate the impact. Based on the assessments made in order to mitigate the current adverse conditions, and the current resources available, the trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Income

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

The income shown in the statement of financial activities represents the value of all services delivered during the year, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the charity has fulfilled its contractual obligations to the customer.

Grant income

Revenue grants are credited to incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specific future period, in which case they are deferred.

Resources expended and Irrecoverable VAT

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.

Irrecoverable VAT is charged against the category of resources expenses for which it was incurred.

Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises' overheads have been allocated on an apportionment basis and other overheads have been allocated on an apportionment basis.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1 Accounting policies (*continued*)

Intangible assets

Intangible assets are initially recorded at cost and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

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

Website development	–	33% on cost
---------------------	---	-------------

Tangible fixed assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

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

Fixtures and fittings	–	33% on cost
Computer equipment	–	33% on cost

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

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

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1 Accounting policies *(continued)*

Financial instruments

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

Statement of cash flow

The charity has prepared a statement of cash flow on the basis that they are defined as a large charity.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

Designated funds include amounts allocated to various funds by the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when 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.

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.

Operating lease agreements

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

Capital commitments

The charity has no contractual commitments at the year end.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

2. Company Status

The company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

3 Statement of Financial Activities for the prior year

Unrestricted Funds					
	Notes	General Funds £	Designated Funds £	Restricted Funds £	Total Funds 2020 £
INCOME FROM:					
Voluntary income	4	320	—	—	320
Investment income	5	3,149	—	—	3,149
Charitable activities	6	<u>261,684</u>	<u>—</u>	<u>109,109</u>	<u>370,793</u>
TOTAL INCOME		<u>265,153</u>	<u>—</u>	<u>109,109</u>	<u>374,262</u>
EXPENDITURE ON:					
Charitable activities		<u>(261,706)</u>	<u>(27,447)</u>	<u>(124,641)</u>	<u>(413,794)</u>
TOTAL EXPENDITURE	7	<u>(261,706)</u>	<u>(27,447)</u>	<u>(124,641)</u>	<u>(413,794)</u>
NET (EXPENDITURE)/INCOME		3,447	(27,447)	(15,532)	(39,532)
Transfers between funds	15	<u>(61,555)</u>	<u>61,555</u>	<u>—</u>	<u>—</u>
Net movement in funds	8	(58,108)	34,108	(15,532)	(39,532)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>154,988</u>	<u>104,907</u>	<u>15,532</u>	<u>275,427</u>
TOTAL FUNDS CARRIED FORWARD		<u>96,880</u>	<u>139,015</u>	<u>—</u>	<u>235,895</u>

4 Voluntary income

	Unrestricted 2021 £	2020 £
Donations	<u>300</u>	<u>320</u>

5 Investment income

	Unrestricted 2021 £	2020 £
Deposit account interest receivable	<u>3,156</u>	<u>3,149</u>

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

6 Income from resources from charitable activities

	Grant income £	Sales and events £	Total Restricted Funds £	Total Unrestricted Funds £	Total 2021 £	Total 2020 £
Policy & Consultancy Projects	92,015	93,436	92,315	93,136	185,451	160,683
Health & Wellbeing Projects	19,000	118,118	54,000	83,118	137,118	27,800
Climate Emergency Projects	113,476	–	113,476	–	113,476	20,000
Covid 19 Response & Recovery Projects	78,662	–	78,662	–	78,662	–
Connect Fund North East – Investing for Social Impact	–	–	–	–	–	8,000
Funding Information North East	10,000	–	10,000	–	10,000	12,000
North East Funders Network	–	10,000	–	10,000	10,000	10,000
VONNE – Core Income	<u>82,000</u>	<u>75,348</u>	<u>–</u>	<u>157,348</u>	<u>157,348</u>	<u>132,310</u>
Total	395,153	296,902	348,453	343,602	692,055	370,793

7 Charitable activities costs

	Direct costs £	Depreciation £	Support Costs £	Events & Meetings £	Governance costs £	Total Funds 2021 £	Total Funds 2020 £
Policy & Consultancy Projects	194,234	1,068	8,166	800	271	204,539	170,695
Health & Wellbeing Projects	73,391	929	8,173	–	235	82,728	27,800
Climate Emergency Projects	81,996	688	5,729	131	175	88,719	35,100
Covid 19 Response & Recovery Projects	51,739	447	3,353	–	113	55,652	–
Connect Fund North East – Investing for Social Impact	–	–	–	–	–	–	23,532
FINE	10,400	–	99	–	–	10,499	12,000
North East Funders Network	9,933	8	57	–	2	10,000	10,000
VONNE – Core Expenditure	<u>68,761</u>	<u>3,617</u>	<u>27,304</u>	<u>253</u>	<u>1,672</u>	<u>101,607</u>	<u>134,667</u>
Total	490,454	6,757	52,881	1,184	2,468	553,744	413,794

Direct costs are made up as follows:

	2021 £	2020 £
Staff costs (per note 10)	285,315	242,335
Recruitment costs	120	–
Research and consultancy	199,700	90,744
Travel and subsistence	4,894	8,945
Training projects	<u>425</u>	<u>6,950</u>
	490,454	348,974

Governance costs are made up as follows:

	2021 £	2020 £
AGM expenses	173	876
Auditors' remuneration	<u>2,295</u>	<u>2,250</u>
	2,468	3,126

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

8 Net movement in funds

Net movement in funds are stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	2,295	2,250
Depreciation – owned assets	2,219	829
Website development amortisation	4,538	4,159
Rent	<u>15,195</u>	<u>15,518</u>

9 Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

During the year ended 31 March 2021, expenses of £nil (2020: £nil) were reimbursed to no trustee (2020: none) for travel costs incurred within the year.

10 Staff costs

	2021	2020
	£	£
Wages and salaries	248,935	209,884
Social security costs	18,780	15,997
Pension costs	<u>17,600</u>	<u>16,454</u>
	<u>285,315</u>	<u>242,335</u>

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

	2021	2020
Chief Executive Officer	1	1
Staff	<u>8</u>	<u>7</u>
	<u>9</u>	<u>8</u>

No employees received emoluments in excess of £60,000 (2020: £60,000).

The total remuneration and benefits paid to key management amounted to £96,298 (2020: £93,194)

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

11 Intangible fixed assets

	Website Development £
COST	
At 1 April 2020	39,135
Additions	3,000
Disposals	<u>(25,385)</u>
At 31 March 2021	16,750
AMORTISATION	
At 1 April 2020	29,544
Charge for the year	4,538
Amortisation written off in the year	<u>(25,385)</u>
At 31 March 2021	8,697
NET BOOK VALUE	
At 31 March 2021	<u>8,053</u>
At 31 March 2020	<u>9,591</u>

12 Tangible fixed assets

	Fittings and fittings £	Computer Equipment £	Total £
COST			
At 1 April 2020	10,476	22,992	33,468
Additions	—	3,090	3,090
Disposals	<u>—</u>	<u>(15,522)</u>	<u>(15,522)</u>
At 31 March 2021	10,476	10,560	21,036
DEPRECIATION			
At 1 April 2020	10,302	18,742	29,044
Charge for year	102	2,117	2,219
Disposals	<u>—</u>	<u>(15,522)</u>	<u>(15,522)</u>
At 31 March 2021	10,404	5,337	15,741
NET BOOK VALUE			
At 31 March 2021	<u>72</u>	<u>5,223</u>	<u>5,295</u>
At 31 March 2020	<u>174</u>	<u>4,250</u>	<u>4,424</u>

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

13 Debtors: Amounts falling due within one year

	2021	2020
	£	£
Trade debtors	152,989	182,193
Prepayments	4,490	5,469
Accrued income	3,064	7,993
Other debtors	<u>—</u>	<u>400</u>
	<u>160,543</u>	<u>196,055</u>

14 Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	3,558	36,129
Taxation and social security	22,612	21,017
Accruals	20,207	5,502
Deferred income	284,747	194,080
Other creditors	<u>1,358</u>	<u>2,716</u>
	<u>332,482</u>	<u>259,444</u>

Accrued and Deferred income

Included in accruals and deferred income / prepayments and accrued income are the following provisions for deferred income/(accrued income):

	<i>1 April</i> 2020	Receivable	Released	31 March 2021
	£	£	£	£
Membership income	16,788	33,877	(32,058)	18,607
Connect Fund North East - Barrow Cadbury Trust	(1,000)	—	1,000	—
VONNE Climate Action Alliance Catalyst Definition Programme	—	—	(1,350)	(1,350)
ERDF: Catalysing Innovation in NE Clusters	(5,125)	10,207	(6,446)	(1,364)
North East Climate Coalition – NENC Integrated Care System	60,000	60,000	(47,126)	72,874
Safeguarding Partnership – funded jointly by Dept. for Digital Culture Media and Sport and the National Lottery Community Fund	8,625	57,470	(66,095)	—
Design Hops – CAST	2,200	—	(2,200)	—
NENC ICS VCSE Leadership Programme	66,467	86,260	(64,594)	88,133
CVD Network	10,000	—	(10,000)	—
Sir James Knott Trust – Ageing Well Community of Practice	30,000	—	(30,000)	—
Local Access Programme	(1,868)	19,442	(17,574)	—
Northern Powergrid – Events	—	18,100	(12,967)	5,133
NASP	—	67,484	(17,484)	50,000
Digital Infrastructure Project – National Lottery Community Fund	—	50,000	—	50,000
Recruitment Support Services	<u>—</u>	<u>2,550</u>	<u>(2,900)</u>	<u>(350)</u>
	<u>186,087</u>	<u>405,390</u>	<u>(309,794)</u>	<u>281,683</u>

The deferrals included in creditors relate to those grants, donations and income specified as relating to a specific period and represent those parts of the grants, donations or income which relate to periods subsequent to the accounting year end and are treated as grants or income in advance, or alternatively where there are conditions which must be fulfilled prior to entitlement or use of the grant or donation by the charity.

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

15 Movement in funds

For the year ended 31 March 2021	<i>At 1 April 2020</i> £	Net movement in funds £	Transfers between funds £	At 31 March 2021 £
Unrestricted funds				
General funds	96,830	83,313	(95,123)	85,020
Yes We Can Leadership	50	(50)	—	—
Northern Powergrid – Event Co-ordination	—	1,633	—	1,633
North of England Commissioning	—	—	—	—
Support – VCSE Engagement in Health	—	1,040	—	1,040
	96,880	85,936	(95,123)	87,693
<i>Designated funds:</i>				
Project development & innovation fund	20,000	—	20,000	40,000
Redundancy fund	17,644	—	10,940	28,584
Repair and replacement fund	2,500	(4,698)	4,698	2,500
Maternity, sickness & jury service reserve	43,253	(750)	2,874	45,377
Organisational development fund	22,000	—	18,000	40,000
COVID-19 working arrangements	—	—	—	—
reconfiguration fund	5,000	—	—	5,000
Office reconfiguration fund	10,000	—	—	10,000
ERDF Innovation Clusters Match fund	18,618	(18,618)	16,665	16,665
	235,895	61,870	(21,946)	275,819
Restricted funds				
Connect Fund North East – Investing for				
Social Impact	—	(885)	885	—
Funding Information North East	—	(499)	499	—
ERDF: Catalysing Innovation in North East				
Clusters	—	(20,562)	20,562	—
Local Access Programme – Access				
Foundation	—	726	—	726
CVD Networks – VCS Engagement	—	9,750	—	9,750
VONNE Climate Action Alliance – Lankelly				
Chase	—	24,757	—	24,757
Ann Cleeves Community Reading				
Facilitators	—	34,600	—	34,600
COVID-19 Response Grant National Lottery				
Community Fund	—	21,278	—	21,278
PHE Health Inequalities/ COVID-19	—	9,000	—	9,000
COVID-19 Recovery – County Durham				
Community Foundation	—	1,732	—	1,732
	—	79,897	21,946	101,843
TOTAL FUNDS	235,895	141,767	—	377,662

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

15 Movement in funds (continued)

For the year ended 31 March 2021 (continued)

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources Expended £	Movement in funds £
Designated funds			
Repair and replacement fund	–	(4,698)	(4,698)
Maternity, sickness and Jury fund	–	(750)	(750)
ERDF Innovation Clusters Match fund	–	<u>(18,618)</u>	<u>(18,618)</u>
	–	(24,066)	(24,066)
Unrestricted funds			
General Fund	88,804	(5,491)	83,313
Yes We Can Leadership	–	(50)	(50)
Millfield House Foundation	42,000	(42,000)	–
Sir James Knott Trust – Ageing Well Community of Practice	30,000	(30,000)	–
Clinks	50,124	(50,124)	–
Northern Powergrid – Community Engagement	14,880	(14,880)	–
North East Funders Network - National Lottery Community Fund	10,000	(10,000)	–
Northern Powergrid – Event Co-ordination	12,967	(11,334)	1,633
Development & Co-ordination Support MEA Trust	15,165	(15,165)	–
National Academy for Social Prescribing	17,484	(17,484)	–
NENC Integrated Care System VCS Leadership Programme	<u>65,634</u>	<u>(64,594)</u>	<u>1,040</u>
	347,058	(261,122)	85,936
Restricted funds			
Funding Information North East	10,000	(10,499)	(499)
ERDF: Catalysing Innovation in NE Clusters	6,446	(27,008)	(20,562)
Connect Fund North East – Investing for Social Impact	–	(885)	(885)
Local Access Programme – Access Foundation	17,574	(16,848)	726
Safeguarding Partnership – funded jointly by Dept, for Digital Culture Media and Sport and the National Lottery Community Fund	66,095	(66,095)	–
North East England Climate Coalition – North of England Commissioning Support	37,126	(37,126)	–
North East Climate Coalition – Community Foundation Tyne & Wear and Northumberland	10,000	(10,000)	–
Design HOPS	2,200	(2,200)	–
VONNE Climate Action Alliance Catalyst Discovery Programme Definition	1,350	(1,350)	–
CVD Networks – VCS Engagement	10,000	(250)	9,750
VONNE Climate Action Alliance – Lankelly Chase	60,000	(35,243)	24,757
Ann Cleeves Community Reading Facilitators	35,000	(400)	34,600
COVID-19 Response Grant – County Durham Community Foundation	6,000	(6,000)	–
COVID-19 Response Grant Community Foundation Tyne & Wear & Northumberland	10,000	(10,000)	–
COVID-19 Response Grant National Lottery Community Fund	38,602	(17,324)	21,278
VONNE Climate Action Alliance Catalyst Discovery Programme	5,000	(5,000)	–
PHE Health Inequalities/ COVID-19	9,000	–	9,000
VCS Emergencies Partnership - NAVCA	9,500	(9,500)	–
County Durham Community Foundation – Covid	5,000	(3,268)	1,732
Community Foundation Tyne & Wear and Northumberland Dept for DCMS (Big Night In)	<u>9,560</u>	<u>(9,560)</u>	<u>–</u>
	348,453	(268,556)	79,897
TOTAL FUNDS	<u>695,511</u>	<u>(553,744)</u>	<u>141,767</u>

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

15 Movement in funds (continued)

<i>For the year ended 31 March 2020</i>	<i>At 1 April 2019 £</i>	<i>Net movement in funds £</i>	<i>Transfers between funds £</i>	<i>At 31 March 2020 £</i>
Unrestricted funds				
General funds	154,988	3,397	(61,555)	96,830
Yes We Can Leadership	<u>—</u>	<u>50</u>	<u>—</u>	<u>50</u>
	154,988	3,447	(61,555)	96,880
Designated funds:				
Project development & innovation fund	16,443	(21,681)	25,238	20,000
Redundancy fund	10,577	—	7,067	17,644
Repair and replacement fund	5,000	(4,698)	2,198	2,500
Maternity, sickness & jury service reserve	35,897	(1,068)	8,424	43,253
Organisational development fund	36,990	—	(14,990)	22,000
COVID-19 working arrangements reconfiguration fund	—	—	5,000	5,000
Office reconfiguration fund	—	—	10,000	10,000
ERDF Innovation Clusters Match fund	<u>—</u>	<u>—</u>	<u>18,618</u>	<u>18,618</u>
	259,895	(24,000)	—	235,895
Restricted funds				
Connect Fund North East – Investing for Social Impact	<u>15,532</u>	<u>(15,532)</u>	<u>—</u>	<u>—</u>
	15,532	(15,532)	—	—
TOTAL FUNDS	<u>275,427</u>	<u>(39,532)</u>	<u>—</u>	<u>235,895</u>

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

15 Movement in funds (continued)

For the year ended 31 March 2020 (continued)

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources Expended £	Movement in funds £
Designated funds			
<i>Project Development & Innovation Fund</i>	–	(21,681)	(21,681)
<i>Maternity, sickness and Jury Fund</i>	–	(1,068)	(1,068)
<i>Repair and replacement</i>	–	(4,698)	(4,698)
	–	(27,447)	(27,447)
Unrestricted funds			
<i>General Fund</i>	92,779	(89,382)	3,397
<i>Millfield House Foundation</i>	42,000	(42,000)	–
<i>Hadrian Trust</i>	1,000	(1,000)	–
<i>Clinks</i>	47,509	(47,509)	–
<i>Northern Powergrid – Community Engagement</i>	14,880	(14,880)	–
<i>Yes We Can Leadership Training</i>	7,000	(6,950)	50
<i>The National Lottery Community Fund</i>	10,000	(10,000)	–
<i>Northern Powergrid – Event Co-ordination</i>	9,933	(9,933)	–
<i>Development & Co-ordination Support MEA</i>			
<i>Trust</i>	12,252	(12,252)	–
<i>North of England Commissioning Support –</i>			
<i>VCSE engagement in health</i>	27,800	(27,800)	–
	265,153	(261,706)	3,447
Restricted funds			
<i>Funding Information North East</i>	12,000	(12,000)	–
<i>ERDF: Catalysing Innovation in NE Clusters</i>	14,081	(14,081)	–
<i>Connect Fund North East – Investing for Social</i>			
<i>Impact</i>	8,000	(23,532)	(15,532)
<i>Local Access Programme – Access</i>			
<i>Foundation</i>	11,868	(11,868)	–
<i>VCSE Sustainability Partnership Project</i>			
<i>(Development Phase) – National Lottery</i>			
<i>Community Fund</i>	11,655	(11,655)	–
<i>Safeguarding Partnership – funded jointly by</i>			
<i>Dept, for Digital Culture Media and Sport and</i>			
<i>the National Lottery Community Fund</i>	31,505	(31,505)	–
<i>North East Climate Coalition – North of</i>			
<i>England Commissioning Support</i>	10,000	(10,000)	–
<i>North East Climate Coalition – Community</i>			
<i>Foundation Tyne & Wear and Northumberland</i>	10,000	(10,000)	–
	109,109	(124,641)	(15,532)
TOTAL FUNDS	374,262	(413,794)	(39,532)

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

15 Movement in funds (*continued*)

Designated Funds:

The designated funds were established in 2007/08 for the initial support or extensions to special projects and are reviewed annually by the trustees. They are as follows:

Organisational Development Fund

To meet the development costs of new income generation/sustainability activities for VONNE including significant staff development investments. Any activities funded would include a proportion of related staff costs. In order to meet the expected costs of the 'Business Development Plan' a transfer has been made.

Project Development & Innovation Fund

A project development fund to support new initiatives and unforeseen project activities to strengthen the VCSE sector in the North East or the sustainability of VONNE. The fund was increased in the year in order to improve the VCSE sector and allocate further resources.

Maternity, Sickness and Jury Service Fund

To cover additional staffing costs due to extended periods of absence. The fund has been increased slightly in the year, in order to match the increases in salary costs.

ERDF Innovation Clusters Match Fund

Funding committed to match ERDF funding for the Innovation Clusters project. Due to the project continuing to 2023, a transfer has been made into designated reserves to match the forecasted spends.

Repairs & Renewals Fund

To meet the on-going costs of repairing and replacing capital equipment, and in particular IT equipment. A transfer was made this year in order to maintain the brought forward fund balance.

Redundancy Fund

To cover the costs of redundancy for individuals whose posts may be lost during restructure or as a result of funding streams coming to an end. This was increased in the year due to the length of service with staff continuing to increase.

COVID-19 Working Arrangements Reconfiguration Fund

To meet the specific costs of COVID-19 reconfigurations to the VONNE office.

Office Reconfiguration Fund

To meet the costs of longer-term reconfigurations to the VONNE office to enable a more flexible working space.

Unrestricted Funds:

They are as follows:

Millfield House Foundation

Strategic partner core funding to support the work of VONNE.

Sir James Knott Trust – Professor James Retirement Donation "Community of Interest" (in the care of the frail and elderly community in the NE)

Held in trust by VONNE to support work agreed with the Ageing Well Community of Practice – grant passed onto Pioneering Care Partnership to support the delivery of a social prescriber/ health coach pilot project.

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

15 Movement in funds *(continued)*

Clinks

Engagement of the VCSE in criminal justice policy and practice.

County Durham Community Foundation

Unrestricted core grant to support the work of VONNE through Membership+ bursaries.

Development & Coordination Support MEA Trust

To deliver development and coordination support activities with tenants of MEA House and the wider VCSE sector.

Hadrian Trust

Unrestricted core grant to support the work of VONNE through Membership+ bursaries.

Northern Powergrid Community Engagement

Partnership work with Northern Powergrid to support their engagement with the VCSE sector and services for vulnerable customers.

Northern Powergrid – Event Coordination

A contract to coordinate and deliver a Future Fairness Panel of VCSE organisations working with 'seldom heard' customers as part of their Stakeholder Engagement Programme.

North East Funders Network

To deliver North East Funders Network activities.

North of England Commissioning Support – VCSE engagement in health

To deliver engagement with the VCSE sector in health structures and workstreams.

Yes We Can Leadership Training

Leadership & management training for VCSE sector.

Charity Digital North East

Project development costs relating to supporting the VCSE sector with digital technology.

Restricted Funds:

They are as follows:

Connect Fund North East – Investing for Social Impact

To engage VCSE organisations and stakeholders in the North East to develop a strategy for social investment.

ERDF: Catalysing Innovation in NE Clusters

ERDF/ Innovate UK funded project to support the VCSE sector with innovation.

FINE – Funding Information North East

To provide funding information to North East VCSE sector organisations through e-bulletin and an online, searchable directory.

Local Access Programme – Redcar & Cleveland and Hartlepool

Development funding from Access Foundation for the Local Access enterprise development & blended finance programme in Redcar & Cleveland and Hartlepool.

North East Climate Coalition

Work to convene a cross-sectoral coalition across the North East to address the climate emergency, ecological breakdown and the just transition to a low carbon future.

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

15 Movement in funds *(continued)*

Safeguarding Partnerships

Funded jointly by Department for Digital Culture Media and Sport and The National Lottery Community Fund to disseminate NCVO safeguarding resources locally and deliver regular training sessions and create new or build on existing networks.

Design Hops – Cast

Funding from CAST (Centre for the Advancement of Social Technology) to host and facilitate Design Hop events in the North East.

VONNE Climate Action Alliance

An Alliance of 18 VCSE organisations seeking to support the wider VCSE sector to take climate action, and support nature and a just transition to a low carbon future. Funded by Lankelly Chase and the Catalyst Covid-19 Digital Discovery & Definition Programmes

CVD Networks – VCS Engagement

Funding to support VCSE engagement in Cardio-Vascular Disease prevention and treatment.

Ann Cleaves Community Reading Facilitators

Donation from author Ann Cleaves to support Community Reading Facilitators to help people access books to improve their health and wellbeing in five North East local authorities.

COVID-19 Response and Recovery Grants

Funding received from County Durham Community Foundation, Community Foundation Tyne & Wear and Northumberland, Dept. for Digital, Media, Culture & Sport (Big Night In) and the National Lottery Community Fund to fund VONNE's work to support the VCSE response to and recovery from the COVID-19 pandemic.

National Academy for Social Prescribing

Funding to deliver regional coordination role for the North East, Yorkshire & Humber on behalf of the national Academy for Social Prescribing.

Public Health England Health Inequalities/ COVID-19

Funding to support VCSE sector engagement in health inequalities/ COVID-19 research

VCS Emergencies Partnership – NAVCA

Funding for VONNE's North East regional Liaison Lead role with the VCS Emergencies Partnership, to promote the 'unmet needs' support service for the VCSE sector during the COVID-19 pandemic and facilitate intelligence and information sharing at a regional and sub-national level.

VOLUNTARY ORGANISATIONS' NETWORK NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

16 Analysis of net assets between funds

For the year ended 31 March 2021

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31 March 2021 £
Fixed assets	13,348	–	–	13,348
Net current assets/(liabilities)	<u>74,345</u>	<u>188,126</u>	<u>101,843</u>	<u>364,314</u>
	87,693	188,126	101,843	377,662

For the year ended 31 March 2020

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31 March 2020 £
Fixed assets	14,015	–	–	14,015
Net current assets/(liabilities)	<u>82,865</u>	<u>139,015</u>	<u>–</u>	<u>221,880</u>
	96,880	139,015	–	235,895

17 Cash generated from operating activities

	2021 £	2020 £
Net movement in funds	141,767	(39,532)
<i>Adjustments for:</i>		
Depreciation	6,757	4,988
Interest receivable	(3,156)	(3,149)
<i>Changes in:</i>		
Debtors	35,512	(163,056)
Creditors	<u>73,038</u>	<u>219,404</u>
Net cash used in operating activities	<u>253,918</u>	<u>18,655</u>

18 Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Within 1 year	–	1,245
Within 2 – 5 years	<u>–</u>	<u>–</u>

19 Related Party Disclosures

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 102.