

INVOLVE NORTH EAST
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2021

Charity Number 1116182
Company Number 05899382

INVOLVE NORTH EAST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2021

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TRUSTEES' REPORT
For the year ended 31 March 2021

The trustees, who are also directors of the charitable company for the purposes of company law, submit their annual report and the financial statements of Involve North East (the charitable company) for the year ended 31 March 2021.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and the 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).

OBJECTIVES AND ACTIVITIES

Policies and objectives

Involve North East's objects are the promotion and protection of the good health of the inhabitants of North East England. It does this by seeking to put patients, carers and the public at the heart of health and social care services.

Involve North East has 5 strategic objectives that were agreed by the Board. These are:

Objective 1: Gather community intelligence about health, wellbeing and social care services;

Objective 2: Use community intelligence to influence relevant commissioning and service plans;

Objective 3: Build effective working relationships with relevant partners and organisations;

Objective 4: Present information in simple, accessible and easily understood formats (e.g. from commissioners);

Objective 5: Train people with responsibility for involvement in best practice methods and techniques;

These objectives are met through a variety of activities and initiatives, including: organising and facilitating consultation events and research activities with members of the public, producing newsletters and other information bulletins, identifying areas where the needs of the population are not met by current services and therefore promoting the need for change and, identifying and promoting shared issues and trends within community health. We also deliver training to enable people to lead healthier lives, access health related services and to advocate for themselves and their communities in doing so. Since March 2020 we have made increasing use of digital technologies and online media to achieve our objectives.

Public benefit

Although the challenges of the last year meant face-to-face interviews and focus groups could no longer take place, we have continued our work by adapting and being flexible in making use of the new and existing communication channels open to us. Through online meetings, digital platforms and via the telephone Involve North East (INE) has worked closely with members of the public, service users, community groups, voluntary community and social enterprise (VCSE) sector partners, commissioners, providers and others to ensure the voice of service users is listened to and acted upon in decisions made about the healthcare services they receive.

INE is committed to tackling health inequalities and improving the overall health of the population in North East England. A significant part of our outreach is with people from disadvantaged backgrounds and people who typically find it hard to engage in decisions made about the health and social care services they receive. This relates to our strategic objectives of ensuring that the most excluded from mainstream society are given a voice in the planning and delivery of health and social care. As part of our delivery of the Engagement Service contract for NHS Newcastle and Gateshead Clinical Commissioning Group (NGCCG) we have been working closely with charities and community groups to better understand the needs of their service users from marginalised communities, to ensure we find the best way to include them and their views as part of our work.

ACHIEVEMENTS AND PERFORMANCE

Introduction

For all of us, the year just gone has been unlike any other. In the charity sector we are used to facing and overcoming challenges. That, after all, is why many charities were established in the first place. We can't yet see the full impact of Covid in terms of the health and wellbeing of people in the North East, and we may not for years to come. All we can do is what we have been doing: finding creative and innovative ways to engage, consult and research with members of the public and our partners across all sectors.

Having our IT systems online has been a huge advantage in enabling us to continue our work. Each member of our team has risen to the challenge of creating a home office space as we get on with our daily activities to the best of our ability. Beyond this, Covid has affected each and every one of us individually, and it's through times like these that you really have to be a team and support each other which is what we're committed to doing. We've tried to be a good and supportive partner to the organisations with which we work, both our commissioners and on the engagement side, and they have certainly been supportive and understanding in their relationships with us.

Despite the challenges of the last year we have still managed an impressive level of engagement and in the projects highlighted below you'll see how we did that.



Highlights of the year's activities

Below are just a few of the headline projects we've undertaken over the last twelve months that give a flavour of the wide-ranging portfolio of activities we're involved in and their impact on the people of the North East.

BSL Access to GP Services

One project, started last year, that we are just nearing the end of is aimed at making GP services in Newcastle and Gateshead become more accessible for British Sign Language (BSL), D/deaf and hard of hearing patients.

14.2 million people in the UK are hard of hearing or Deaf - that is one in five of the population. In 2003 BSL became recognised as a language, and it is the preferred language of over 87,000 Deaf people in the UK. Unfortunately, this group often have negative experiences accessing GP services and can come away from appointments not fully understanding what ailment they have or the dosage of medicine they are required to take, which has resulted in a lower quality of health for many people.

The guidance we have been helping to produce is aimed at supporting GPs become more aware of what they can do to make their services accessible to this group, so they have a more positive experience and therefore a better understanding of their health issues and the steps they need to take to maintain their wellbeing. The guide will identify a number of practical changes that can be made by GPs to make access easier, less stressful and more consistent across the Newcastle Gateshead CCG area. We are being supported by local deaf charities who have come onboard to review our guidance, highlight any changes needed and help us identify anything we have missed out.

One of the features of the guide is a pro forma letter that includes a QR code. The QR code links to a series of videos where the content of the letter is signed by a BSL professional, making it much more accessible for patients who rely on this means of communication. Feedback on the guidance has been positive and we look forward to seeing it implemented across our patch and beyond.

Online Student GP Registration

Each year for the past eight years we have supported Newcastle and Northumbria Universities with GP registration for students new to the area. As well as providing valuable support and information to students, this project has the added benefit of relieving pressure on frontline A&E services that many students were formerly accessing instead of going to their local GP.

The arrival of Coronavirus in 2020 has changed all of our lives. Young people have seen huge disruption to their education whether at school, college or university. In tandem with higher education institutions across the country, Newcastle and Northumbria Universities decided to suspend all Freshers Week activities, including on-site registration. Anticipating the suspension of campus-based events we began

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working and planning with both universities, the CCG and local GP practices on developing alternative ways to register students new to the area with a local practice of their choice.

It was clear from the outset that the most viable solution would be digital and having engaged a developer we set to work creating an online solution. By the end of the summer our Student GP Registration website was up and running and undergoing testing. Complete with an interactive map, this unique, advanced digital solution was designed to ensure students arriving in 2020 and thereafter are able to register online with a GP of their choice, granting access to all of the information, advice and support they need from a local GP, while staying safely socially distanced.

A full successful rollout in time for the September intake saw an uptake of over 5,000 students new to the city, with more adding their names each week. Whether 2021 sees a return or a partial return to campus-based events, we intend to keep the website up and running to offer students choice in registering with a GP in the most accessible way for them.

English for Health Videos

Recent studies* have indicated that inequalities exist in the delivery and uptake of healthcare, both geographically and across parts of the community. Some of the challenges faced in creating a fair and equal system are complex and linked to poverty, culture and ethnicity, whilst some are down to the complexity of the system itself.

Healthcare in the UK has been changing and developing since the inception of the NHS in 1948. With each passing decade new challenges have arisen along with new political agendas that have taken the NHS and all of the strands of its provision far beyond what could have been foreseen by its creators. It's no wonder then that to those newly arrived in the UK, without English as a first language it can seem to be a confusing picture.

Our English for Health project was based on sound evidence gathered for us by local charity JET who helped us to develop ESOL-friendly resources to deliver to groups across Newcastle and Gateshead. The aim of these resources was to support individuals to understand how healthcare works in the UK and how to access it, including making an appointment with a GP. Funded by the National Lottery and The Community Foundation serving Tyne and Wear, this pilot project was already up and running when Coronavirus arrived and with it our first national lockdown.

It was clear that we were not going to get back to face-to-face work for the foreseeable future and therefore we needed to find alternative ways to get this important information across to the people the project was set up to help. Our initial attempts at using Zoom group meetings went fairly well but we quickly realised that to get the message out more widely a radically different approach was needed. In the summer of 2020 we hit upon the idea of developing a series of online information videos. Each would contain the same information as our English for Health modules and each would have interactive Q&A sections to help

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people test their knowledge afterwards. Having informed our funders we put the work out to tender and in the autumn engaged Silver Lining Animation to undertake the work.

The results have exceeded our expectations and all three videos are now available on our website. With the support of our partners and followers on social media these have been promoted through networks to help reach the people who need them most. This is a new direction of travel for us but one we feel has the potential for future development.

* For example The Northern Health Science Alliance (NHSA), 'COVID-19 and the Northern Powerhouse: Tackling Health Inequalities for UK Health and Productivity'

PLANS FOR FUTURE PERIODS

In the lead up to our most recent Board and Team Away Day an Enterprise Group was created to review what has worked well previously, explore new opportunities, and identify potential gaps in service delivery. Following the Away Day a series of Task and Finish Group meetings will take forward the project ideas deemed to have the greatest potential. The aim is to build upon our existing portfolio, expanding the range of current projects where it is feasible to do so and developing new initiatives to meet identified gaps.

One of these projects will be phase two of English for Health. In line with our objectives, the development of further resources supporting those who do not have English as a first language will address health inequalities for those who identify as ethnically marginalised. Initial research is underway to better understand how these resources can be focused and how to make them as accessible as possible.

Further project ideas have been scored and ranked and will be developed throughout the year with the support of our Enterprise Group. In addition to our work delivering the Engagement Service for Newcastle Gateshead Clinical Commissioning Group, our plans include the creation of a stable, diverse range of activities, diversifying our income streams and meeting the needs of the local community.

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REFERENCE AND ADMINISTRATIVE INFORMATION

Company number	05899382
Charity number	1116182
Trustees	Frances Blackburn (Chair) Lynda Cox (Deputy Chair) Jennifer Harrison (Appointed 21 st January, 2021) Jennifer Johnson (Appointed 21 st January, 2021) Andrea McGrattan (Appointed 21 st January, 2021) Ruth Rogan (Resigned 19 th Nov 2020) Neina Sheldon Niamh Storey Stephen Telford
Company secretary	Sandra Lambrou
Chief Executive	Andrew White
Registered office	Carnegie Building Atkinson Road Newcastle upon Tyne NE4 8XS
Independent examiner	Jim Dodds Connected Voice Business Services Ltd Higham House Higham Place Newcastle upon Tyne NE1 8AF
Bankers	Unity Trust Bank 9 Brindley Place Birmingham B1 2HB
Solicitors	David Gray Old County Court 56 Westgate Road Newcastle upon Tyne NE1 5XU

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

Involve North East has a Board of eight members who meet at least six times each year. The Board brings expertise from a wide range of professional backgrounds. Their principle role is to:

- Ensure that Involve North East has a clear vision and strategy for the future
- Support the Chief Executive and staff team
- Monitor the performance of the organisation against its strategy and plans

Financial management of the organisation is considered to be the responsibility of all trustees who go through the financial reports and cash flow projections at Board meetings. Nominations and remuneration are reviewed by the Board on an annual basis.

At our September Board meeting, Trustees decided to update our Board structure with the creation of a Deputy Chair role. Having sought nominations, Lynda Cox was duly appointed Deputy Chair at the AGM held in November. To further strengthen our governance, a successful recruitment campaign in the autumn has led to three new trustees joining the Board, adding new skills and expanding our networks in addition to the existing expertise available to us at director level.

Governing Documents

The charitable company is registered as a charity and a company limited by guarantee and is governed by its Articles of Association.

Method of Appointment or Election of Trustees

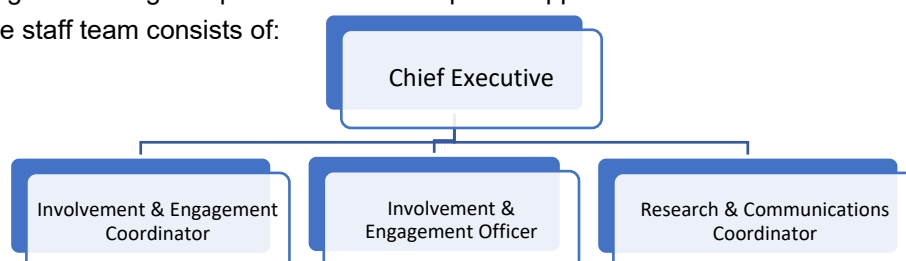
The trustees are elected from the membership of Involve North East. Any member of the charitable company can nominate himself or herself to the Board of Trustees. Those elected then agree the position of Chair and other officers.

Policies adopted for the induction and training of Trustees

All newly appointed trustees are given an induction pack including the most recent Annual Report and financial statements, a history of the charitable company and an indication of the forthcoming trustees' meetings. All trustees are offered the opportunity to attend training courses run by VCSE support organisations such as Connected Voice.

Human Resources

All staff members have taken part in regular team and line management meetings to ensure delivery against plans and targets. A range of training and professional development opportunities were made available to staff during the year. The staff team consists of:



Information Technology

Our IT infrastructure involves the use of a secure online file sharing system using Microsoft Sharepoint. Fully password protected, this can be accessed both in the office and when working remotely. During the lockdown, each member of the team has been working from home and have been supported in the creation of a suitable 'home office'. Each of our laptops has been fully encrypted to provide an additional level of security. Team members have their own workspace on Sharepoint as well as access to areas required for their work. Access to HR and finance records is restricted to the Chief Executive.

Having undertaken training and advice we are fully compliant with the CCG's Information Governance policies and systems and with GDPR legislation. We have successfully completed and published the Information Governance Toolkit assessment summary in line with NHS supplier requirements.

Our website www.involve.org.uk is kept up to date with our latest reports and news. Our team have the necessary skills and experience to carry out updates and develop the website further as our requirements demand. We make use of email 'newsflashes' and social media such as Twitter to promote our work and to highlight forthcoming events and activities. Our 'digital portfolio' is expanding into new areas including online GP registration for students, training and resource videos, and interactive Zoom sessions, making our support and engagement more accessible.

Risk management

The Board is responsible for the management of the risks to which the Charity is exposed. A risk register is produced which considers financial, governance and delivery risks. From this a risk matrix diagram is produced.

For each risk the register identifies:

- Initial risk assessment in terms of impact and likelihood
- Initial risk rating
- Counter measures
- Responsibility / ownership
- Timescale
- Amended risk assessment in terms of impact and likelihood
- Amended risk rating

The Board reviews the risk register and risk matrix annually. Through the counter measures put in place in the risk register and the regular reviews and updates, the Board is satisfied that the major risks identified have been adequately mitigated. It is recognised that this approach can only provide reasonable but not absolute assurance that major risks have been adequately managed.

In addition, the trustees operate an annual rolling programme to review all internal policies and procedures on a regular basis. The trustees have a Gifts and Hospitality policy, requiring all offers of gifts or hospitality worth more than £25 and related to the work of Involve North East to be registered. A central register of such offers is held alongside the Register of Interests.

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FINANCIAL REVIEW

Review of the year

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

During the year the Charity had income of £171,099 (2020: £201,200) and expenditure of £153,880 (2020: £173,604). There was an operating surplus of £17,219 (2020: surplus £29,826).

At 31 March 2021 the Charity had net assets of £138,802 (2020: £121,583), of which £131,802 was unrestricted (2020: £107,583) and £nil was restricted (2020: £14,000), analysed in the balance sheet set out on page 13.

Budgets are set annually by the Board and performance against the budget is monitored by the trustees at each meeting.

Reserves policy

The trustees have agreed a policy of maintaining unrestricted reserves at a level which would cover operating costs for up to 6 months. This figure is reviewed annually, due to changing staffing and premises liabilities, and currently stands at £90,000. The unrestricted reserves were £138,802 at 31 March 2021, resulting in a current surplus of £17,219.

Investment policy and performance

The Trustees have determined to hold all unutilised balances on deposit with Nationwide Building Society and Unity Trust Bank Plc for the time being.

Principal funding

The principal funding of the charitable company during the year was from NHS Newcastle Gateshead Clinical Commissioning Group (NGCCG). The charitable company is in the third year of our funding agreement under the NHS Standard Contract for the provision of the Engagement Service for NGCCG until March 2022, with the option of a further twelve month extension.

Pension

Two staff at Involve North East were members of the Tyne and Wear Local Government Pension Scheme. However, a number of years ago the Trustees decided, in light of increased liabilities, to close this scheme to new applicants. Alternative arrangements for new staff members have been made with The Pension Trust.

Involve North East has a subsumption agreement in place with Newcastle City Council for any deficit that may arise on termination of the Tyne and Wear pension scheme (see note 13). This agreement effectively means that the charity has no financial pension risk in the event of closure. There is no associated liability with The Pensions Trust if members leave or the in the event of termination of our agreement with them.

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Pay policy for senior staff

Involve North East's pay structure references the National Joint Council for Local Government Services' salary scales, which are nationally recognised pay scales used by a number of organisations including local authorities.

All trustees give their time freely and no trustee received remuneration in the year.

TRUSTEES RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENT

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Trustees on 18th November 2021 and signed on their behalf by:

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Frances Blackburn
Chair

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 March 2021

I report on the financial statements of Involve North East for the year ended 31 March 2021, which are set out on pages 12 to 22.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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

Jim Dodds
Connected Voice Business Services Ltd
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF
Date:

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STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING SUMMARY INCOME & EXPENDITURE ACCOUNT)

For the year ended 31 March 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income from:					
Charitable activities					
Grants and contracts	6	171,049	-	171,049	200,923
Investments	7	50	-	50	277
Total income		171,099	-	171,099	201,200
Expenditure on:					
Charitable activities					
Operation of the charity	8	139,880	14,000	153,880	157,833
Defined benefit pension liability	9	-	-	-	13,541
Total expenditure		139,880	14,000	153,880	171,374
Net income/(expenditure) and net movement of funds		31,219	(14,000)	17,219	29,826
Reconciliation of funds					
Total funds brought forward		107,583	14,000	121,583	91,757
Total funds carried forward		138,802	-	138,802	121,583

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities

The notes on pages 14 to 22 form an integral part of these accounts.

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Charity Number 1116182

Company Number 05899382

BALANCE SHEET

As at 31 March 2021

	Notes	£	Total 2021 £	£	Total 2020 £
<u>Fixed assets</u>					
Tangible assets	15		1,830		4,624
Total fixed assets			1,830		4,624
<u>Current assets</u>					
Debtors	16	1,746		604	
Cash at bank and in hand	17	142,982		126,407	
Total current assets		144,728		127,011	
Creditors: amounts falling due within one year	18	(7,756)		(10,052)	
Net current assets			136,973		116,960
Total assets less current liabilities			138,802		121,583
Total net assets or liabilities			138,802		121,583
<u>Funds of the charity</u>					
Unrestricted income funds			138,802		107,583
Restricted income funds			-		14,000
Total funds			138,802		121,583

The company was entitled to an exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with the respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

The notes on pages 14 to 22 form an integral part of these accounts.

These financial statements were approved by the Board on:

and are signed on its behalf by:

Frances Blackburn
Chair

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2 Basis of accounting

2.1 Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts 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 1 January 2019) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Involve North East meets the definition of a public benefit entity under FRS 102.

2.2 Preparation of the accounts on a going concern basis

The charity reported total unrestricted funds at the yearend £138,802 of and has already secured a significant amount of funding for the current year. The financial statements have been prepared on a going concern basis. In making their assessment the trustees have reviewed and considered relevant information, including their annual budget and future cash flows. In response to the COVID-19 pandemic, the trustees have revised their forecasts to take into account measures that they can take with the current resources available to mitigate the impact of the current adverse conditions. The trustees are of the view that the immediate future of the charity for the next 12 months is secure and that on this basis the charity is a going concern.

3 Income

3.1 Recognition of income

Income is recognised when the charity has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is more likely than not that the resources will be received and the monetary value can be measured with sufficient reliability

3.2 Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by FRS102 SORP or FRS102.

3.3 Grants and donations

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria of income recognition are met.

3.5 Volunteer help

The value of volunteer help received is not included in the accounts but is described in the trustees' annual report.

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For the year ended 31 March 2021

3.6 Interest receivable

Interest 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.

3.7 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

4 Expenditure and liabilities

4.1 Liability recognition

Liabilities are recognised when it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

4.2 Charitable activities

Expenditure on charitable activities includes the costs of consulting with local communities on health issues and other activities undertaken to further the purposes of the charity and their associated support costs.

4.3 Governance and support costs

Support costs have been allocated between governance cost and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

4.4 Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

4.5 Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

4.6 Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

5 Assets

5.1 Tangible fixed assets for use by the charity

Individual fixed assets costing £100 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Fixtures and fittings	15% Straight line
Office and computer equipment	25% Straight line

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

Analysis of income

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
6 Charitable activities				
<u>Income from grants</u>				
Awards for All	-	-	-	10,000
Community Foundation	-	-	-	4,000
<u>Income from contracts</u>				
NHS Newcastle Gateshead CCG	156,033	-	156,033	167,078
Student GP registration	9,253	-	9,253	14,699
Commissioned activities/training	926	-	926	2,146
Other	4,837	-	4,837	3,000
	<u>171,049</u>	<u>-</u>	<u>171,049</u>	<u>200,923</u>
7 Income from investments				
Interest - deposits	50	-	50	277
	<u>50</u>	<u>-</u>	<u>50</u>	<u>277</u>

Income was £171,099 (2020: £201,200) of which £171,099 was unrestricted or designated (2020: £187,200) and £nil was restricted (2020: £14,000).

INVOLVE NORTH EAST

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

Analysis of expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
8 Charitable activities				
<u>Direct costs</u>				
Wages and salaries	108,641	5,940	114,581	124,009
Event costs	6,443	8,060	14,503	5,449
Staff travel	-	-	-	712
Printing, postage, stationery & equipment	465	-	465	1,374
Insurance	561	-	561	878
Legal and professional	5,605	-	5,605	8,169
<u>Support costs</u>				
Premises costs	5,360	-	5,360	5,760
Staff training costs	102	-	102	152
IT maintenance and support	2,591	-	2,591	4,744
Communication costs	967	-	967	1,138
Subscriptions	70	-	70	1,171
Bank charges	134	-	134	163
Business development	3,174	-	3,174	114
Disposal of assets	553	-	553	-
Depreciation	2,241	-	2,241	2,347
<u>Governance costs</u>				
Independent examiner's fees for reporting on the accounts	1,572	-	1,572	1,572
Trustee expenses	-	-	-	82
Annual report and AGM	1,402	-	1,402	-
	<u>139,880</u>	<u>14,000</u>	<u>153,880</u>	<u>157,833</u>
9 Defined benefit pension liability				
Strain on the pension fund	-	-	-	13,541
	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,541</u>

Expenditure on charitable activities was £153,880 (2020: £171,374) of which £139,880 was unrestricted or designated (2020: £171,374) and £14,000 was restricted (2020: £nil).

10 Fees for examination of the accounts

	2021 £	2020 £
Independent examiner's fees for reporting on the accounts	1,572	1,572
Other accountancy services paid to the examiner	370	375
	<u>1,942</u>	<u>1,947</u>

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For the year ended 31 March 2021

11 Analysis of staff costs and the cost of key management personnel

	2021 £	2020 £
Salaries and wages	88,669	93,516
Social security costs	7,086	7,489
Pension costs (defined contribution pension plan)	21,748	22,432
Redundancy	-	915
	117,503	124,351

No employee received remuneration above £60,000 (2020: nil).

The key management personnel of the charity, comprise the Trustees and the Chief Executive Officer. The total employee benefits of the key management personnel of the charity were £19,048 (2020: £18,605).

12 Staff numbers

The average monthly head count was 4 staff (2020: 5 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2021 Number	2020 Number
The parts of the charity in which the employee's work		
Charitable activities	3.8	3.8
Governance	0.2	0.2
	4.0	4.0

13 Transactions with trustees

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

Trustees' expenses

The following detail the expenses incurred by the trustees.

	2021 £	2020 £
Travel	-	82
	-	82

Transaction(s) with related parties

There have been no related party transactions in the reporting period.

14 Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

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For the year ended 31 March 2021

15 Tangible fixed assets	Fixture and fittings	Office equipment	Total
	£	£	£
Cost			
Balance brought forward	1,420	9,546	10,966
Additions	-	-	-
Disposals	(1,263)	-	(1,263)
Balance carried forward	158	9,546	9,703
Depreciation			
Basis	SL	SL	
Rate	15%	25%	
Balance brought forward	711	5,631	6,342
Depreciation charge for year	24	2,104	2,127
Disposals	(597)	-	(597)
Balance carried forward	138	7,735	7,873
Net book value			
Brought forward	709	3,914	4,624
Carried forward	20	1,811	1,830
16 Debtors and prepayments (receivable within 1 year)	2021	2020	
	£	£	
Trade debtors	674	173	
Prepayments	1,072	431	
	1,746	604	
17 Cash at bank and in hand	2021	2020	
	£	£	
Short term deposits	90,349	77,938	
Cash at bank and in hand	52,634	48,469	
	142,982	126,407	
18 Creditors and accruals (payable within 1 year)	2021	2020	
	£	£	
Trade creditors	2,718	4,568	
Taxation and social security	1,094	1,672	
Defined benefit pension liability	2,372	2,075	
Accruals			
Independent examination of accounts	1,572	1,572	
Other accruals	-	164	
	7,756	10,052	

INVOLVE NORTH EAST

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

19 Pension commitments

Tyne and Wear Pension Fund

Involve North East staff participated in the Tyne and Wear Pension Fund, which has now been closed. This is a multi-employer defined benefit scheme.

The scheme is accounted for as a defined contribution scheme as the future service accrual contribution rate is assessed on a "grouped" basis and therefore it is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers. The amount recognised as an expense in the period was £19,573 (2020: £13,541). There were 2 (2020: 3) employees participating in the scheme during the year. An amount of £1,631 (2020: £1,873) was outstanding at the year end. The defined contribution liability is allocated to unrestricted funds.

There is an agreement in place with Newcastle City Council which guarantees they will pay any deficit that may arise on the termination of the pension scheme.

Scottish Equitable

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £2,175 (2020: £1,224).

There was a liability of £228 due to the pension provider at the 31 March 2021 (2020: £202)

20 Events after the end of the reporting period

No events (not requiring adjustment to the accounts) have occurred after the end of the reporting period but before the accounts are authorised which relate to conditions that arose after the end of the reporting period.

21 Analysis of charitable funds

Analysis of movements in unrestricted funds

For the year ended 31 March 2021

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Unrestricted funds					
General unrestricted fund	107,583	171,099	(139,880)	-	138,802
Totals	107,583	171,099	(139,880)	-	138,802

For the year ended 31 March 2020

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Unrestricted funds					
General unrestricted fund	91,757	187,200	(171,374)	-	107,583
Totals	91,757	187,200	(171,374)	-	107,583

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

21 Analysis of charitable funds (continued)

Purpose of unrestricted funds

General unrestricted fund

The 'free reserves' of the charity.

Analysis of movement in restricted funds

For the year ended 31 March 2021

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Restricted funds					
Awards for All	10,000	-	(10,000)	-	-
Community Foundation	4,000	-	(4,000)	-	-
Totals	14,000	-	(14,000)	-	-

For the year ended 31 March 2020

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Restricted funds					
Awards for All	-	10,000	-	-	10,000
Community Foundation	-	4,000	-	-	4,000
Totals	-	14,000	-	-	14,000

Purpose of restricted funds

Restricted funds represent income resources used for a specific purpose within the charity as identified by the donor.

Awards for All

To fund the project English for Health, teaching non English speakers how to access the health service.

Community Foundation

To fund the project English for Health, teaching non English speakers how to access the health service.

22 Capital commitments

As at 31 March 2021, the charity had no capital commitments (2020 -£nil).

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

23 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Tangible fixed assets	1,830	-	1,830
Cash at bank and in hand	142,982	-	142,982
Other net current assets/(liabilities)	(6,010)	-	(6,010)
	<u>138,802</u>	<u>-</u>	<u>138,802</u>

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Tangible fixed assets	4,623	-	4,623
Cash at bank and in hand	112,407	14,000	126,407
Other net current assets/(liabilities)	(9,448)	-	(9,448)
	<u>107,582</u>	<u>14,000</u>	<u>121,582</u>