

Company registration number: 05817797

Charity registration number: 1120968

NORTH EAST EQUALITY & DIVERSITY LIMITED

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

North East Equality & Diversity Limited

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 12
Independent Examiner's Report	13 to 14
Statement of Financial Activities	15
Statement of Financial Activities	16
Balance Sheet	17
Statement of Cash Flows	18
Notes to the Financial Statements	19 to 34

North East Equality & Diversity Limited

Reference and Administrative Details

Trustees	R Styring P Hignett H Pottle P Slater
Secretary	J Robb
Key Management Personnel	Mr Paul Chipchase Mr Steve McHenry Mrs Vee Robinson - Caffrey (resigned 31 October 2020) Mrs Charlotte Watson Mrs Jo Robb
Principal Office	Old Fire Station South Road Alnwick Northumberland NE66 2PA The charity is incorporated in England and Wales.
Company Registration Number	05817797
Charity Registration Number	1120968
Solicitors	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX
HR & Legal Advisors	Avensure Ltd South Central 11 Peter Street Manchester M2 2QR
Bankers	Lloyds Bank plc 102 Grey Street Newcastle upon Tyne NE1 6AG HSBC Bank plc Alnwick 30 Bondgate Within Alnwick NE66 1TJ
Independent Examiner	MHA Tait Walker Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

North East Equality & Diversity Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 August 2020.

Structure, governance and management

Nature of governing document

North East Equality and Diversity Limited is constituted as a registered charity and a company under guarantee in accordance with its Memorandum and Articles of Association dated 16 May 2006 and last amended 25 March 2010.

Induction and training of trustees

New trustees undergo an induction process to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events.

Organisational structure

Day to day management is vested in a professional team led by the Chief Executive of the charity, who meets with the board on a six weekly basis. The Chief Executive meets regularly with the Chair (in addition to the formal meetings) and appraises him of any significant issues as they may arise between meetings.

Major risks and management of those risks

Risk Policy

The trustees are responsible for assessing the major risks to which the charitable company is exposed, and for establishing systems to mitigate those risks, they have considered risks which could have a negative effect on the charitable company's ability to pursue its aims, both in terms of the likelihood of these occurring and the probable impact of such events

The trustees continue to review and monitor these risks, and the adequacy of the systems in place to reduce them.

North East Equality & Diversity Limited

Trustees' Report

Objectives and activities

Objects and aims

The object of the charitable company is:

The promotion of equality and diversity for the public benefit in the North East of England and the Borders Region by:

- a) advancing education and raising awareness in equality and diversity
- b) promoting activities to foster understanding between people from diverse backgrounds
- c) providing comprehensive advice and support through giving advice, representation, and advocacy

Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

Public benefit

To provide a community transport service of the inhabitants of the United Kingdom who are in need of these services because of age, sickness or disability (mental or physical), or poverty, or because of a lack of availability of adequate and safe passenger public services.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

North East Equality & Diversity Limited

Trustees' Report

Thanks to Funders/Partners

The Board would like to thank the following organisations for their support during 2019-20

Karen Wood North East Social Enterprise Partnership
Paul Jackson of Jackson's Garage
Peter Gilson & Alison Collins of North Star Ventures
Simon Brown - Tait Walker Chartered Accountants
Omar Din - Tait Walker Chartered Accountants
Scott Archibald - Tait Walker Chartered Accountants
Ward Hadaway Solicitors
Avensure Ltd
Tom Gibbard - Lloyds Bank
HSBC
Graham Donachie - D2 Insurance
CVM Group
Northumberland County Council
North East Ambulance Service NHS Foundation Trust
Northumberland, Tyne & Wear NHS Foundation Trust
Northumbria Healthcare NHS Foundation Trust
Community Transport Association
Social Investment Business
St John's Ambulance Service
All GP Surgeries
All Dental Clinics
Alnwick Gardens
St Paul's Court
Weavers Court
Percy Court
Grovewood House
Elpha lodge
Hillcrest
Abbeyfield
Summerhill
Gallery Youth
Contagious
Haltwhistle Partnership
Community 66
Solve IT
Alnwick Community Centre
Seahouses Hub
James Calvert Spence College
Duchess Community High School
Seahouses Primary School
Ellingham Primary School
St Paul's RVCA Middle School
Whittingham Primary School
Longhoughton Primary School
St Michaels Primary School

North East Equality & Diversity Limited

Trustees' Report

Hospice Care
Arthritis Care
Stroke Association
Parish Councils
Jason Gallagher Graphics
Alnwick Tyres
Border Tyres
Lifting & Cooling
RAM Tracking
EP Morris
Eden Lawn
TMC
TMS
Blackshaws Garage

Use of volunteers

NEED is fortunate to have volunteers willing to give their time to provide services for those in need of our transport services. This contribution is greatly valued by the Board of Trustees, staff and service users, as such the Board would like to record their appreciation to those who give their time freely.

North East Equality & Diversity Limited

Trustees' Report

Chairman's statement

NEED Ltd is recognised for providing excellent services to our users. This is undoubtedly due to the dedication of our staff and Board of Directors (Trustees).

Like many other organisations this year has been a very testing time for NEED Ltd, particularly in the last five months of the financial year. This has been entirely due to the government restrictions introduced both nationally and locally to control the pandemic caused by Covid 19. However, in these extremely difficult times we have worked closely with Northumberland County Council (NCC) to maintain essential transport services to schools for children of key workers and for those living in isolated communities throughout Northumberland and Tyneside. We have also worked closely with the North East Ambulance Service (NEAS) to provide transport services to both Covid and non-Covid patients to and from hospital. This has been a trying time for our staff, not only in the transportation of our passengers but also in carrying out the very strict clean down routines of their vehicles on a regular basis. It is to their credit that they have accepted the challenge with their dedicated professionalism. This extra shielding has, needless to say, resulted in NEED Ltd allocating a considerable amount of investment to purchase protective screens, sanitiser dispensers and cleaning materials to carry out this essential work. It has also involved increasing our driver's hours to allow this cleaning to take place.

Unfortunately, a major part of our business carrying passengers from care homes and other locations for day trips and ad hoc arrangements had to be suspended in March due to the government's strict lock down rules to control the Covid 19 pandemic. This of course has had a major impact on NEED's financial wellbeing, necessitating the submission of a number of applications for support from government and other sources.

Our Private Vehicle Operator Licences have given us the ability to provide transport in remote rural areas where roads are too narrow for larger minibuses, and in particular access to rural farmsteads.

We have continued to work closely with GP Practices and Dental Clinics to implement services enabling those most rurally isolated or who are unable to afford private or public transport the means to attend vital health appointments.

The aspiration to purchase the Old Alnwick Fire Station, in Alnwick, has had to be put on hold due to the financial impact of the restrictions that we have operated under in the last 5 months of the financial year. NEED Ltd is indebted to NCC for its patience and tolerance in taking into account our plight towards the end of the financial year. The intention is still to renovate and refurbish the building and site to provide affordable office space and facilities for use by community organisations and social enterprises.

In normal times NEED Ltd is 100% fully sustainable and self-sufficient organisation. Even in these difficult trading times, we are looking forward to the new challenges ahead over the next 12 months. I would like to formally thank all NEED Ltd staff, drivers, passenger assistants, and board members for their continued commitment to the organisation.

Roger Styring
Chair - NEED Ltd

North East Equality & Diversity Limited

Trustees' Report

Achievements and performance Review of 2019-2020

NEED Ltd has achieved the following during 2019-20

- Transportation of **57,169** passengers a fall of 25,039 on the previous year.
4,965 were older people
3,082 were people with a disability
46,757 were rurally/socially isolated, the majority of whom were schoolchildren.
2,365 were people with mental health issues
- ISO 9001:2015 International Quality Accreditation awarded
- The NEED a Car Scheme continued to operate in Amble, Hadston, Warkworth, Belford and Seahouses.
- 5 Dial-a-Ride services continued to operate in conjunction with Northumberland County Council (NCC)
- Continued Public Service Route 460 Ellingham to Alnwick.
- Continued operation of GP and Dental Healthcare Services (523 single passenger journeys)
- Continued to operate 6 Private Hire Vehicle Operators Licenses.
- Continuing to train staff for their Private Hire Vehicle Licence (PHVL)
- Provided transport for the Alnwick Food Bank and Covid 19 Mutual Aid Group.
- Continued provision of Dialysis Patient Transport for North East Ambulance Service (NEAS)
- Continued provision of adhoc Patient Transport as required by NEAS.
- Continued to deliver Driver Certificate of Professional Competence Training

Vehicles

NEED Ltd operates a fleet of 29 accessible and non-accessible vehicles ranging from 1-16 passenger seats. 25 are owned by the organisation and 6 are leased vehicles

We now have vehicles situated at the following locations: Alnwick, Hadston, Rothbury, Blyth, Nenthead, Longframlington, Amble, Shilbottle, Belford, Swarland, Morpeth, Cramlington and Hexham.

Vehicle Maintenance

Most of our vehicle routine maintenance was taken 'in house' during the year, allowing the charity to schedule and control repairs and inspections in a more efficient and cost effective manner. This has resulted in significant financial savings.

Dial-a-Ride Services

These are contracted community services operated in partnership with NCC and have been maintained throughout the period despite the pandemic travel restrictions. These door to door accessible minibus journeys have enabled 1923 passengers with mobility issues the independence to access fresh food outlets in Alnwick and/or Morpeth.

North East Equality & Diversity Limited

Trustees' Report

NEED-a-Car Scheme

Our car scheme offers transport to individuals to attend health services, access leisure services or simply to go shopping. Our drivers will carry shopping to the service user's door. This scheme has reduced from 2,761 passengers in our previous financial year to 1,922 in this current financial year because of Covid 19 restrictions.

Fleet Miles

A total of 247,977 miles was covered by NEED's vehicles during this financial year.

Healthcare Services

GP Referral Scheme -this expanding service collects rurally isolated patients from their homes and transports them to various GP surgeries. The patients are then collected and returned to their homes after their health appointment. This allows GP's and nurses time to see more patients in surgery and less time travelling to rurally isolated people who do not necessarily need a home visit.

Benefits to users - they become less isolated, more socially interactive with improved mental wellbeing Dental Referral Scheme- similar scheme to GP Referral Scheme a door to door service for those who are unable to attend the clinic due to isolation or poverty.

Group Transport

There are over 100 groups who use this service, they vary from small unconstituted groups, to voluntary and statutory organisations. A driver and/or passenger assistant can be provided or the hirer can use their own driver as long as the individual has been trained in MIDAS (Minibus Drivers Awareness Scheme) and have a valid license with the relevant categories to drive a minibus.

Individual Transport

NEED offers small accessible Multi- Purpose Vehicles and minibuses with or without a driver for those who wish to travel alone or with a small group of up to 6 family/friends.

Trained Staff

NEED Ltd are able to supply driver and passenger assistant services with or without vehicles.

Training

NEED continued to deliver the following training in 2019-20 :-

- Passenger Transport Assistants.
- Minibus Drivers Awareness Scheme.
- Driver Certificate of Professional Competence.
- All of our courses are accredited through the Open College Network (OCN), SP Training, CTA and NUCO Training

North East Equality & Diversity Limited

Trustees' Report

Contracts

NEED Ltd bids for contracts to cover our core costs, expand our services and enable us to provide low cost community transport.

Our main commissioners are:

Commissioner	Contracts
Northumberland County Council	26 Home to School contracts including SEN children Dial-A-Ride x 4 (Door to Door) services Public service route 460 (Ellingham – Alnwick) on Thursdays
North East Ambulance Service 1 and 2 crews	Dialysis Transport Service Patient Transport Service (adhoc) Urgent Care (A&E) Support (adhoc)
St John's Ambulance Service (community)	Provision of vehicle and driver, 4 days per week transporting clients into Berwick day centre.
Northumbria Healthcare NHS Foundation Trust	Provision of individual transport to 'Falls Clinic'

NEED Ltd is a preferred provider for: Northumberland County Council, North Tyneside Council, Northumberland, Tyne and Wear NHS Foundation Trust, North East Ambulance Service Foundation Trust, Northumbria Healthcare Trust, Cumbria Partnership NHS Trust, Gateshead Council and NEXUS.

Community

The main charitable aim of NEED Ltd is to provide transport to the most vulnerable members of the community. To this end our community work takes the form of "door to door" services such as Dial-a-Ride services, and our NEED a car scheme, transporting individuals to fresh food outlets, health appointments, and social events etc, group transport i.e. transporting 4 to 16 people, provision of transport for youth groups, delivering meals to day centres 3 x per week.

NEED Ltd has this financial year worked extensively with the Alnwick Food Bank delivering food parcels to people's homes twice a week. 1117 food parcels were delivered at a rate of up to 50 parcels a day covering a total of 2261 miles over the period.

North East Equality & Diversity Limited

Trustees' Report

Financial review

Policy on reserves

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charity to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent of three months which would equate to holding approximately £200,000 in free reserves.

At the year end, free reserves were negative £46,034 (2019: negative £65,295). The board are actively looking to increase the free reserves as they implement the new strategic plan and adapt to the industry changes. The also have fixed contracts generating funds to cover the running costs.

Key Management Personnel

The board, who give their time freely and no trustees received remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity, as noted in the Reference and Administration section. Together with the board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day to day basis. The pay of the KMP is reviewed annually and normally increased in accordance with average earnings. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the charity can afford any proposed increases. The board then agree any uplift to remuneration.

Going Concern and COVID-19

The charity has suffered, like many others, during the year from the effects of the government's attempts to control the virus COVID-19. A number of care home contracts were suspended due to the residents remaining in lock-down, similarly St John's Ambulance also suspended a contract in Berwick. School transport was intermittent with only children of key workers being transported to school, roughly half of the charity's vehicles were being used on a daily basis, although this varied from day to day. Critically, Northumberland County Council (NCC) has maintained their financial support to the charity by continuing to fund in full all of our contracts with them. The charity's future income stream looked uncertain at times during the year. Since the lockdown measures were eased, schools returned to full capacity and more recently news of the easing of the lockdown measures applied to care homes and day centres has been welcomed. Needless to say that there are a number of possible scenarios for coming months as the lockdown further eases and demand for the charity's services return.

VETRA

Vetra Ltd is a wholly owned commercial trading subsidiary of NEED Ltd, as such contracts can lie outside the charitable remit thus opening up a more commercial and competitive arena. All surplus revenue will be gifted into NEED Ltd.

North East Equality & Diversity Limited

Trustees' Report

Plans for future periods

Aims and key objectives for future periods

The proposed purchase of the Old Fire Station is presently on hold due to the effects of the coronavirus.

Our aim is to eventually to use our facilities to become a Community Business Hub, where community organisations and start up businesses can access affordable offices and facilities and have the support of their peers.

Phase 1 will include the provision of 6 – 8 serviced offices on the ground floor of the building. These refurbished offices will be leased in order to raise income towards the on- going refurbishment costs.

A thorough financial review of all of our contracts has been carried out during the year in order to further understand the charity's financial position. Several areas have been identified where improvements need to be made at an appropriate time.

Staffing levels and management overhead costs have also been reviewed resulting in the termination of the training section of the charity with the loss of two posts. Further reductions may be necessary.

North East Equality & Diversity Limited

Trustees' Report

Statement of Trustees Responsibilities

The trustees (who are also the directors of North East Equality & Diversity Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

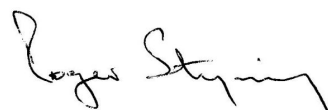
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

Independent Examiner

A resolution to re-appoint Simon Brown BA ACA DChA as independent examiner for the ensuing year will be proposed at the annual general meeting.

The annual report was approved by the trustees of the charity on 25/5/2021 and signed on its behalf by:



R Styring
Trustee

North East Equality & Diversity Limited

Independent Examiner's Report to the trustees of North East Equality & Diversity Limited

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2020 which are set out on pages 15 to 34.

Respective responsibilities of trustees and examiner

As the charity's trustees of North East Equality & Diversity Limited (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of North East Equality & Diversity Limited are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since North East Equality & Diversity Limited's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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

1. accounting records were not kept in respect of North East Equality & Diversity Limited as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

North East Equality & Diversity Limited

Independent Examiner's Report to the trustees of North East Equality & Diversity Limited

Material uncertainty relating to going concern.

We draw attention to note 1 in the financial statements, which indicates that there is a material uncertainty in the forecasts and projections over the timing and level of projected future income and therefore the derived cashflows of the charitable company. As stated in note 1, these conditions indicate that a material uncertainty exists, that may cast significant doubt on the charitable company's ability to continue as a going concern should these conditions occur. Our opinion is not modified in respect of this matter.

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



Simon Brown BA ACA DChA
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 25/5/2021

MHA Tait Walker is a trading name of Tait Walker LLP.

North East Equality & Diversity Limited

Statement of Financial Activities for the Year Ended 31 August 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2020 £	Total 2019 £
Income and Endowments from:				
Donations and legacies	4	44,704	44,704	79,826
Charitable activities	5	642,370	642,370	641,998
Other trading activities	6	4,691	4,691	22,985
Other income	7	-	-	1,969
Total Income		<u>691,765</u>	<u>691,765</u>	<u>746,778</u>
Expenditure on:				
Charitable activities	8	<u>(844,301)</u>	<u>(844,301)</u>	<u>(783,346)</u>
Total Expenditure		<u>(844,301)</u>	<u>(844,301)</u>	<u>(783,346)</u>
Net expenditure		<u>(152,536)</u>	<u>(152,536)</u>	<u>(36,568)</u>
Net movement in funds		(152,536)	(152,536)	(36,568)
Reconciliation of funds				
Total funds brought forward		<u>108,022</u>	<u>108,022</u>	<u>144,590</u>
Total funds carried forward	22	<u><u>(44,514)</u></u>	<u><u>(44,514)</u></u>	<u><u>108,022</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 22.

North East Equality & Diversity Limited

Comparative Statement of Financial Activities for the Year Ended 31 August 2019 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £
Income and Endowments from:				
Donations and legacies	4	79,826	-	79,826
Charitable activities	5	641,998	-	641,998
Other trading activities	6	22,985	-	22,985
Other income	7	1,969	-	1,969
Total income		<u>746,778</u>	<u>-</u>	<u>746,778</u>
Expenditure on:				
Charitable activities	8	<u>(767,430)</u>	<u>(15,916)</u>	<u>(783,346)</u>
Total expenditure		<u>(767,430)</u>	<u>(15,916)</u>	<u>(783,346)</u>
Net expenditure		(20,652)	(15,916)	(36,568)
Transfers between funds		<u>68,971</u>	<u>(68,971)</u>	<u>-</u>
Net movement in funds		48,319	(84,887)	(36,568)
Reconciliation of funds				
Total funds brought forward		<u>59,703</u>	<u>84,887</u>	<u>144,590</u>
Total funds carried forward	22	<u><u>108,022</u></u>	<u><u>-</u></u>	<u><u>108,022</u></u>

North East Equality & Diversity Limited

(Registration number: 05817797)

Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	177,044	307,536
Current assets			
Debtors	16	13,747	60,819
Cash at bank and in hand		<u>76,588</u>	<u>9,827</u>
		90,335	70,646
Creditors: Amounts falling due within one year	17	<u>(136,369)</u>	<u>(135,941)</u>
Net current liabilities		<u>(46,034)</u>	<u>(65,295)</u>
Total assets less current liabilities		131,010	242,241
Creditors: Amounts falling due after more than one year	18	<u>(175,524)</u>	<u>(134,219)</u>
Net (liabilities)/assets		<u>(44,514)</u>	<u>108,022</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>(44,514)</u>	<u>108,022</u>
Total funds	22	<u>(44,514)</u>	<u>108,022</u>


For the financial year ending 31 August 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 15 to 34 were approved by the trustees, and authorised for issue on 25/5/2021 and signed on their behalf by:



R Styring
Trustee

North East Equality & Diversity Limited

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash expenditure		(152,536)	(36,568)
Adjustments to cash flows from non-cash items			
Depreciation		48,629	64,802
Loss/(Profit) on disposal of tangible fixed assets		18,729	(1,969)
		<u>(85,178)</u>	<u>26,265</u>
Working capital adjustments			
Decrease/(increase) in debtors	16	47,072	(17,471)
Increase in creditors	17	39,532	17,890
		<u>1,426</u>	<u>26,684</u>
Net cash flows from operating activities			
Cash flows from investing activities			
Sale of tangible fixed assets		63,134	3,751
Cash flows from financing activities			
Value of new loans obtained during the period		50,000	41,167
Repayment of loans and borrowings	17	(6,119)	(2,351)
Repayment of capital element of finance leases and HP contracts	19	(44,477)	(47,253)
		<u>(596)</u>	<u>(8,437)</u>
Net cash flows from financing activities			
Net increase in cash and cash equivalents		63,964	21,998
Cash and cash equivalents at 1 September		<u>(6,599)</u>	<u>(28,597)</u>
Cash and cash equivalents at 31 August		<u><u>57,365</u></u>	<u><u>(6,599)</u></u>
Net Cash / (Overdraft)			
Cash on hand		147	147
Cash at bank		76,437	9,676
Short-term deposits		4	4
Bank overdrafts		<u>(19,223)</u>	<u>(16,426)</u>
		<u><u>57,365</u></u>	<u><u>(6,599)</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

North East Equality & Diversity Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Going Concern

The financial statements have been prepared on a going concern basis.

The charity has reported a net deficit for the current year to 31 August 2020 of £152,536. As at the year end 31 August 2020 the balance sheet reports net current liabilities of £46,034 (in that current liabilities exceed current assets) and a net deficiency of £44,514 (in that total liabilities exceed total assets).

The charity has suffered, like many others, during the year from the effects of the government's attempts to control the virus COVID-19. A number of care home contracts were suspended due to the residents remaining in lock-down, similarly St John's Ambulance also suspended a contract in Berwick. School transport was intermittent with only children of key workers being transported to school, roughly half of the charity's vehicles were being used on a daily basis, although this varied from day to day. Critically, Northumberland County Council (NCC) has maintained their financial support to the charity by continuing to fund in full all of the contracts with them. The charity's future income stream looked uncertain at times during the year. Since the lockdown measures were eased, schools returned to full capacity and more recently news of the easing of the lockdown measures applied to care homes and day centres has been welcomed. Needless to say that there are a number of possible scenarios for the coming months as the lockdown further eases and demand for the charity's services return.

The charity has taken advantage of some of the measures made available from the government including accessing the staff furlough scheme, obtaining a £50,000 bounce back loan and taking repayment holidays on loans and hire purchase agreements.

The charity's budget and forecasts for the next twelve months show that the charity should be able to continue in operational existence for that period, should the trustees' projections about income levels returning to more normal levels occur. The trustees remain hopeful that these material uncertainties over possible future income levels do not cast significant doubt on the charity's ability to continue as a going concern. For these reasons the trustees have continued to prepare the financial statements on a going concern basis.

2 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is: Old Fire Station, South Road, Alnwick, Northumberland, NE66 2PA

North East Equality & Diversity Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

3 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported.

Depreciation has been applied to all assets in accordance with the policy included within the accounting policies.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

There are no key estimates or assumptions to disclose.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Gift aid

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

North East Equality & Diversity Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

3 Accounting policies (continued)

Charitable activities

Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Other income

Vehicles donated in kind are recognised as voluntary income when there is evidence of entitlement to the gift, receipt is probable and the amount can be measured reliably. The vehicle is capitalised as a tangible fixed asset using the cost value (which is equal to the income recognised). Where there is a restriction of purpose or use ongoing, then the income and the asset are recognised within restricted funds.

Income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by staff costs by the time spent and other costs by their usage.

North East Equality & Diversity Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

3 Accounting policies (continued)

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £250.00 or more are initially recorded at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Motor Vehicles	Over 7 years straight line
Equipment	Over 5 years straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

During the year the company used invoice discounting service. As you say they raised the invoices on Sage and send to factoring company and then they are advanced the money from the factoring company.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

North East Equality & Diversity Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

3 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Pensions and other post retirement obligations

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

North East Equality & Diversity Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

4 Income from donations and legacies

	Unrestricted funds	Total 2020	Total 2019
	General £	£	£
Donations from individuals	-	-	52,116
Government grants	17,527	17,527	-
Grants from other charities	2,100	2,100	2,200
Members subscriptions	809	809	2,223
Bus Operators Grant	24,268	24,268	23,287
	<u>44,704</u>	<u>44,704</u>	<u>79,826</u>

5 Income from charitable activities

	Unrestricted funds	Total 2020	Total 2019
	General £	£	£
Community transport services	<u>642,370</u>	<u>642,370</u>	<u>641,998</u>
		2020	2019
		£	£
NCC School Contract		517,929	476,453
Brokeridge Income		25,121	48,079
NEAS Contract		77,815	81,131
Dial a Ride		18,784	14,347
Need A car		<u>2,721</u>	<u>21,988</u>
		<u>642,370</u>	<u>641,998</u>

6 Income from other trading activities

	Unrestricted funds	Total 2020	Total 2019
	General £	£	£
Other trading income	<u>4,691</u>	<u>4,691</u>	<u>22,985</u>

North East Equality & Diversity Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

7 Other income

	Total 2020 £	Total 2019 £
Gains on sale of tangible fixed assets for charity's own use	-	1,969

8 Expenditure on charitable activities

		Unrestricted funds		
	Note	General £	Total 2020 £	Total 2019 £
Community transport services		764,876	764,876	728,359
Allocated support costs	9	42,496	42,496	24,418
Governance costs	9	36,929	36,929	30,569
		<u>844,301</u>	<u>844,301</u>	<u>783,346</u>

North East Equality & Diversity Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

9 Analysis of governance and support costs

Support costs allocated

	Basis of allocation	Governance costs £	Other support costs £	Total 2020 £	Total 2019 £
Staff costs	Direct	16,482	-	16,482	16,723
Independent examiners fees	Direct	2,300	-	2,300	2,200
Bookkeeping and other accounting services	Direct	7,329	-	7,329	1,325
Legal - Building	Direct	5,930	-	5,930	5,387
Payroll costs	Direct	2,044	-	2,044	1,744
Pension advice	Direct	1,046	-	1,046	1,030
Other legal	Direct	912	-	912	838
Premises	Time	101	2,824	2,925	3,250
Communications and IT	Time	267	7,469	7,736	6,672
Insurance	Time	138	3,875	4,013	3,935
Repairs and maintenance	Time	12	336	348	862
Bank fees and interest	Time	81	2,261	2,342	3,389
Office costs	Time	177	4,964	5,141	6,315
Lease costs	Time	95	2,671	2,766	496
Advertising	Time	-	-	-	399
Depreciation	Time	15	407	422	422
		<u>36,929</u>	<u>24,807</u>	<u>61,736</u>	<u>54,987</u>

10 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2020 £	2019 £
Operating leases - plant and machinery	32,589	32,589
Operating leases - other assets	2,459	3,032
Loss /(Profit) on disposal of tangible fixed assets	18,729	(1,969)
Depreciation of fixed assets	<u>48,629</u>	<u>64,802</u>

North East Equality & Diversity Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

11 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

12 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	473,013	410,825
Social security costs	13,416	13,568
Pension costs	3,722	2,781
	<u>490,151</u>	<u>427,174</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2020 No	2019 No
Staff employed	<u>46</u>	<u>39</u>

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £79,744 (2019 - £80,537).

13 Independent examiner's remuneration

	2020 £	2019 £
Examination of the financial statements	<u>2,300</u>	<u>2,300</u>
Other fees to examiners		
All other assurance services	<u>7,328</u>	<u>1,225</u>

North East Equality & Diversity Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

14 Taxation

The charity is a registered charity and is therefore exempt from taxation.

15 Tangible fixed assets

	Furniture and equipment £	Motor vehicles £	Total £
Cost			
At 1 September 2019	1,923	572,303	574,226
Disposals	-	(153,476)	(153,476)
At 31 August 2020	1,923	418,827	420,750
Depreciation			
At 1 September 2019	1,079	265,611	266,690
Charge for the year	422	48,207	48,629
Eliminated on disposals	-	(71,613)	(71,613)
At 31 August 2020	1,501	242,205	243,706
Net book value			
At 31 August 2020	422	176,622	177,044
At 31 August 2019	844	306,692	307,536

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2020 £	2019 £
Motor Vehicles	153,940	223,456

North East Equality & Diversity Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

16 Debtors

	2020 £	2019 £
Trade debtors	13,339	23,762
Prepayments	408	408
Accrued income	-	2,925
Other debtors	-	33,724
	<u>13,747</u>	<u>60,819</u>

17 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	19,223	16,426
Bank loans	1,667	-
Trade creditors	-	2,806
Other loans	12,510	40,816
Hire purchase and finance leases	40,584	55,846
Other taxation and social security	34,298	11,016
VAT	5,388	-
Other creditors	17,646	5,556
Accruals	5,053	3,475
	<u>136,369</u>	<u>135,941</u>

The hire purchase liabilities are secured over the vehicles they relate to.

Other loans include; amounts due which are interest free and repayable on demand; and, amounts due to North Star which incurs interest at 6%.

Bank loans include; a Bounce Back Loan which is interest free for 12 months and then incurs interest at 2.5%.

North East Equality & Diversity Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

18 Creditors: amounts falling due after one year

	2020 £	2019 £
Bank loans	48,333	-
Other loans	22,187	-
Hire purchase and finance leases	105,004	134,219
	<u>175,524</u>	<u>134,219</u>

The hire purchase liabilities are secured over the vehicles they relate to.

Other loans include amounts due to North Star which incur interest at 6% and are repayable by March 2025.

Bank loans include a Bounce Back Loan which is interest free for 12 months and then incurs interest at 2.5% being repayable by May 2026.

19 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

	2020 £	2019 £
Within one year	40,584	55,846
In two to five years	105,004	134,219
	<u>145,588</u>	<u>190,065</u>

20 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £3,722 (2019 -£2,781).

Contributions totalling £861 (2019 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

21 Commitments

Other financial commitments

The company has non-cancellable operating leases.

The total amount of other financial commitments not provided in the financial statements was £81,493 (2019 - £103,681).

North East Equality & Diversity Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

22 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Balance at 31 August 2020 £
Unrestricted funds				
General	<u>108,022</u>	<u>691,765</u>	<u>(844,301)</u>	<u>(44,514)</u>

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2019 £
Unrestricted funds					
General	59,703	746,778	(767,430)	68,971	108,022
Restricted funds	<u>84,887</u>	<u>-</u>	<u>(15,916)</u>	<u>(68,971)</u>	<u>-</u>
Total funds	<u>144,590</u>	<u>746,778</u>	<u>(783,346)</u>	<u>-</u>	<u>108,022</u>

North East Equality & Diversity Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

23 Analysis of net assets between funds

	Unrestricted funds	
	General	Total funds
	£	£
Tangible fixed assets	177,044	177,044
Net current assets/(liabilities)	(46,034)	(46,034)
Creditors over 1 year	(175,524)	(175,524)
Total net assets	(44,514)	(44,514)

	Unrestricted funds	
	General	Total funds at 31 August 2019
	£	£
Tangible fixed assets	307,536	307,536
Net current assets/(liabilities)	(65,295)	(65,295)
Creditors over 1 year	(134,219)	(134,219)
Total net assets	108,022	108,022

North East Equality & Diversity Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

24 Analysis of net funds

	At 1 September 2019 £	Cash flow £	New Advances £	At 31 August 2020 £
Cash at bank and in hand	9,827	66,761	-	76,588
Bank overdraft	(16,476)	(2,747)	-	(19,223)
	(6,649)	64,014	-	57,365
Other loans	(40,816)	6,119	-	(34,697)
Bank loans	-	-	(50,000)	(50,000)
Finance leases and hire purchase contracts	(190,065)	44,477	-	(145,588)
Net debt	(237,530)	114,610	(50,000)	(172,920)
	At 1 September 2018 £	Cash flow £	New Advances £	At 31 August 2019 £
Cash at bank and in hand	151	9,676	-	9,827
Bank overdraft	(28,748)	12,272	-	(16,476)
	(28,597)	21,948	-	(6,649)
Other loans	(2,000)	(38,816)	-	(40,816)
Finance leases and hire purchase contracts	(110,528)	47,253	(126,790)	(190,065)
Net debt	(141,125)	30,385	(126,790)	(237,530)

North East Equality & Diversity Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

25 Related party transactions

During the year the charity made the following related party transactions:

VETRA Limited

The charitable company is the only member of VETRA Limited, a company limited by guarantee.

VETRA Limited remained dormant throughout the year and there have been no transactions with the Charitable company (2019 -None).

At the balance sheet date the amount due to/from VETRA Limited was £Nil (2019 - £Nil).

V Robinson - Caffrey

During the year the CEO has given the charitable company an interest free loan of £Nil (2019: £4,865) and £Nil was repaid (2019: £3,865).

The loan is interest free and repayable on demand.

During the year ended 31 August 2019 the CEO proposed to make a donation to the charitable company of £11,565; by converting £3,865 which was part of a loan made by the CEO to the charity; and, by forgoing £7,700 of unpaid wages.

Since that agreement, the post of CEO was made redundant and consequently the decision to donate part of the loan balance and forgo unpaid wages was recinded. As a result the total £11,565 was reversed in the year ended 31 August 2020 SoFA and charged to wages.

At the balance sheet date the amount due to V Robinson - Caffrey was £5,865 (2019 - £2,000).

C Watson

During the year the Finance Officer has loaned the Charitable company £Nil (2019: £14,316) and was repaid £9,984 (2019: £1500).

The loan is interest free and repayable on demand.

At the balance sheet date the amount due to C Watson was £3,832 (2019 - £13,816).

R Styring

During the previous (2019) year the Chairman donated £40,000 to the charitable company.

At the balance sheet date the amount due to/from R Styring was £Nil (2019 - £Nil).