

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 2022

Wellway Accountants Limited  
Borough Hall  
Wellway  
Morpeth  
Northumberland  
NE61 1BN

# **North East Equality & Diversity Limited**

## **Contents**

Reference and Administrative Details	1
Trustees' Report	2 to 7
Independent Examiner's Report	8
Statement of Financial Activities	9
Balance Sheet	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 to 23

## **North East Equality & Diversity Limited**

### **Reference and Administrative Details**

<b>Trustees</b>	R Styring H Pottle P Hignett P Slater (resigned 6 November 2021)
<b>Secretary</b>	J Robb
<b>Senior Management / Leadership Team</b>	J Robb  Paul Chipchase (Resigned 12 Feb 2021) Steve McHenry (Resigned 10 May 2021) Charlotte Watson (Resigned 16 November 2021) Stu Newbiggin (Resigned 8 July 2022)
<b>Registered Office</b>	Old Fire Station South Road Alnwick Northumberland NE66 2PA
<b>Company Registration Number</b>	05817797
<b>Charity Registration Number</b>	1120968
<b>Solicitors:</b>	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne Tyne & Wear NE1 3DX
<b>Bankers</b>	Lloyds TSB Newcastle 102 Grey Street Newcastle Upon Tyne Tyne & Wear NE1 6AG
<b>Independent Examiner</b>	Wellway Accountants Limited Borough Hall Wellway Morpeth Northumberland NE61 1BN

# **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 2022.

### **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 does not use a professional fundraiser or commercial participator to raise funds. Any monies raised from the public follows all guidance set out by the Charities Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

# **North East Equality & Diversity Limited**

## **Trustees' Report**

### ***Public benefit***

NEED Ltd provides a community transport service to the inhabitants of the United Kingdom who are in need of these services because of age, sickness or disability (mental and physical), or poverty, or because of a lack of availability of adequate and safe passenger public services. It is recognised for providing excellent services to our users. This is undoubtedly due to the dedication of our Board of Directors (Trustees) and staff.

This year has been another very testing time for NEED Ltd. This has been a continuation from the previous year and is entirely due to the government restrictions introduced both nationally and locally to control the pandemic caused by Covid 19. We have worked closely with Northumberland County Council (NCC) to maintain essential transport services to schools and with those disadvantaged and vulnerable people living in isolated communities throughout Northumberland and Tyneside. We have complied with the various government health risk control measures to provide essential transport services. 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 difficult 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 dedicated professionalism. Needless to say, these measures have added a significant financial burden to the organisation.

As last year, a significant part of our business, that of carrying passengers from care homes and other locations for day trips and ad hoc arrangements, had to remain suspended until near the end of the organisation's financial year end. This, once again has had a major impact on NEED's financial wellbeing, necessitating the submission of a number of applications for support from government sources including the bounce back loan facility.

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 provide services enabling those most rurally isolated or who are unable to afford private or public transport the means to attend vital health appointments.

The Old Fire Station in Alnwick that we rent from Northumberland County Council (NCC), has been the subject of much discussion. The charity still has an aspiration to purchase the property when the financial climate is more favourable. NEED Ltd is once again indebted to NCC for its patience and tolerance in taking into account our plight throughout the period. The intention, when the purchase is complete, is still to renovate and refurbish the property to provide affordable office space and facilities for use by voluntary sector 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.

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.

### ***Use of volunteers***

NEED Ltd is fortunate to have a number of volunteers willing to give their time freely to provide governance for the Organisation. This contribution is greatly valued by staff, service users and myself as Chairman of NEED Ltd. I would therefore like to take this opportunity to record my appreciation to those dedicated people.

# **North East Equality & Diversity Limited**

## **Trustees' Report**

### **Going concern**

The preparation of the 1st September 2021 to 31st August 2022 and submission of the Annual Accounts has been a difficult task. The restrictions due to the continuing coronavirus pandemic across United Kingdom has greatly affected the financial performance and future planning of the charitable organisation. In particular the total lockdown of care homes and community groups has had a further adverse effect on our income during the financial year. There has been a noticeable lift in financial performance since the restrictions were eased in the early part of 2022 but regular outings for our historic groups have been slow in recovering. NEED Ltd introduced emergency measures to reduce expenditure to cover the shortfall in income by reducing costs, particularly staff costs but also by covering some of our maintenance activity in house. Thankfully, the organisation remained resilient due to the continuing NCC contracts requiring the organisation to provide transport for children to attend school. This has resulted in a degree of stability of the financial position of the organisation, albeit still at a reduced income level for the time being.

The added burden of rising fuel prices and volatile national and international economies has led to much financial disruption but the organisation has successfully steered its way to a healthier position than a year ago.

NEED has successfully maintained its ISO 9001 certification, a requirement of NCC contracts. We were recently awarded a preferred contractor status with NCC following a 98% achievement in their compliance audit. This stands us in good stead for future contracts.

Our contract with North East Ambulance Service (NEAS) to provide patient transport to hospitals has continued throughout the period. There have been unforeseen minor interruptions but we have continued to provide a regular service and in fact have increased our activities, this has been particularly beneficial to those patients on dialysis.

We have witnessed an increasing level of travel for a number of groups that will continue to increase in the next few weeks and months as confidence returns. We are witnessing an increasing number of enquiries from the community sector in particular. This will increase the income of the organisation and provide a growth. The uncertainty around this remains a concern, therefore we have adopted a slightly pessimistic approach in financial terms to this part of our operation.

NEED Ltd has taken advantage of the Government backed 'Bounce Back' loan scheme and has borrowed £50,000. We have started our regular repayments and reduced the level of debt to our bank significantly.

We have made certain assumptions to enable NEED Ltd to make a prudent financial forecast for the next twelve months. Two scenarios have been considered:-

1. We expect that NCC school transport arrangements will be maintained at our current level of 14 NCC contracts and that the present 3 SEN contracts will continue for the forecast period. Care home and community transport will continue at a low level. NEAS contract work will continue at its present level. This represents a worst case scenario.

2. A slightly less cautious approach in that NCC School transport arrangements will increase due to new contract work being awarded. Care home and community work will recover to near previous historic levels.

We have adopted measures that will cope with either of these scenarios.

# **North East Equality & Diversity Limited**

## **Trustees' Report**

In order to sustain the financial viability of the organisation during the current and subsequent years the following measures have already been taken:-

- We retrained two of our drivers to provide in-house training.
- We have entered into an arrangement with an external organisation to provide further training that cannot presently be delivered by our own staff.
- We've implemented a very much slimmer staffing structure. The present office staff structure of 3 posts operates on a collaborative basis with additional support when required to provide built-in resilience. The Board of Trustees provides a strategic overview and also shares in the day to day decision making where necessary. This optimisation of our management structure has significantly reduced our staffing costs.
- Office staff have a wide range of skills that allows them to take on any of the current posts, giving significant flexibility.
- A review of all staff training has been conducted to ensure that all personnel meet the requirements of their posts and continue to develop and extend their skills.
- We've conducted a thorough review of all of our contracts to ensure we fully cover costs and optimise income.
- We've rationalised the types of vehicles within our fleet to be more 'fit for purpose'. After a number of years of service using standard minibuses
- NEAS have required us to operate using 'Ambulance' standard buses that are easier to clean down.
- We have made savings by investing in garage equipment which enables us to carry out some expensive routine servicing and testing in house.
- We're systematically engaged in marketing and networking to attract new business.
- We're actively seeking further grant funding to help support the charity through these continuing difficult and uncertain times.

I believe that these measures will create a sustainable and resilient organisation capable of rising to the challenge of this most difficult period, and maintaining its viability even in the worst-case scenario.

### **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 Transport Manager of the charity, who meets with the Board of Trustees on the fourth Thursday of every month. The Transport Manager meets regularly with the Chair (in addition to the formal meetings) and appraises him of any significant issues that arise between meetings.

# **North East Equality & Diversity Limited**

## **Trustees' Report**

### ***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 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.

### **Financial instruments**

#### ***Objectives and policies***

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

#### ***Cash flow risk***

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

#### ***Credit risk***

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### ***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

### **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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:



## **North East Equality & Diversity Limited**

### **Trustees' Report**

- 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 accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can 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.

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

The annual report was approved by the trustees of the charity on 28 June 2023 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 ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2022.

#### **Responsibilities and basis of report**

As the charity's trustees of the Company (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 the Company 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 the Company'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 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)].

I have no concerns and 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.

.....  
R Thompson  
ICAEW  
FCA BA(Hons) AIFP  
Borough Hall  
Wellway  
Morpeth  
Northumberland  
NE61 1BN

28 June 2023

# North East Equality & Diversity Limited

## Statement of Financial Activities for the Year Ended 31 August 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2022 £
<b>Income and Endowments from:</b>			
Donations and legacies	3	25,276	25,276
Charitable activities	4	650,599	650,599
Other income	5	420	420
Total income		<u>676,295</u>	<u>676,295</u>
<b>Expenditure on:</b>			
Charitable activities	6	<u>(662,357)</u>	<u>(662,357)</u>
Total expenditure		<u>(662,357)</u>	<u>(662,357)</u>
Net income		<u>13,938</u>	<u>13,938</u>
Net movement in funds		13,938	13,938
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>(138,315)</u>	<u>(138,315)</u>
Total funds carried forward	20	<u>(124,377)</u>	<u>(124,377)</u>
		<b>Unrestricted funds £</b>	<b>Total 2021 £</b>
<b>Income and Endowments from:</b>			
Donations and legacies	3	60,757	60,757
Charitable activities	4	553,117	553,117
Other income	5	1,770	1,770
Total income		<u>615,644</u>	<u>615,644</u>
<b>Expenditure on:</b>			
Charitable activities	6	<u>(709,446)</u>	<u>(709,446)</u>
Total expenditure		<u>(709,446)</u>	<u>(709,446)</u>
Net expenditure		<u>(93,802)</u>	<u>(93,802)</u>
Net movement in funds		(93,802)	(93,802)
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>(44,513)</u>	<u>(44,513)</u>
Total funds carried forward	20	<u>(138,315)</u>	<u>(138,315)</u>

All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2021 is shown in note 20.

The notes on pages 12 to 23 form an integral part of these financial statements.

# North East Equality & Diversity Limited

(Registration number: 05817797)  
Balance Sheet as at 31 August 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	121,975	163,743
<b>Current assets</b>			
Debtors	14	53,427	19,309
Cash at bank and in hand	15	<u>25,416</u>	<u>2,673</u>
		78,843	21,982
<b>Creditors: Amounts falling due within one year</b>	16	<u>(255,273)</u>	<u>(206,567)</u>
<b>Net current liabilities</b>		<u>(176,430)</u>	<u>(184,585)</u>
<b>Total assets less current liabilities</b>		(54,455)	(20,842)
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>(69,922)</u>	<u>(117,473)</u>
<b>Net liabilities</b>		<u>(124,377)</u>	<u>(138,315)</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>(124,377)</u>	<u>(138,315)</u>
<b>Total funds</b>	20	<u>(124,377)</u>	<u>(138,315)</u>

For the financial year ending 31 August 2022 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.

The financial statements on pages 9 to 23 were approved by the trustees, and authorised for issue on 28 June 2023 and signed on their behalf by:

.....  
R Styring  
Trustee

The notes on pages 12 to 23 form an integral part of these financial statements.

# North East Equality & Diversity Limited

## Statement of Cash Flows for the Year Ended 31 August 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash income/(expenditure)		13,938	(93,802)
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		41,767	50,852
Profit on disposal of tangible fixed assets		(916)	(14,128)
		<u>54,789</u>	<u>(57,078)</u>
<b>Working capital adjustments</b>			
Increase in debtors	14	(34,118)	(5,562)
Increase in creditors	16	<u>46,368</u>	<u>9,183</u>
Net cash flows from operating activities		<u>67,039</u>	<u>(53,457)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	13	-	(37,551)
Sale of tangible fixed assets		<u>917</u>	<u>14,128</u>
Net cash flows from investing activities		<u>917</u>	<u>(23,423)</u>
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	16	(1,594)	68,226
Repayment of capital element of finance leases and HP contracts	18	<u>(43,619)</u>	<u>(46,037)</u>
Net cash flows from financing activities		<u>(45,213)</u>	<u>22,189</u>
Net increase/(decrease) in cash and cash equivalents		22,743	(54,691)
Cash and cash equivalents at 1 September		<u>2,673</u>	<u>57,364</u>
Cash and cash equivalents at 31 August		<u><u>25,416</u></u>	<u><u>2,673</u></u>

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

The notes on pages 12 to 23 form an integral part of these financial statements.

# **North East Equality & Diversity Limited**

## **Notes to the Financial Statements for the Year Ended 31 August 2022**

### **1 Charity status**

The charity is limited by guarantee, incorporated in , 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

These financial statements were authorised for issue by the trustees on 28 June 2023.

### **2 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.

#### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

#### **Basis of preparation**

North East Equality & Diversity Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

#### **Going concern**

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

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

#### **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.

## **North East Equality & Diversity Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2022**

#### ***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.

#### ***Charitable activities***

Income from contracts for 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 equivalent 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 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.

#### **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.

## **North East Equality & Diversity Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2022**

#### **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 floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### **Governance costs**

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

#### **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.

#### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Motor vehicles	Over 7 years straight line
Plant and machinery	Over 5 years straight line
Office 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.



## **North East Equality & Diversity Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2022**

#### **Trade debtors**

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

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **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.

#### **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.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **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 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 2022

### 3 Income from donations and legacies

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Donations and legacies;			
Donations from individuals	-	-	(39,667)
Grants, including capital grants;			
Government grants	-	-	68,969
Grants from other charities	-	-	6,000
Regular giving and capital donations	25,276	25,276	25,455
	<u>25,276</u>	<u>25,276</u>	<u>60,757</u>

### 4 Income from charitable activities

Unrestricted funds General £	Total 2022 £	Total 2021 £
650,599	650,599	553,117
<u>650,599</u>	<u>650,599</u>	<u>553,117</u>

### 5 Other income

Unrestricted funds General £	Total 2022 £	Total 2021 £
420	420	1,770
<u>420</u>	<u>420</u>	<u>1,770</u>

### 6 Expenditure on charitable activities

	Note	Unrestricted General £	Total 2022 £	Total 2021 £
Community transport services		287,256	287,256	238,600
Staff costs		339,009	339,009	417,737
Allocated support costs	7	24,632	24,632	28,829
Governance costs	7	11,460	11,460	24,280
		<u>662,357</u>	<u>662,357</u>	<u>709,446</u>

# North East Equality & Diversity Limited

## Notes to the Financial Statements for the Year Ended 31 August 2022

**Total  
expenditure  
£**

In addition to the expenditure analysed above, there are also governance costs of £11,460 (2021 - £24,280) which relate directly to charitable activities. See note 7 for further details.

### 7 Analysis of governance and support costs

#### Governance costs

	<b>Unrestricted funds General £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Staff costs			
Wages and salaries	3,894	3,894	16,616
Independent examiner fees			
Examination of the financial statements	1,065	1,065	2,500
Other fees paid to examiners	1,450	1,450	1,667
Legal fees	4,767	4,767	2,380
Depreciation, amortisation and other similar costs	1	1	13
Other governance costs	283	283	1,104
	<u>11,460</u>	<u>11,460</u>	<u>24,280</u>

### 8 Net incoming/outgoing resources

Net (incoming)/outgoing resources for the year include:

	<b>2022 £</b>	<b>2021 £</b>
Operating leases - plant and machinery	41,262	40,415
Operating leases - other assets	5,319	5,400
Profit on disposal of tangible fixed assets	(916)	(14,128)
Depreciation of fixed assets	<u>41,767</u>	<u>50,932</u>

### 9 Trustees remuneration and expenses

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

### 10 Staff costs

The aggregate payroll costs were as follows:

## North East Equality & Diversity Limited

### Notes to the Financial Statements for the Year Ended 31 August 2022

	2022 £	2021 £
<b>Staff costs during the year were:</b>		
Wages and salaries	332,075	419,806
Social security costs	7,671	11,832
Pension costs	3,157	2,715
	<u>342,903</u>	<u>434,353</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2022 No	2021 No
Staff employed	<u>38</u>	<u>44</u>

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

#### 11 Independent examiner's remuneration

	2022 £	2021 £
Examination of the financial statements	<u>1,065</u>	<u>2,500</u>
<b>Other fees to examiners</b>		
All other services	<u>1,450</u>	<u>1,667</u>

## North East Equality & Diversity Limited

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 12 Taxation

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

#### 13 Tangible fixed assets

	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 September 2021	7,886	434,542	442,428
Disposals	<u>-</u>	<u>(17,828)</u>	<u>(17,828)</u>
At 31 August 2022	<u>7,886</u>	<u>416,714</u>	<u>424,600</u>
<b>Depreciation</b>			
At 1 September 2021	2,434	276,251	278,685
Charge for the year	1,272	40,495	41,767
Eliminated on disposals	<u>-</u>	<u>(17,827)</u>	<u>(17,827)</u>
At 31 August 2022	<u>3,706</u>	<u>298,919</u>	<u>302,625</u>
<b>Net book value</b>			
At 31 August 2022	<u>4,180</u>	<u>117,795</u>	<u>121,975</u>
At 31 August 2021	<u>5,452</u>	<u>158,291</u>	<u>163,743</u>

## North East Equality & Diversity Limited

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 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:

	2022 £	2021 £
Motor vehicles	<u>88,270</u>	<u>118,391</u>

#### 14 Debtors

	2022 £	2021 £
Trade debtors	38,292	12,536
Prepayments	<u>15,135</u>	<u>6,773</u>
	<u>53,427</u>	<u>19,309</u>

#### 15 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	50	50
Cash at bank	<u>25,366</u>	<u>2,623</u>
	<u>25,416</u>	<u>2,673</u>

#### 16 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	5,882	4,774
Trade creditors	25,912	8,787
Other loans	95,171	86,608
Hire purchase and finance leases	36,286	43,619
Other taxation and social security	97,678	75,199
VAT repayable	(9,893)	(17,537)
Other creditors	1,722	1,142
Accruals	<u>2,515</u>	<u>3,975</u>
	<u>255,273</u>	<u>206,567</u>

#### Bank borrowings

Bounce back loan is denominated in with a nominal interest rate of 2.5% (2021 - £3), and the final instalment is due on 30 June 2030. The carrying amount at year end is £46,079 (2021 - £50,000).

#### Other borrowings

North Star loan with a carrying amount of £16,315 (2021 - £22,187) is denominated in with a nominal interest rate of 6% (2021 - 6%). The final instalment is due on 28 February 2025.

# North East Equality & Diversity Limited

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 17 Creditors: amounts falling due after one year

	2022 £	2021 £
Bank loans	40,196	45,226
Other loans	10,080	16,315
Hire purchase and finance leases	19,646	55,932
	<u>69,922</u>	<u>117,473</u>

Included in the creditors are the following amounts due after more than five years:

	2022 £	2021 £
After more than five years by instalments	<u>(16,667)</u>	<u>(16,662)</u>

### Bank loans and overdrafts after five years

Amounts due in more than five years relate to bank loans, which are due to be repaid by December 2028. The rate of interest on this bank loan is 2.5%.

### 18 Obligations under leases and hire purchase contracts

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

	2022 £	2021 £
Within one year	(15,244)	(43,276)
In two to five years	<u>(11,685)</u>	<u>(15,580)</u>
	<u>(26,929)</u>	<u>(58,856)</u>

### 19 Commitments

#### Capital commitments

The company has non-cancellable operating leases.

The total amount contracted for but not provided in the financial statements was £11,349 (2021 - £38,102).

### 20 Funds

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>				
General	<u>(138,315)</u>	<u>676,295</u>	<u>(662,357)</u>	<u>(124,377)</u>

# North East Equality & Diversity Limited

## Notes to the Financial Statements for the Year Ended 31 August 2022

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>				
General	<u>(44,513)</u>	<u>615,644</u>	<u>(709,446)</u>	<u>(138,315)</u>

### 21 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 August 2022 £
Tangible fixed assets	121,975	121,975
Current assets	78,843	78,843
Current liabilities	(255,273)	(255,273)
Creditors over 1 year	<u>(69,922)</u>	<u>(69,922)</u>
Total net assets	<u>(124,377)</u>	<u>(124,377)</u>
	Unrestricted funds General £	Total funds at 31 August 2021 £
Tangible fixed assets	163,743	163,743
Current assets	21,982	21,982
Current liabilities	(206,567)	(206,567)
Creditors over 1 year	<u>(117,473)</u>	<u>(117,473)</u>
Total net assets	<u>(138,315)</u>	<u>(138,315)</u>

### 22 Analysis of net funds

	At 1 September 2021 £	Financing cash flows £	At 31 August 2022 £
Cash at bank and in hand	2,673	22,742	25,415
Debt due within one year	(91,382)	(9,672)	(101,054)
Debt due after more than one year	(61,541)	11,265	(50,276)
Finance leases and hire purchase contracts	<u>(99,551)</u>	<u>43,619</u>	<u>(55,932)</u>
Net debt	<u>(249,801)</u>	<u>67,954</u>	<u>(181,847)</u>



## North East Equality & Diversity Limited

### Notes to the Financial Statements for the Year Ended 31 August 2022

	At 1 September 2020 £	Financing cash flows £	At 31 August 2021 £
Cash at bank and in hand	76,587	(73,914)	2,673
Bank overdraft	(19,223)	19,223	-
	57,364	(54,691)	2,673
Debt due within one year	(14,177)	(77,205)	(91,382)
Debt due after more than one year	(70,520)	8,979	(61,541)
Finance leases and hire purchase contracts	(145,588)	46,037	(99,551)
Net debt	(172,921)	(76,880)	(249,801)

### 23 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 financial period and there have been no transactions with the charitable company (2021 - £nil).

At the balance sheet date the amount due to/from VETRA Limited was £Nil (2021 - £Nil).

#### **C Watson**

During the financial period, the former Finance Officer has given the charitable company interest free loans of £nil (2021 - £7,559) and been repaid loans of £800 (2021 - £1,500).

The loans are interest free and repayable on demand.

At the balance sheet date the amount due to C Watson was £9,091 (2021 - £9,891).

#### **R Styring**

During the financial period, the Chairman has given the charitable company interest free loans of £9,000 (2021 - £30,846) and been repaid loans of £nil (2021 - £nil).

The loans are interest free and repayable on demand.

At the balance sheet date the amount due to R Styring was £79,846 (2021 - £70,846).

## North East Equality & Diversity Limited

### Detailed Statement of Financial Activities for the Year Ended 31 August 2022

	Total 2022 £	Total 2021 £
<b>Income and Endowments from:</b>		
Donations and legacies (analysed below)	25,276	60,757
Charitable activities (analysed below)	650,599	553,117
Other income (analysed below)	420	1,770
	<u>676,295</u>	<u>615,644</u>
Total income		
	<u>676,295</u>	<u>615,644</u>
<b>Expenditure on:</b>		
Charitable activities (analysed below)	(662,357)	(709,446)
	<u>(662,357)</u>	<u>(709,446)</u>
Total expenditure		
	<u>(662,357)</u>	<u>(709,446)</u>
Net income/(expenditure)	13,938	(93,802)
	<u>13,938</u>	<u>(93,802)</u>
Net movement in funds	13,938	(93,802)
	<u>13,938</u>	<u>(93,802)</u>
<b>Reconciliation of funds</b>		
Total funds brought forward	(138,315)	(44,513)
	<u>(138,315)</u>	<u>(44,513)</u>
Total funds carried forward	(124,377)	(138,315)
	<u>(124,377)</u>	<u>(138,315)</u>

# North East Equality & Diversity Limited

## Detailed Statement of Financial Activities for the Year Ended 31 August 2022

	Total 2022 £	Total 2021 £
<b><i>Donations and legacies</i></b>		
Appeals and donations	-	(39,667)
UK Government grants	-	68,969
Grants - other agencies	-	6,000
Subscriptions	1,008	1,187
Sponsorship	24,268	24,268
	<u>25,276</u>	<u>60,757</u>
<b><i>Charitable activities</i></b>		
NCC school contract	524,734	473,858
Brokerage income	14,796	4,091
NEAS contract	101,819	55,559
Dial a Ride	9,250	19,058
Need a Car	-	551
	<u>650,599</u>	<u>553,117</u>
<b><i>Other income</i></b>		
Other income	420	1,770
	<u>420</u>	<u>1,770</u>
<b><i>Charitable activities</i></b>		
Purchases	-	(2,479)
Depreciation of motor vehicles	(40,495)	(49,920)
Profit/(loss) on disposal of tangible fixed assets	916	14,085
Wages and salaries	(328,181)	(403,190)
Staff NIC (Employers)	(7,671)	(11,832)
Staff pensions (Defined contribution) - pension scheme 1	(3,157)	(2,715)
Staff training	(1,860)	(4,148)
Volunteer expenses	(196)	(1,020)
Rent and rates	(4,250)	(3,442)
Insurance	(718)	(1,654)
Repairs and maintenance	(2,006)	(2,433)
Repairs and renewals	(163)	(809)
Telephone and computer costs	(8,761)	(11,440)
Office expenses	(1,911)	(1,846)
Trade subscriptions	(1,018)	(1,332)
Hire of other assets (Operating leases)	(5,308)	(5,198)
Motor expenses	(7,893)	(9,082)
Petrol or diesel	(81,890)	(52,558)
Motor insurance	(39,140)	(36,236)

This page does not form part of the statutory financial statements.

## North East Equality & Diversity Limited

### Detailed Statement of Financial Activities for the Year Ended 31 August 2022

	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Motor repairs and renewals	(51,144)	(30,749)
Car hire and leasing expenses (Spot hire)	(37,269)	(40,415)
Travel and subsistence	(3,980)	(3,232)
Advertising	-	(17)
Legal and professional fees	(6,233)	(5,701)
Bank interest payable	(1,599)	(2,492)
Other interest payable	(1,704)	(3,096)
Hire purchase interest	(11,959)	(9,459)
Depreciation of plant and machinery	(1,192)	(597)
Depreciation of office equipment	(79)	(324)
Loan interest	(2,036)	(1,835)
Wages and salaries	(3,894)	(16,616)
Rent and rates	(49)	(133)
Insurance	(8)	(64)
Repairs and maintenance	(23)	(95)
Telephone and computer costs	(101)	(443)
Office expenses	(23)	(71)
Hire of other assets (Operating leases)	(61)	(202)
Independent examiner's fee	(1,065)	(2,500)
Bookkeeping and other accounting services	(1,450)	(1,667)
Legal and professional fees	(4,767)	(2,380)
Bank interest payable	(18)	(96)
Depreciation of office equipment	(1)	(13)
	<u>(662,357)</u>	<u>(709,446)</u>

This page does not form part of the statutory financial statements.