

PROPS NORTH EAST
(A company limited by guarantee)

REPORT AND GROUP FINANCIAL STATEMENTS

For the year ended 31 March 2021

Charity number 1146582

Company number 07902767

PROPS NORTH EAST

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TRUSTEES ANNUAL REPORT

For the year ended 31 March 2021

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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

Summary by Denise Wilkins, Chair:

At the end of this financial year, we find ourselves adjusting to a new normal planning for the post pandemic world. The work that we have undertaken to strengthen all aspects of the charity over the previous year while faced with COVID-19, has enabled us to build a strong position from which we can continue to promptly respond and adapt how we deliver services to the people we serve.

This year we are reporting an increase in our income from the previous year of £26,922 and a further reduction in expenditure of £49,585, resulting in an overall surplus for the year of £47,788. This is a significant improvement on the previous year and a positive trend that we forecast to continue into the new financial year.

In December 2020, we received confirmation that our tender to maintain our contract of services with North Tyneside City Council was successful. This outcome along with the previous award of a contract to deliver services in Newcastle in April 2020, means that we are now able to build a longer-term strategic plan with greater financial stability. We have also benefitted from a number of COVID-19 related grants and funding initiatives to support the Charity during the pandemic.

Throughout this challenging year, the response to the pandemic by our Charity was to adapt our services to be able to communicate via various social online platforms, offering virtual spaces to provide connection for families. It was imperative that inclusivity of family's needs were accommodated in the absence of face to face support whilst in isolation.

The launch of our new look website and the additional functionality of online referrals has enabled us to widen our visibility and reach to the community. This could not have been achieved without the offer of voluntary time from Bean Bag Bizarre and Zenos who worked hard on re-branding and updating the content of our website. This has not only given PROPS a fresh and current look, but the process also inspired the whole team to collaborate and be a part of the change.

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I would like to express gratitude to my fellow trustees, the dedicated staff team and all our invaluable volunteers who have all shown exceptional commitment and fortitude in these extremely trying times.

Denise Wilkins
Chair of Trustees

Our People

Trustees and Directors

Denise Wilkins – Chair of Trustees and Director
Lynne Griffin – Trustee and Director
Susan Sinton – Trustee and Director
Alastair Mitchell – Treasurer and Director

Staff Team

Nicola Mansfield Jones – Chief Executive
Lyn Hunter – Service Manager
Sandy Lambrou – Finance Manager
Teresa Atkinson – Administration Officer/Family Intervention Worker
Helen Wrigley – Family Intervention Worker
Sandra Adams – Family Intervention Worker
Julie Gardner – Family Intervention Worker
Daniel Brocksopp – Young Persons Intervention Worker
Helen Thompson – Social Impact Lead
Andrea Mansfield – Administration Officer/Project Support Officer

Volunteers

Peter Toner – Administration Support
Lesley Hardie – Welfare Rights/Group Facilitator
Claire Hagelburg - Counsellor
Muriel Goulding – Group Facilitator
Lesley Ayre – Group Facilitator

Purpose and Aims

The purpose of the Charity as set out in the objects contained in the company's Memorandum and Articles of Association is:

“to relieve the charitable needs of carers and whole families affected by substance misuse,

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by the provision of advice, information, education and training, and other charitable forms of support, and by raising public awareness in all matters relating to drug and alcohol dependence, and their associated behaviours, with the overall aim being to promote sustainable whole family recovery.”

Vision

To provide a complete solution for families affected by substance misuse to take back control of their lives, at all times acting as an advocate for social change on the issues that impact upon the lives and communities of those we serve.

Ensuring the Work Delivers Our Aims

The Charity reviews its aims, objectives, and activities each year and updates both the strategic development and operational delivery plans to reflect the decisions taken. The review looks at achievements and outcomes of the work over the previous 12 months. It looks at the success of each key activity and the benefits brought to the groups of people the communities we serve and also the barriers, challenges and failures experienced to ensure our services are effective and fit for purpose. It also helps us ensure the aim, objectives and activities remain focussed on the stated purpose. The Trust has referred to the guidance contained in the Charity Commission's guidance on Public Benefit when reviewing our aims and objectives, and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives.

The Focus of Our Work

The main objectives and activities for the year were to maintain a consistent level of high-quality service delivery across all operational areas and to continue to progress our change management program strengthening the systems and infrastructure of the charity to support long term sustainability of our work.

- Support to adults caring for a family member
- Support to young people affected by substance misuse
- Support to individuals to address the problems caused by their own substance misuse
- Championing the voices of the communities we serve across in the issues that impact upon their lives

How Our Activities Deliver Public Benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future

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activities. The charitable objectives are also set out in order to provide a clear and demonstrable public benefit. All our charitable activities focus on reducing the harm caused to carers and whole families affected by substance misuse. By providing these activities they further our charitable purpose for the public benefit.

Who Used and Benefitted from Our Services?

The objects of the Charity do not restrict the delivery of activities to a geographical area, however some of the funding we currently receive limits the services we are able to provide to residents in Newcastle upon Tyne and North Tyneside.

The North East still has some of the worst health related outcomes in the UK with the highest rates of drug related deaths, alcohol related mortality and poverty. The North East is a region who, prior to the coronavirus pandemic, had already felt some of the harshest impacts of austerity through cuts to local authority funding. We work with families from every socioeconomic background and see higher referral rates from areas with high levels of social deprivation. All services are provided free of charge to families. In 2020 work has continued to develop a framework to better understand the impact of the pandemic alongside our current work to help us improve outcomes for those who use our services and increase accessibility across communities.

Achievements

The main areas of charitable activity are the provision of a range of evidence-based interventions tailored to the bespoke needs of families and individuals. We deliver programmes of support that keep families and carers safe and achieve self-directed outcomes based on expressed needs and wishes of those who use our services. These activities and the achievements are described below.

Support we Provide for Adults Caring for a Substance User:

Our work to promote recovery is underpinned three main principles:

- To reduce the positive reinforcements of using drugs and/or alcohol
- To enhance life circumstances, social networks, and family relationships
- To give adults a voice in the social issues that impact upon their lives

This work is underpinned by delivering the following:

- Providing direct support to adults caring for a family member who misuses substances. Our assessment and care planning process ensures we are able to reduce stress and isolation in the lives of affected others and improve their health and wellbeing.

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- Improving relationships between substance users and affected others within families by offering them skills and education to manage their situation.
- Increasing whole family's motivation to support substance users to access and sustain recovery.
- Supporting and reducing drug and alcohol misuse which may contribute to a reduction in re-offending behaviour through the use of evidence-based models. A decrease in offending could maintain the substance user's motivation to sustain long term change.
- Contribution to preventing the number of children and young people from entering the Children's Social Care system, through employing Early Help Assessments (EHA) as a means of providing additional support when identified.

Support we Provide for Children/Young People Affected by a Substance User:

We offer a unique service to young people aged 11-18 affected by parental or familial substance misuse.

Our work with young people is underpinned by three main principles:

- Young people affected by substance misuse are safe
- Young people affected by substance misuse achieve their potential
- Young people affected by substance misuse have a voice

This work is underpinned by delivering the following:

- Providing direct support to children/young people impacted by a family member who misuses substances. Our assessment and care planning process ensures we are able to reduce stress and isolation in the lives of affected others and improve their health and wellbeing.
- Delivering the Young Persons programme within a safe space to enable self-exploration. Work with the challenges young people are faced with and empower them to increase confidence and build resilience.
- Give young people a voice through partnership work, advocacy, and mediation within the family.
- Contribution to preventing the number of children and young people from entering the Children's Social Care system, through employing Early Help Assessments (EHA) as a means of providing additional support when identified.

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Championing the Voices of the Communities We Serve

PROPS was founded by Scotswood Women's Drug Support Group using principles of social action and community organising. This has continued through our robust partnerships and attendance at local and regional forums, alongside empowering affected others to have a voice of their own.

Financial Review

Considerable progress continues to be made in strengthening the governance and operations of the charity. We are currently reviewing our strategic plan to embed a stronger infrastructure. This will be implemented and lead us into the next financial year.

The outcome of these actions has been an increase in income of £26,922 at the same time we have made further reductions of £49,585 in our expenditure. This has resulted in a surplus of £47,788 for the year.

Income from trading activity decreased this year due to the pandemic. We continue to develop a more strategic and focussed approach in our trading model in the new normal world. This work has been supported by development grants from Access Reach and the North East Scale Up program and the Lloyds Foundation Enhance program.

Trustees and managers continue to review and regularly monitor progress against the strategic, operational, and financial plans through trustee and finance meetings.

Principal Funding Sources

The Trustees are grateful to the following for funding the work of the Charity during the period:

- Newcastle City Council
- North Tyneside Council
- DWP PHE Innovation Fund
- Community Foundation Tyne and Wear
- The National Lottery
- Collective Voice
- Tesco's
- Barnardo's See, Hear, Respond
- North East Scale Up Program

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We would like to give thanks to the individuals who have made personal donations to the charity over this year whose contributions allow us to make essential purchases for our services and provide much valued respite events and activities for adults and young people.

Investment Policy

The strategic aims and development of the Charity specify trustees ensure the best use of reserves over the long-term showing due diligence and an agreed level of risk averseness. The investment objective is to create a balance between capital growth and income, which over the long run, will endeavour to maintain the real value of any assets.

The charity does not currently hold any investments.

Pay Policy for 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 charitable company are, 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 charitable company on a day-to-day basis. The pay of the KMP is reviewed annually.

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 budget and forecast information, ensuring that the charitable company.

Reserves Policy and Going Concern

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 charitable company to hold free reserves, those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose.

This exercise considered both the normal requirements for working capital and the loss of income of a hypothetical but reasonable reduction in the scale of operations. Resulting from this, the trustees considered it would be appropriate to hold the equivalent one to two months' payroll costs/expenditure, which would equate to holding approximately £25,000 - £50,000 in free reserves.

At the year end, total free reserves (unrestricted and designated funds not invested in tangible fixed assets) were £87,132 (2020: £28,813) an increase of £58,319. As we head into 2021/2022, we are confidently forecasting an increase in free reserves at that the end of the next financial year.

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The trustees will continue to budget future surpluses and diversify income generation activities in order to provide improved organisational sustainability.

The trustees recognise that whilst reserves may be utilised to maintain capacity within the charity and to undertake essential infrastructure projects finance, they are conscious that in the medium and longer term the charity will need to generate surpluses in order to maintain their target level of free reserves.

The need for the charity's services to continue to grow and therefore the demand on future reserves will also be greater, hence the charity continues to require future funding and the support of its funding partners.

The financial statements have been prepared on a going concern basis. The trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the trustees have revised their forecasts to take into account the impact on the business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Going Concern

The financial statements have been prepared on a going concern basis. In making their assessment the trustees have reviewed and considered relevant information, including their annual budget and future cash flows. In response to the COVID-19 pandemic, the trustees have revised their forecasts to consider measures that they can take with the current resources available to mitigate the impact of the current adverse conditions. The trustees are of the view that the immediate future of the charity for the next 12 months is secure and that on this basis the charity is a going concern.

Plans for Future Periods

Following our organisational review, trustees are committed in continuing to invest time in strategic development.

The true impact of the devastating Coronavirus pandemic on communities is yet to be realised; however we will continue to work alongside partners and adapt to any social changes we may encounter.

Due to increasing the accessibility of our services and becoming more digital, we have assessed and revised our cyber security processes to ensure the charity and the community data remains secure.

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We are in the process of preparing for post lockdown movement to ensure the families we serve can access face to face support safely in our community hubs.

We are awaiting confirmation from the Living Wage Foundation to become an accredited member.

As a charity we feel we have a social responsibility to support the climate crisis we are all currently faced with. We are committed to making a change and this year we are focussing on reducing our carbon footprint. We have become a Forest Carbon member. By working with this organisation we will offset our carbon footprint by ensuring 100 trees will be planted. This is just the start of our commitment to global change.

We will continue to focus on generating unrestricted income to allow the charity to remain agile in responding to the needs of those we serve in an even greater climate of uncertainty.

There appears to be growing acknowledgment of the value of 'charity' fuelled by the sector wide response meeting the needs of the most vulnerable citizens in our country. We expect to see a rise in government spending to support the recovery of communities from the pandemic and that we are already experiencing the effects of ten years of austerity which may present new opportunities for PROPS in the coming years.

In looking to the future we will continue to work with current and potential new partners in developing agile and innovative solutions to complex problems. We will continue to explore new markets and develop new services ensuring that those who use and purchase our services have excellent experiences of our work.

The Charity will focus on the following areas:

- Strengthen organisational infrastructure and systems
- Maintain existing contracts with Newcastle City Council and North Tyneside Council
- Development of new partnership responses and approaches
- Develop and expand the reach of our specialist services
- Improve the communication and marketing our offer to all stakeholders
- Expand our skills services for young people and whole families
- Explore sustainable income streams
- Increase the mix of products and services offered by trading subsidiary Positive Practice Partnership Ltd.

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Reference and Administrative Details of the Charity, its Trustees and Advisors

Charity Name	PROPS North East	
Registered Charity Number	1146582	
Company Number	07902767	
Registered Office and operational address	Linskill Centre Linskill Terrace North Shields England NE30 2AY	
Trustees	Denise Wilkins Alastair Mitchell Lynne Griffin Susan Sinton Beverley Reid	Chair of Trustees Treasurer Trustee Trustee Resigned October 2020
Chief Executive	Nicola Mansfield-Jones Claire Robinson	Appointed January 2021 Resigned January 2021
Independent Examiner	Jim Dodds FCIE Connected Voice Business Services Ltd C/O Connected Voice Higham House, Higham Place Newcastle upon Tyne, NE1 8AF	
Bankers	Unity Trust Bank Nine Brindley place Birmingham B1 2HB	

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Structure, Governance and Management

Governing Document

PROPS North East is a charitable company limited by guarantee. Established as Scotswood Women's Drug Support Group in 1997, Newcastle PROPS was registered as a charity in 1999 and incorporated as PROPS North East 12 January 2012. The company was established under a Memorandum and Articles of Association which established the objects and powers of the charitable company and is governed under its articles of association. In the event of the company being wound up members are required to contribute an amount of £1.00.

Appointment of Trustees

As set out in the Memorandum and Articles of Association the Board shall consist of no more than 12 Trustees and no less than 1. At each Annual General Meeting one third of the longest serving Trustees retire by rotation from office. A retiring Trustee is eligible for re-election.

In the event of any particular skills being lost through retirement or resignation, suitable individuals are approached to offer themselves for appointment to the Board. All Trustees give their time voluntarily and received no benefits from the charity. No Trustees claimed expenses during the year

Trustee Induction and Training

New trustees are invited to meet with the Chair and Chief Executive to familiarise themselves with the Charity and the context in which it operates. This covers:

- The obligations of trustees
- The main documents which set out the operational framework for the Trust
- Resourcing and the current financial position
- Future plans and objectives
- Risks facing the Charity

Trustees also receive an induction pack of internal information together with publications from the Charity Commission. The Chief Executive organises opportunities for the trustees to become familiar with the work of the Charity by meeting with those who use the services of the Charity, attending groups and training and for meeting staff and volunteers. Trustees are also invited to attend issue specific focus groups or projects.

Organisation

The board of trustees has responsibility for the strategic direction and policy of the charity. Frequency of full meetings has been reviewed for effectiveness and will continue to meet on

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a monthly basis. Trustees have also established subgroups for financial governance and income generation that meet in addition to and report into ordinary meetings.

The Chief Executive is appointed by the trustees to manage the day-to-day operations. To facilitate effective operations the Chief Executive has delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance, employment, and service delivery.

Risk Management

The Trustees have a risk management strategy that comprises:

- An annual review of the risks the charity may face
- The implementation and review of a formal risk mapping system and procedures to mitigate identified risks
- The implementation of systems and procedures designed to minimise any potential impact on the Trust should they materialise

Due to uncertainty in the economic climate and to mitigate significant external risks to funding organisation undertakes an annual strategic review. Each year the organisation produces updated Business and Action Plans which are fully consulted with trustees, management and staff teams and reviewed against progress quarterly. They are very much working documents which recognise the need for diversification, development, and expansion of the Charity's core business. A key element in the management of financial risk is the setting of a Reserves Policy and its regular review by trustees.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of PROPS North East for company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent

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- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
 - Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure the financial statements comply with the Companies Act 2006. The Trustees 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

Jim Dodds (Connected Voice Business Services Ltd) has been re-appointed as independent examiner for the ensuing year ending 31 March 2022.

Approved by the Board on24/06/21..... and signed on their behalf by:

..........

Denise Wilkins (Chair of Trustees)

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 March 2021

I report on the financial statements of PROPS North East for the year ended 31 March 2021, which are set out on pages 15 to 26

Respective responsibilities of trustees and examiner

The trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for the year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a Fellow of the Association of Charity Independent Examiners.

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

- examine the accounts under section 145 of the 2011 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

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

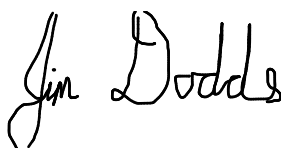
Independent examiner's statement

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

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

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

Jim Dodds FCIE
Ellison Services Limited
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF
Date: 24/06/2021



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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING THE INCOME & EXPENDITURE ACCOUNT)

For the year ended 31 March 2021

	Notes	General Unrestricted Funds £	Designated Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
<u>Income:</u>						
Donations and legacies	7	1,665	-	-	1,665	7,072
Income from charitable activities:						
Grants and contracts	8	280,246	-	22,527	302,773	304,430
Other trading activities:	9					
Subsidiary income		37,975	-	-	37,975	3,177
Other trading income		-	-	-	-	750
Investment income	10	13	-	-	13	75
Total income		<u>319,899</u>	<u>-</u>	<u>22,527</u>	<u>342,426</u>	<u>315,504</u>
<u>Expenditure</u>						
Costs of raising funds:	11					
Subsidiary expenditure		30,108	-	-	30,108	3,177
Expenditure on charitable activities:						
Operation of the charity	12	242,003	-	22,527	264,530	341,044
Total expenditure		<u>272,111</u>	<u>-</u>	<u>22,527</u>	<u>294,638</u>	<u>344,221</u>
Net income/(expenditure)		47,788	-	-	47,788	(28,717)
Transfers between funds		<u>11,098</u>		<u>(11,098)</u>	<u>-</u>	<u>-</u>
Net movement in funds for the year		58,886	-	(11,098)	47,788	(28,717)
<u>Reconciliation of funds</u>						
Total funds brought forward		1,621	30,000	11,098	42,719	71,436
Total funds carried forward		<u>60,507</u>	<u>30,000</u>	<u>-</u>	<u>90,507</u>	<u>42,719</u>

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

The notes on pages 17 to 26 form an integral part of these accounts.

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Company number 07902767

CONSOLIDATED BALANCE SHEET

As at 31 March 2021

	Notes	Group		Charity	
		2021 £	2020 £	2021 £	2020 £
Fixed assets					
Tangible assets	21	3,375	2,808	3,375	2,808
Investments		-	-	1	1
Total Fixed Assets		3,375	2,808	3,376	2,809
Current assets					
Debtors and prepayments	23	13,852	5,703	13,852	5,703
Cash at bank and in hand		114,844	44,224	114,123	43,504
Total Current Assets		128,696	49,927	127,975	49,207
Liabilities					
Creditors falling due within one year	24	(41,564)	(10,016)	(40,844)	(9,297)
Net Current Assets		87,132	39,911	87,131	39,910
Total assets less current liabilities		90,507	42,719	90,507	42,719
Net Assets		90,507	42,719	90,507	42,719
The funds of the charity					
Restricted income funds		-	11,098	-	11,098
General unrestricted income funds		60,507	1,621	60,507	1,621
Designated unrestricted income funds		30,000	30,000	30,000	30,000
Total charity funds		90,507	42,719	90,507	42,719

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

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

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

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


The notes on pages 17 to 26 form an integral part of these accounts.

These financial statements were approved by the Board on:

24/06/2021

and are signed on its behalf by:

Denise Wilkins
Chair



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

1 Accounting Policies

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

2 Basis of accounting

2.1 Basis of preparation

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

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011

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

2.2 Preparation of the accounts on a going concern basis

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

3 Income

3.1 Recognition of income

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

3.2 Offsetting

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

3.3 Grants and donations

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

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

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For the year ended 31 March 2021

3.4 Volunteer help

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

3.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

3.6 Fund accounting

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

4 Expenditure and liabilities

4.1 Liability recognition

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

4.2 Charitable activities

Expenditure on charitable activities includes the costs of providing support and other therapeutic activities to carers undertaken to further the purposes of the charity and their associated support costs.

4.3 Governance and support costs

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

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

4.4 Irrecoverable VAT

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

4.5 Creditors

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

5 Assets

5.1 Tangible fixed assets for use by the charity

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Office and computer equipment
Project equipment

Straight line over four years
Straight line over four years

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6 The summary financial performance of the charity alone is:

	Total 2021 £	Total 2020 £
Income	304,451	312,327
Gift aid from trading subsidiary	7,867	-
	312,318	312,327
Expenditure on charitable activities	264,530	341,044
Net income/(expenditure)	47,788	(28,717)
Total funds brought forward	42,719	71,436
Total funds carried forward	90,507	42,719

Represented by:

General unrestricted income funds	60,507	1,621
Designated unrestricted income funds	30,000	30,000
Restricted income funds	-	11,098
	90,507	42,719

Analysis of income

	General Unrestricted Funds £	Designated Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
7 Income from donations and legacies					
Private donations	1,665	-	-	1,665	2,756
Other donations	-	-	-	-	3,000
Fund raising	-	-	-	-	1,316
	1,665	-	-	1,665	7,072

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Analysis of income continued

	General Unrestricted Funds £	Designated Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
8 Income from charitable activities					
<u>Income from grants and contracts</u>					
NCC - Public Health Services - Carers Support	125,760	-	-	125,760	117,359
NCC - Community Led Local Development programme	21,899	-	-	21,899	-
Department of Work and Pensions	20,000	-	-	20,000	42,000
North Tyneside Council	99,710	-	-	99,710	93,471
The Reach Fund - ACCESS	-	-	-	-	22,520
The Barbour Foundation	-	-	-	-	10,000
The Hospital of God at Greatham	-	-	-	-	1,000
RTC Scaleup North East	-	-	-	-	2,992
The National Lottery Community Fund	-	-	9,110	9,110	-
Community Foundation	2,000	-	714	2,714	-
Collective Voice	-	-	12,703	12,703	-
Other small grants	1,216	-	-	1,216	-
Other income	9,661	-	-	9,661	15,088
	<u>280,246</u>	<u>-</u>	<u>22,527</u>	<u>302,773</u>	<u>304,430</u>
9 Income from other trading activities					
Trading subsidiary turnover	37,975	-	-	37,975	3,177
Other trading activities	-	-	-	-	750
	<u>37,975</u>	<u>-</u>	<u>-</u>	<u>37,975</u>	<u>3,927</u>
10 Investment income					
Bank interest	13	-	-	13	75
	<u>13</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>75</u>

Income was £342,426 (2020: £315,504) of which £319,899 was unrestricted or designated (2020: £292,984) and £22,527 was restricted (2020: £22,520).

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For the year ended 31 March 2021

Analysis of expenditure

	General Unrestricted Funds £	Designated Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
11 Costs of raising funds					
Trading subsidiary costs					
Staff costs	24,104	-	-	24,104	2,019
Overheads	6,004	-	-	6,004	1,158
	<u>30,108</u>	<u>-</u>	<u>-</u>	<u>30,108</u>	<u>3,177</u>
12 Charitable activities					
Client activities	5,084	-	-	5,084	7,091
Staff salaries	189,519	-	18,189	207,708	253,846
Other staff costs	1,596	-	-	1,596	1,476
Staff travel & meetings	198	-	-	198	5,261
Training costs	-	-	-	-	12,499
Volunteer expenses	79	-	-	79	205
Premises costs	9,863	-	-	9,863	11,284
Office costs	19,430	-	3,860	23,290	26,447
Promotion and publicity	472	-	478	950	521
Professional fees	12,263	-	-	12,263	19,711
Bank charges	171	-	-	171	219
Depreciation	928	-	-	928	60
Governance costs					
Management committee costs	-	-	-	-	24
Independent examiners fees	2,400	-	-	2,400	2,400
	<u>242,003</u>	<u>-</u>	<u>22,527</u>	<u>264,530</u>	<u>341,044</u>

Expenditure on charitable activities was £264,530 (2020: £341,044) of which £242,003 was unrestricted or designated (2020: £328,057) and £22,527 was restricted (2020: £12,987).

13 Net income/(expenditure) for the year

	2021 £	2020 £
This is stated after charging :		
Depreciation	927	60
Independent examiner's fees for reporting on the accounts	2,400	2,400
Other accountancy services provided by the examiner	1,626	1,727
	<u>4,953</u>	<u>4,187</u>

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

	2021 £	2020 £
Gross wages, salaries and benefits in kind	199,639	222,296
Employer's National Insurance costs	17,003	15,473
Employer's pension costs	15,170	18,096
	231,812	255,865

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

The key management personnel of the charity, comprise the trustees and the Chief Executive. The total employee benefits of the key management personnel of the charity were £41,331 (2020: £39,616).

15 Staff Numbers

The average monthly head count was 9 staff (2020: 11 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2021 Number	2020 Number
The parts of the charity in which the employees work		
Support staff	5.5	5.0
Management / admin staff	3.5	4.0
	9.0	9.0

16 Transactions with trustees

The charity trustees were not paid any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity. (2020: £nil).

17 Trustees' expenses

No trustee expenses have been incurred in the year (2020: £nil).

18 Transaction(s) with related parties

No trustee or other person related to the charity had any personal interest in any contract or other transactions entered into by the charity, including guarantees, during the year (2020: nil).

19 Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The employer's pension costs represent contributions payable by the charity to the fund and amount to £15,107 (2020: £18,096). There was £nil outstanding as at 31 March 2021 (2020: £nil).

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20 Corporation Taxation

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

	Charity			Group	
	Office & Computer Equipment £	Project Equipment £	Total £	Equipment £	Total £
21 Tangible fixed assets					
Cost					
Balance brought forward	19,472	18,000	37,472	1,200	38,672
Additions	1,494	-	1,494	-	1,494
Disposals	-	(18,000)	(18,000)	-	(18,000)
Balance carried forward	20,966	-	20,966	1,200	22,166
Depreciation					
Balance brought forward	16,664	18,000	34,664	1,200	35,864
Depreciation charge for year	927	-	927	-	927
Disposals	-	(18,000)	(18,000)	-	(18,000)
Balance carried forward	17,591	-	17,591	1,200	18,791
Net book value					
Brought forward	2,808	-	2,808	-	2,808
Carried forward	3,375	-	3,375	-	3,375

22 Fixed asset investment

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Investment in subsidiary company	-	-	1	1

The charitable company owns one £1 ordinary share, 100% of the voting capital of the Positive Practice Partnership Ltd a company incorporated and registered in England and Wales (Company number 08487355). To provide training, accreditation and supervision in evidenced based interventions to staff working with adults affected by a family members substance misuse. and pays all of its profits to the charity under the Gift Aid scheme. A summary of the trading results and balance sheet for the year ended 31 March 2021 is shown below.

Profit and loss account

	2021 £	2020 £
Turnover	37,975	3,177
Cost of sales	-	-
Administration costs	(30,108)	(3,177)
Other operating income	-	-
Taxation	-	-
Donation to parent charity	(7,867)	-
Net profit	-	-

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22 Fixed asset investment continued

Balance sheet	2021 £	2020 £
Fixed assets	-	-
Current assets	721	721
Creditors amounts falling due within one year	(720)	(720)
	<u>1</u>	<u>1</u>
Called up share capital	1	1
Profit and loss account	-	-
	<u>1</u>	<u>1</u>

23 Debtors and prepayments (receivable within 1 year)

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	13,852	2,993	13,852	2,993
Other debtors	-	213	-	213
Prepayments	-	2,497	-	2,497
	<u>13,852</u>	<u>5,703</u>	<u>13,852</u>	<u>5,703</u>

24 Creditors and accruals (payable within 1 year)

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	991	2,896	991	2,896
Other creditors	10,925	-	10,925	1
Accruals				
Preparation of statutory accounts	3,120	3,120	2,400	2,400
Other accruals	-	4,000	-	4,000
Deferred Income	26,528	-	26,528	-
	<u>41,564</u>	<u>10,016</u>	<u>40,844</u>	<u>9,297</u>

25 Deferred income

Deferred income comprises of advance payment from grant providers

	2021 £
Balance brought forward	-
Amount released to income earned from charitable activities	-
Amount deferred in year	26,528
Balance carried forward	<u>26,528</u>

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For the year ended 31 March 2021

26 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
General unrestricted fund	1,621	319,899	(272,111)	11,098	60,507
Totals	1,621	319,899	(272,111)	11,098	60,507

Purpose of unrestricted funds

General unrestricted fund The 'free reserves' after allowing for designated funds.

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Designated reserves fund	30,000	-	-	-	30,000
Totals	30,000	-	-	-	30,000

Purpose of designated funds

Designated reserves fund To cover one to two months running costs including potential close down costs.

Analysis of movement in restricted funds

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Restricted funds					
The Reach Fund - ACCESS	11,098	-	-	(11,098)	-
The National Lottery Community Fund	-	9,110	(9,110)	-	-
Community Foundation	-	714	(714)	-	-
Collective Voice	-	12,703	(12,703)	-	-
Totals	11,098	22,527	(22,527)	(11,098)	-

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26 Analysis of charitable funds continued

Purpose of restricted funds

The Reach Fund - ACCESS	To provide support to the charity and to enable it to consider social investment.
The National Lottery Community Fund	Covid Response - to assist with CEO salary, laptops and social media adverts to assist with remote working due to Covid.
Community Foundation	To contribute to purchase of a laptop and firewall.
Collective Voice	Covid related to help with remote support – salaries, laptops, webchat training.

Transfers between funds	Reason for Transfer	Amount £
Between general unrestricted fund and restricted funds	The balance from 2020 for The Reach Fund - ACCESS was transferred to unrestricted funds as PROPS North East has now met all the obligations in relation to this funding.	11,098

27 Analysis of net assets between funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Tangible fixed assets	3,375	-	-	3,375	2,808
Cash at bank and in hand	84,844	30,000	-	114,844	44,224
Other net current assets	13,852	-	-	13,852	5,703
Creditors falling due within one year	(41,564)	-	-	(41,564)	(10,016)
	<u>60,507</u>	<u>30,000</u>	<u>-</u>	<u>90,507</u>	<u>42,719</u>