

NECA

England & Wales · Charity number 516516

Details

Other names NORTH EAST COUNCIL ON ADDICTIONS, N E C A

Status Registered

Legal form Charitable company

Company number 01828287

Registered 1985-06-20

Register [View on the Charity Commission register](#)

Contact

Address Neca Headquarters
Derwent Point
Clasper Way
Swalwell
Newcastle Upon Tyne
NE16 3BE

Phone 01914146446

Website www.neca.co.uk

Activities

Objects: 3. The objects for which the company is established is;(i) to promote the prevention, recognition and treatment of problems related to, in particular but not exclusively, the use of alcohol, drugs, related substances, and gambling. (ii) to advance Education, promote Social Inclusion and Community Capacity, and provide relief from disadvantage, preserving and protecting Health and Wellbeing by providing free accessible services across the North of England.

Activities: We actively promote the prevention, recognition and treatment associated to use and misuse of substances including alcohol, drugs and gambling. We advance Education, promote Social Inclusion and Community Capacity and provide relief from disadvantage, preserving and protecting Health and Wellbeing.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** Children/young People, Elderly/old People, The General Public/mankind

Geography

- Durham
- Gateshead
- Leeds City
- Middlesbrough
- Newcastle Upon Tyne City
- North Tyneside
- North Yorkshire
- Northumberland
- South Tyneside
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,790,032	£1,750,790	£6,740,408	46
2024-03-31	£1,752,834	£1,783,052	£6,701,166	39
2023-03-31	£1,202,283	£1,297,600	£7,599,538	32
2022-03-31	£1,147,991	£1,248,738	£7,694,855	32
2021-03-31	£1,574,750	£1,621,697	£6,183,602	46

Trustees

Name	Role	Appointed
NORMAN RICHARDSON	Chair	1992-10-15
BARRY NEIL SPEKER OBE DL		
JOHN NIGEL DAWSON		2025-05-13
RONALD IAN WATSON		

NECA

England & Wales - Charity number 516516

Accounts

Charity registration number 516516

Company registration number 01828287 (England and Wales)

NECA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

NECA

LEGAL AND ADMINISTRATIVE INFORMATION

Patron	Her Grace, The Duchess of Northumberland
President	Mr B N Speker - OBE DL
Trustees	Mr B N Speker - OBE DL Mr N Richardson - Chairman Mr R I Watson - Treasurer Dr P B Moore Mr J N Dawson (Appointed 13 May 2025)
Remuneration Committee	Mr N Richardson Mr R I Watson Mrs C Atkinson
Key Management Personnel	Mrs C Atkinson - Chief Executive Ms E Innes - Deputy Chief Executive Mrs C Howarth - Finance Manager Mrs L Strong - HR/Development Manager
Secretary	Mr R I Watson
Charity number	516516
Company number	01828287
Registered office	Derwent Point Clasper Way Swalwell Newcastle upon Tyne NE16 3BE
Auditor	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds Bank Plc 102 Grey Street Newcastle Upon Tyne Tyne And Wear United Kingdom NE99 1SL
Solicitors	Sintons LLP The Cube Barrack Road Newcastle Upon Tyne Tyne And Wear United Kingdom NE4 6DB

NECA

CONTENTS

	Page
Trustees' report	1 - 4
Chairman's statement	5
Statement of trustees' responsibilities	6
Independent auditor's report	7 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 26

NECA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2025.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 26th June 1984 and is governed by its Memorandum and Articles of Association, which were last amended on 11th May 2020. It was also registered as a charity with the Charity Commission on 20th June 1985. In the event of the charitable company being wound up members are required to contribute an amount not exceeding £1.

Objectives and activities

Objectives and aims

The objectives of the charity are:

- To promote the prevention, recognition and treatment of problems related to, in particular but not exclusively, the use of alcohol, drugs, related substances, and gambling.
- To advance Education, promote Social Inclusion and Community Capacity, and provide relief from disadvantage, preserving and protecting Health and Wellbeing by providing free accessible services across the North of England.

The mechanisms for delivering the various services of the charity are well established and the management team is stable, flexible and well experienced in driving and managing the critical activities of the organisation. All our charitable activities focus on our objectives and are undertaken to further our charitable purposes for the public benefit.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the diverse needs of all staff or clients.

Fundraising disclosures

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

Public benefit

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success/result of each activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aims, objectives and activities remained focused on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general 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 they have set.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Further details of the charity's activities, achievements, performance and future plans are contained within the Chairman's Report on page 5 and includes a positive confirmation of public benefit.

NECA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Financial review

The charity's surplus for the year as shown in the Statement of Financial Activities, including donations of £3,343, amounts to £39,242 and compares favourably with the budget for the year that had been approved by the trustees and which had anticipated a deficit. The resulting surplus for the year has been credited to Unrestricted and Restricted Funds as shown in the Statement of Financial Activities.

The year ended 31 March 2025 is therefore considered to be satisfactory from a financial perspective and is consistent with the objects of the charity.

The voluntary sector continues to face many challenges, both financial and non-financial and whilst NECA is not immune from these challenges, the trustees have confidence in the future of the charity.

Policy on reserves

The result for the year leaves NECA with an Unrestricted Reserve of £5,902,661. From note 22 to these financial statements, it can be seen that of this sum £1,391,611 is held in net current assets that is, represented by cash and net creditors. This is an increased position from the previous year which was a net current asset position of £1,301,708 and therefore an increase of £89,903.

The charitable company will continue to endeavour to make and retain a modest surplus over the next few years in keeping with the agreed Reserves Policy (as follows) 'The company should aim to hold readily expendable reserves of between three to six months average expenditure to ensure that the activities of the charity can be sustained through any period of financial difficulty'. This would equate to a free reserves target of between £500,000 to £1million. The current level of free reserves as at the year end amounted to £1,391,611. The financial statements have been prepared on a going concern basis.

The charity meets its day to day working capital requirements through cash generated from operations.

The charitable company's forecasts and projections for the next twelve months show that the charity will be able to continue in operational existence for that period. The charity has strong positive cash balances and is forecasting for this to continue to be the case. Based on the factors set out above, the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

Investment policy and objectives

The charity funds are controlled by the directors, who also act as trustees, who invest with a view to safely optimise investment income while maintaining capital growth in line with market trends.

The trustees can invest any sums or investments received by them in investments in which they are by law authorised to invest money (including trading subsidiaries), with power from time to time to change for others of a like nature.

Risk Management

The trustees have continued to assess the major risks to which the charity is exposed, in particular those relating to the operations and finances of the charity but, also encompassing non-financial risks that may arise, and are satisfied that systems are in place to mitigate the exposure to the major risks to an acceptable level.

The financial statements which have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP FRS102) conform to current statutory requirements and comply with the charitable company's governing document.

NECA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Plans for future periods

The charity has no plans at present to radically alter the mix of ongoing activity, nor to change the focus of the charity. It is envisaged that there may be some requirement to adapt to the continuing difficult economic conditions which have the potential to affect all aspects of the charity's work. An organisation wide cost control strategy continues to exist with close scrutiny of all discretionary spending.

The trustees have approved a budget for the forthcoming year consistent with these comments and the charity's overall strategic plan.

The Board and Management are committed to the process of continuous improvement to optimise both the financial performance and activities of the charity.

Board of Directors/Trustees

The business of the charity is managed by an Executive Committee of the trustees, the number of which shall not be less than 4 nor more than 30, who meet on a regular basis to decide overall strategic policies and financial matters. Trustees retire by rotation and are able to stand for re-election.

The trustees retiring by rotation and due to be appointed at this year's Annual General Meeting are as follows:

Dr P B Moore was due to retire by rotation this year, but has decided not to seek re-election.

On 13 May 2025, the trustees appointed Mr J N Dawson as a trustee and a proposal for his election will be put to the members at the Annual General Meeting for their approval.

The trustees meet, as a norm, on a monthly basis. They receive detailed management and financial information as well as reports on operational activities for their meetings. Trustees unable to attend a meeting because of other engagements are nevertheless provided with all the papers and information relevant for such meetings and are able to discuss issues arising with the Chairman or the Chief Executive. Trustees participate in the strategic planning process and have ultimate responsibility for the strategic plan.

Recruitment and appointment of trustees

Any trustee vacancies which arise are filled by search with due regard to maintaining a proper balance of skills and experience within the Executive Committee. New trustees are appointed by the Executive Committee or by members of the charity in General Meetings.

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.

Arrangements for setting key management personnel remuneration

We have identified Key Management Personnel in the Reference and Administration section.

The remuneration of the key personnel is determined by the Board and the Chief Executive, although the Chief Executive is excluded in relation to discussion of her remuneration. The Board is guided by a formal report from the Remuneration Committee which sets out all available relevant information which includes legislative obligations, best available benchmark data in relation to salaries and settlement levels, internal differentials, recruitment difficulties, the recent settlement history at NECA, the proposed costs and ability to pay.

Day to day management

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

NECA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Mr N Richardson - Chairman
Trustee

5 August 2025

NECA

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

Last year was a milestone year as NECA reached its 50th anniversary and this year we have pushed on into the future with confidence. The unprecedented deficit last year caused by property revaluations has been left behind and a slightly increased turnover resulting in a decent surplus has been achieved for 2024 / 2025.

Before I go on, I must give praise to Mrs Cynthia Atkinson CEO who has attained the impressive feat of reaching 40 years' service with NECA. Cynthia began working for NECA in 1984 in the TASP service and became CEO in 1994. I doubt that this record will ever be bettered.

NECA strives to be a good employer and a good indication of that is the length of service of its employees, many of whom have over 20 years' service. We have 3 employees who have retired this year after many years' service, Deputy CEO Eileen Innes retired with 29 years' service, NECA IT Manager Brian Webb, had 20 years' service and NECA Finance Manager Christine Howarth who had 8 years' service. I thank everyone of them for their hard work and loyalty to NECA which is much appreciated by myself and my fellow trustees.

During the year all headquarters staff were relocated into Clasper House after several years of operating a split site with Derwent Point. This has enabled the organisation to re-evaluate its direction with a desire to get back to delivering its core function of drug, alcohol and gambling treatment services. Derwent Point is now fully occupied with the final tenant moving onto the ground floor last June providing a very useful rental income for the charity.

The last time NECA was inspected by the Care Quality Commission (CQC) was in Darlington in 2019 and the service was rated as outstanding. This year CQC was engaged by GambleAware to carry out a full inspection and assessment of NECA's gambling service even though the service is not a regulated service and therefore not registered with CQC. I was delighted to learn that even though a grading was not awarded, if it had been it would have been outstanding. Full credit to Eileen Innes and the gambling team.

NECA strives to provide services that are of benefit to the community, and it goes without saying that our gambling service and the excellent work carried out by volunteers at the Community Garden are great examples of that delivery of public benefit. It's also worth noting that NECA continues to support several small organisations with discounted rents and in some cases free space in its properties.

As always, I end with my grateful thanks to the staff, my fellow trustees who give their time and expertise freely to the organisation, and many of our suppliers who are always on hand to help at short notice. A special mention to Davy Shaw who has worked tirelessly over the years to make sure NECA's properties are safe, well maintained and fit for purpose.



Mr N Richardson
Chairman

Date: 5 August 2025

NECA

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

The trustees, who are also the directors of NECA for the purpose of company law, are responsible for preparing the 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 gives a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity 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 charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

NECA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NECA

Opinion

We have audited the financial statements of NECA (the "charity") for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

NECA

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NECA

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

NECA

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NECA

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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

Azets Audit Services

**Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services**

12/8/2025
.....

**Chartered Accountants
Statutory Auditor**

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

NECA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income from:							
Donations and legacies	3	3,343	-	3,343	3,783	1,500	5,283
Charitable activities	4	1,498,126	239,966	1,738,092	1,459,445	246,315	1,705,760
Investments	5	48,597	-	48,597	41,791	-	41,791
Total income		1,550,066	239,966	1,790,032	1,505,019	247,815	1,752,834
Expenditure on:							
Charitable activities	6	1,484,094	266,696	1,750,790	1,553,589	229,463	1,783,052
Net gains/(losses) on investments	12	-	-	-	(867,767)	-	(867,767)
Net incoming/(outgoing) resources before transfers		65,972	(26,730)	39,242	(916,337)	18,352	(897,985)
Gross transfers between funds		(67)	67	-	-	-	-
Net income/(expenditure) for the year/ Net movement in funds		65,905	(26,663)	39,242	(916,337)	18,352	(897,985)
Fund balances at 1 April 2024		6,580,989	120,177	6,701,166	7,497,326	101,825	7,599,151
Fund balances at 31 March 2025	21	6,646,894	93,514	6,740,408	6,580,989	120,177	6,701,166

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

NECA

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	14		1,320,279		1,344,277
Investment property	15		3,935,000		3,935,000
Investments	16		4		4
			<u>5,255,283</u>		<u>5,279,281</u>
Current assets					
Debtors	18	459,173		384,016	
Cash at bank and in hand		1,771,850		1,545,632	
		<u>2,231,023</u>		<u>1,929,648</u>	
Creditors: amounts falling due within one year	19	(745,898)		(507,763)	
Net current assets			<u>1,485,125</u>		<u>1,421,885</u>
Net assets			<u>6,740,408</u>		<u>6,701,166</u>
Income funds					
Restricted funds			93,514		120,177
<u>Unrestricted funds</u>					
Designated funds		744,233		744,233	
General unrestricted funds		5,902,661		5,836,756	
			<u>6,646,894</u>		<u>6,580,989</u>
Total funds	21		<u>6,740,408</u>		<u>6,701,166</u>

The financial statements were approved by the Trustees on 5 August 2025



Mr N Richardson - Chairman
Trustee



Mr R I Watson - Treasurer
Trustee

Company registration number 01828287

NECA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	25		179,985		38,871
Investing activities					
Purchase of tangible fixed assets		(2,364)		(3,283)	
Investment income received		48,597		41,791	
Net cash generated from investing activities			46,233		38,508
Net increase in cash and cash equivalents			226,218		77,379
Cash and cash equivalents at beginning of year			1,545,632		1,468,253
Cash and cash equivalents at end of year			1,771,850		1,545,632

NECA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

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

The address of its registered office is : Derwent Point, Clasper Way, Swalwell, Newcastle Upon Tyne, NE16 3BE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, unless otherwise stated in the relevant accounting policies. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

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

Donations and legacies

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

Grants receivable

Grants receivable are recognised when the charity has 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.

NECA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Other trading activities

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment Income

Investment income is recognised on a receivable basis.

Interest receivable is recognised on a receivable basis, when the amount can be measured reliably, this is normally upon notification of the interest paid or payable by the bank.

Charitable activities

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support client service activities and is recognised where there is entitlement, probable receipt and the amount can be measured with sufficient reliability. Income is deferred when related grants are received and the performance conditions relating to its entitlement are not met. Income from charitable activities includes rental income from investment properties, as a result of renting the properties to organisations with similar objectives.

1.5 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.

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. Those costs, which have not been directly apportioned, have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in the support cost note.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially recognised at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Individual fixed assets costing £1,000 or more are initially recorded at cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold Property	2% Straight line.
Leasehold Property	Straight line over the period of the lease
Equipment	12.5% straight line, 25% straight line for computer equipment

No depreciation is provided on land included within the category known as freehold property.

NECA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Transaction costs are expensed as incurred. Changes in fair value are recognised in other recognised gains and losses except to the extent that a gain reverses a loss previously recognised in net income expenditure, or a loss exceeds the accumulated gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

NECA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include ;

Depreciation - depreciation is calculated so as to write off the cost of an asset, less its residue value, over the useful economic life of that asset. An estimate of the useful economic life of assets is detailed in the depreciation accounting policy.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2025	2024	2024	2024
	£	£	£	£
Donations and gifts	3,343	3,783	1,500	5,283

NECA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

4 Charitable activities

	Unrestricted 2025 £	Restricted 2025 £	Total 2025 £	Total 2024 £
Service contracts	1,173,046	-	1,173,046	1,131,975
Rental income	305,096	-	305,096	295,860
Grants receivable	-	239,966	239,966	246,315
Other income	6,244	-	6,244	1,182
Drink drive course income	13,740	-	13,740	30,428
	<u>1,498,126</u>	<u>239,966</u>	<u>1,738,092</u>	<u>1,705,760</u>

5 Investment income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	<u>48,597</u>	<u>41,791</u>

NECA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

6 Charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Staff costs	1,034,628	179,748	1,214,376	908,477	153,843	1,062,320
Advertising and PR	8,525	9,505	18,030	5,787	85	5,872
Transitional service delivery	-	-	-	162,500	-	162,500
Resources	7,106	5,475	12,581	4,177	3,997	8,174
Travel expenses	9,118	5,457	14,575	10,321	5,955	16,276
Other professional fees	57,465	4,232	61,697	80,735	314	81,049
Associates fees	18,744	-	18,744	-	-	-
Engagement	9,375	120	9,495	-	-	-
Partner service delivery	35,888	-	35,888	-	-	-
	<u>1,180,849</u>	<u>204,537</u>	<u>1,385,386</u>	<u>1,171,997</u>	<u>164,194</u>	<u>1,336,191</u>
Share of support costs (see note 7)	260,131	62,159	322,290	342,080	65,269	407,349
Share of governance costs (see note 7)	43,114	-	43,114	39,512	-	39,512
	<u>1,484,094</u>	<u>266,696</u>	<u>1,750,790</u>	<u>1,553,589</u>	<u>229,463</u>	<u>1,783,052</u>

NECA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

7 Support costs	Support costs	Governance costs	2025	Support costs	Governance costs	2024
	£	£	£	£	£	£
Staff costs	-	32,189	32,189	-	28,462	28,462
Depreciation	26,363	-	26,363	26,197	-	26,197
Cleaning	14,876	-	14,876	13,066	-	13,066
Insurance	37,055	-	37,055	33,670	-	33,670
Irrecoverable VAT	34,480	-	34,480	43,251	-	43,251
IT and communication costs	70,848	-	70,848	73,543	-	73,543
Light and heat	41,471	-	41,471	57,409	-	57,409
Printing, stationery and postage	5,248	-	5,248	5,482	-	5,482
Rent and rates	37,348	-	37,348	35,339	-	35,339
Repairs and maintenance	37,973	-	37,973	97,861	-	97,861
Sundry expenses	16,628	-	16,628	21,531	-	21,531
 Audit and accountancy fees	 -	 10,925	 10,925	 -	 11,050	 11,050
	<u>322,290</u>	<u>43,114</u>	<u>365,404</u>	<u>407,349</u>	<u>39,512</u>	<u>446,861</u>
Analysed between						
Charitable activities	<u>322,290</u>	<u>43,114</u>	<u>365,404</u>	<u>407,349</u>	<u>39,512</u>	<u>446,861</u>
 8 Net movement in funds				2025	2024	
				£	£	
Net movement in funds is stated after charging/(crediting)						
Depreciation of owned tangible fixed assets				<u>26,363</u>	<u>26,197</u>	
 9 Auditor's remuneration						
Fees payable to the charity's auditor and associates:				2025	2024	
				£	£	
Audit of the charity's annual accounts				<u>8,750</u>	<u>8,500</u>	
Non-audit services						
All other non-audit services				<u>2,500</u>	<u>2,550</u>	
 10 Trustees						
None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.						
No trustees have received any reimbursed expenses or any other benefits from the charity during the year.						

NECA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

11 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Administrative staff	10	9
Support services	2	2
Development	34	28
Total	<u>46</u>	<u>39</u>

Employment costs

	2025 £	2024 £
Wages and salaries	1,105,332	962,018
Social security costs	92,213	80,556
Other pension costs	49,020	48,208
	<u>1,246,565</u>	<u>1,090,782</u>

The total employee benefits of the key management personnel of the charity were £240,260 (2024 - £217,156)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025 Number	2024 Number
£60,001 - £70,000	-	2
£70,001 - £80,000	2	-
	<u>2</u>	<u>2</u>

12 Net gains/(losses) on investments

	Total Unrestricted funds	
	2025 £	2024 £
Revaluation of investment properties	-	<u>(867,767)</u>

13 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 objects.

NECA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

14 Tangible fixed assets

	Freehold Property £	Leasehold Property £	Equipment £	Total £
Cost				
At 1 April 2024	1,691,216	15,697	59,496	1,766,409
Additions	-	-	2,364	2,364
At 31 March 2025	1,691,216	15,697	61,860	1,768,773
Depreciation and impairment				
At 1 April 2024	356,248	15,697	50,186	422,131
Depreciation charged in the year	24,551	-	1,812	26,363
At 31 March 2025	380,799	15,697	51,998	448,494
Carrying amount				
At 31 March 2025	1,310,417	-	9,862	1,320,279
At 31 March 2024	1,334,967	-	9,310	1,344,277

15 Investment property

	2025 £
Fair value	
At 1 April 2024 and 31 March 2025	3,935,000

The fair values of Link House, Speculation House and Ellison House were revalued in the financial year to 31 March 2022 by Bradley Hall Chartered Surveyors.

The fair value of Derwent Point was revalued in the financial year to 31 March 2024 by BNP Paribas Real Estate.

The trustees have reviewed the value of the investment properties as at 31 March 2025 and do not believe that there have been any material movements in the year.

	2025 £	2024 £
Freehold	3,935,000	3,935,000

NECA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

16 Fixed asset investments

			Other investments
Cost or valuation			
At 1 April 2024 & 31 March 2025			4
			<u>4</u>
Carrying amount			
At 31 March 2025			4
			<u>4</u>
At 31 March 2024			<u>4</u>
			<u>4</u>
		2025	2024
Other investments comprise:	Notes	£	£
Investments in subsidiaries	17	4	4
		<u>4</u>	<u>4</u>

17 Subsidiaries

These financial statements are separate charity financial statements for NECA.

Details of the charity's subsidiaries at 31 March 2025 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held
NECA Services Limited	England	Dormant	Ordinary	100.00
NECA Training Limited	England	Dormant	Ordinary	100.00
NECA Recruitment Limited	England	Dormant	Ordinary	100.00
NECA Housing limited	England	Dormant	Ordinary	100.00

18 Debtors

	2025	2024
Amounts falling due within one year:	£	£
Trade debtors	375,864	304,925
Prepayments and accrued income	83,309	79,091
	<u>459,173</u>	<u>384,016</u>

NECA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

19 Creditors: amounts falling due within one year

	2025	2024
	£	£
Other taxation and social security	32,581	30,101
Trade creditors	33,481	31,220
Amounts owed to fellow group undertakings	4	4
Accruals and deferred income	679,832	446,438
	<u>745,898</u>	<u>507,763</u>

20 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £49,020 (2024 - £48,208).

NECA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

21 Movement in funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2023		Movement in funds			Movement in funds			Balance at 31 March 2025		
	£	£	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 1 April 2024	Incoming resources	Resources expended	Transfers	£	£
Gambling Project Grants	100,042	164,526	164,526	(158,236)	-	106,332	39,014	(62,026)	-	-	83,320
National Lottery	-	38,267	38,267	(34,797)	-	3,470	39,077	(40,017)	-	-	2,530
National Lottery Know Your Neighbourhood	-	22,080	22,080	(12,720)	-	9,360	21,515	(23,211)	-	-	7,664
South Tyneside Council	-	16,542	16,542	(15,527)	-	1,015	13,925	(14,940)	-	-	-
Karbon Homes	-	3,400	3,400	(3,400)	-	-	6,872	(6,872)	-	-	-
Caterpillar Kitchen Fund	1,783	3,000	3,000	(4,783)	-	-	-	-	-	-	-
GambleAware Empowering Youth Project	-	-	-	-	-	-	119,563	(119,630)	67	67	-
	101,825	247,815	247,815	(229,463)	-	120,177	239,966	(266,696)	67	67	93,514
Unrestricted funds											
General funds	5,885,326	1,505,019	1,505,019	(1,553,589)	-	5,836,756	1,550,066	(1,484,094)	(67)	(67)	5,902,661
Designated Funds:	1,612,000	-	-	-	(867,767)	744,233	-	-	-	-	744,233
Total funds	7,599,151	1,752,834	1,752,834	(1,783,052)	(867,767)	6,701,166	1,790,032	(1,750,790)	-	-	6,740,408

NECA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

21 Movement in funds

(Continued)

The specific purposes for which the restricted funds are to be applied are as follows ;

The South Tyneside Council and Karbon Homes jointly fund the holiday clubs held at our Community Garden in South Shields throughout the school holidays.

The Gambling Project Grants relates to funding towards gambling services carried out throughout the year.

GambleAware Empowering Youth Project relates to funding towards empowering young people and educating in relation to Gambling Harm.

The National Lottery Grant contributes towards the general running costs of our Community Garden in South Shields.

The National Lottery Know Your Neighbourhood relates to funding for local community activities held at 'The Hive' on Beach Road in South Shields.

General unrestricted funds comprise those funds which the trustees are free to use for any purposes in furtherance of the charitable objects.

Designated funds consist of the total revaluation surplus on the investment properties.

NECA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

22 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Fund balances at 31 March 2025 are represented by:						
Tangible assets	1,320,279	-	1,320,279	1,344,277	-	1,344,277
Investment properties	3,935,000	-	3,935,000	3,935,000	-	3,935,000
Investments	4	-	4	4	-	4
Current assets/(liabilities)	1,391,611	93,514	1,485,125	1,301,708	120,177	1,421,885
	<u>6,646,894</u>	<u>93,514</u>	<u>6,740,408</u>	<u>6,580,989</u>	<u>120,177</u>	<u>6,701,166</u>

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	1,260	1,260
Between two and five years	945	2,205
	<u>2,205</u>	<u>3,465</u>

24 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).

25 Cash generated from operations

	2025 £	2024 £
Surplus/(deficit) for the year	39,242	(897,985)
Adjustments for:		
Investment income recognised in statement of financial activities	(48,597)	(41,791)
Fair value gains and losses on investment properties	-	867,767
Depreciation and impairment of tangible fixed assets	26,362	26,194
Movements in working capital:		
(Increase) in debtors	(75,157)	(5,390)
Increase in creditors	238,135	90,076
Cash generated from operations	<u>179,985</u>	<u>38,871</u>

26 Analysis of changes in net funds

The charity had no debt or borrowings during the year.

NECA

England & Wales - Charity number 516516

Accounts

Company registration number: 01828287

Charity registration number: 516516

NECA

(A charitable company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2024

NECA

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 6
Chairman's Statement	7 to 8
Independent Auditors' Report	9 to 11
Statement of Financial Activities	12
Statement of Financial Activities	13
Balance Sheet	14
Statement of Cash Flows	15
Notes to the Financial Statements	16 to 28

NECA

Reference and Administrative Details

Patron	Her Grace, The Duchess of Northumberland
President	Mr B.N. Speker OBE DL
Trustees	Mr B.N. Speker OBE DL Mr N. Richardson, Chairman Mr R.I. Watson, Treasurer Dr P.B. Moore
Company Secretary	Mr R.I. Watson
Remuneration Committee	Mr N. Richardson Mr R.I. Watson Mrs C Atkinson
Key Management Personnel	Mrs C. Atkinson, Chief Executive Ms E. Innes, Deputy Chief Executive Mrs C. Howarth, Finance Manager Mrs L. Strong, HR/Development Manager
Registered Office	Derwent Point Clasper Way Swalwell Newcastle upon Tyne NE16 3BE The charity is incorporated in England and Wales.
Company Registration Number	01828287
Charity Registration Number	516516
Auditor	Azets Audit Services Chartered Accountants & Statutory Auditors Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Solicitors:	Sintons LLP The Cube Barrack Road Newcastle NE4 6DB
Bankers	Lloyds Bank Plc Newcastle 102 Grey Street Newcastle upon Tyne NE99 1SL

NECA

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2024.

Structure, governance and management

Nature of governing document

The organisation is a charitable company limited by guarantee, incorporated on 26th June 1984 and is governed by its Memorandum and Articles of Association, which were last amended on 11th May 2020. It was also registered as a charity with the Charity Commission on 20th June 1985. In the event of the charitable company being wound up members are required to contribute an amount not exceeding £1.

Board of Directors/Trustees

The business of the charity is managed by an Executive Committee of the trustees, the number of which shall not be less than 4 nor more than 30, who meet on a regular basis to decide overall strategic policies and financial matters. Trustees retire by rotation and are able to stand for re-election.

The trustees retiring by rotation at this year's Annual General Meeting are as follows:

Mr N.Richardson

Mr R.I.Watson

The trustees meet, as a norm, on a monthly basis. They receive detailed management and financial information as well as reports on operational activities for their meetings. Trustees unable to attend a meeting because of COVID-19 restrictions or other engagements are nevertheless provided with all the papers and information relevant for such meetings and are able to discuss issues arising with the Chairman or the Chief Executive. Trustees participate in the strategic planning process and have ultimate responsibility for the strategic plan.

Recruitment and appointment of trustees

Any trustee vacancies which arise are filled by search with due regard to maintaining a proper balance of skills and experience within the Executive Committee. New trustees are appointed by the Executive Committee or by members of the charity in General Meetings.

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.

Arrangements for setting key management personnel remuneration

We have identified Key Management Personnel in the Reference and Administration section.

The remuneration of the key personnel is determined by the Board and the Chief Executive, although the Chief Executive is excluded in relation to discussion of her remuneration. The Board is guided by a formal report from the Remuneration Committee which sets out all available relevant information which includes legislative obligations, best available benchmark data in relation to salaries and settlement levels, internal differentials, recruitment difficulties, the recent settlement history at NECA, the proposed costs and ability to pay.

NECA

Trustees' Report

Day to day management

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

Objectives and activities

Objects and aims

The objectives of the charity and the group are:

- To promote the prevention, recognition and treatment of problems related to, in particular but not exclusively, the use of alcohol, drugs, related substances, and gambling.
- To advance Education, promote Social Inclusion and Community Capacity, and provide relief from disadvantage, preserving and protecting Health and Wellbeing by providing free accessible services across the North of England.

The mechanisms for delivering the various services of the group are well established and the management team is stable, flexible and well experienced in driving and managing the critical activities of the organisation. All our charitable activities focus on our objectives and are undertaken to further our charitable purposes for the public benefit.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the diverse needs of all staff or clients.

Fundraising disclosures

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

Public benefit

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success/result of each activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aims, objectives and activities remained focussed on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general 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 they have set.

Achievements and performance

Further details of the charities' activities, achievements, performance and future plans are contained within the Chairman's Report on page 7 and includes a positive confirmation of public benefit.

NECA

Trustees' Report

Financial review

The charity deficit for the year as shown in the Statement of Financial Activities, including donations of £5,283, amounts to £897,985. However, this includes a significant unrestricted deficit of £867,767 on the revaluation of a tangible fixed asset property which, because of the requirement in the Charities SORP, the charity must now treat as an investment property and be revalued to market value. As a commercial property, it has been valued using a particular method known as WAULT (weighted average unexpired lease term) where the length of tenant leases is a very significant factor – especially those considered to be on shorter terms, as is the case of this property. This contrasts greatly with the last revaluation transfer to investment properties in 2022, where one large property had a major tenant on a long lease. Longer leases are generally now considered to be unattractive to prospective tenants in recent years and are therefore much harder to achieve, thus impacting on valuations. The result before the loss on investment was a deficit of £30,218. This result compares favourably with the budget that had been approved by the trustees for the year.

There are currently no plans to dispose of the property and the trustees consider that its decent annual rental income will ensure that it continues to be a valuable asset for the charity.

The resulting total deficit for the year has been charged to Unrestricted and Restricted Funds as shown in the Statement of Financial Activities, with the revaluation deficit deducted from the existing Designated Reserve.

The year ended 31 March 2024 is therefore considered to be acceptable from a financial perspective, particularly so given the continuing issues affecting all areas of the voluntary sector. With regard to non-financial measures, a great deal has been achieved and is consistent with the objects of the charity.

Policy on reserves

The results for the year leave NECA with an Unrestricted Revenue Reserve of £5,836,756. From note 21 to these financial statements it can be seen that of this sum £1,301,708 is held in net current assets that is, represented by cash and net creditors. This is a decreased position from the prior year which was a net current asset position of £1,327,364 and therefore a decrease of £25,656.

The charitable company will continue to endeavour to make and retain a modest surplus over the next few years in keeping with the agreed Reserves Policy (as follows) 'The company should aim to hold readily expendable reserves of between three to six months average expenditure to ensure that the activities of the charity can be sustained through any period of financial difficulty'. This would equate to a free reserves target of between £500,000 to £1million. The current level of free reserves as at the year end amounted to £1,301,708. The financial statements have been prepared on a going concern basis.

The charity meets its day to day working capital requirements through cash generated from operations.

The charitable company's forecasts and projections for the next twelve months show that the charity will be able to continue in operational existence for that period. The charity has strong positive cash balances and is forecasting for this to continue to be the case. Based on the factors set out above, the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

NECA

Trustees' Report

Investment policy and objectives

The charity funds are controlled by the directors, who also act as trustees, who invest with a view to safely optimise investment income while maintaining capital growth in line with market trends.

The trustees can invest any sums or investments received by them in investments in which they are by law authorised to invest money (including trading subsidiaries), with power from time to time to change for others of a like nature.

Risk Management

The trustees have continued to assess the major risks to which the charity is exposed, in particular those relating to the operations and finances of the charity but, also encompassing non-financial risks that may arise, and are satisfied that systems are in place to mitigate the exposure to the major risks to an acceptable level.

The financial statements which have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP FRS102) conform to current statutory requirements and comply with the charitable company's governing document.

Plans for future periods

The charity has no plans at the present to radically alter the mix of ongoing activity, nor to change the focus of the charity. It is envisaged that there may be some requirement to adapt to the continuing difficult economic conditions which have the potential to affect all aspects of the charity's work. An organisation wide cost control strategy continues to exist with close scrutiny of all discretionary spending.

The trustees have approved a budget for the forthcoming year consistent with these comments and the charity's overall strategic plan.

The Board and Management are committed to the process of continuous improvement to optimise both the financial performance and activities of the charity.

Statement of trustees' responsibilities

The trustees (who are also the directors of NECA 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:

- 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.

NECA

Trustees' Report

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.


Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 8 August 2024 and signed on its behalf by:



.....
Mr N. Richardson
Chairman

NECA

Chairman's Statement

This year NECA celebrates its 50th anniversary and in addition to my usual Chairman's Report I thought I would share a little bit of history with our members, a tribute to our founder and first chair Dr Laetitia Telfer. The following is copied from an article in the 1987 Annual Report.

"The departure of Laetitia Telfer from the Chairmanship of NECA towards the end of 1987 will mark the end of an era of leadership that has been quite outstanding, both in its success and in the quality of dedication that she has brought to her task.

Dr the Hon Mrs L.M. Telfer, daughter of Lord Balfour of Burleigh, qualified as a Doctor of Medicine in 1946, marrying Dr Ian Telfer in 1955. From their very happy home Mrs Telfer has somehow found time to bring up a family, continue her medical career, be a magistrate, and take an active part in many voluntary organisations. On 11th April 1974 she was unanimously elected as the first Chairman of the newly formed North East Council on Alcoholism. This body - whose only paid staff consisted of a Director and his secretary - was formed "To promote the prevention and diagnosis of alcoholism, and the treatment of those suffering therefrom". Mrs Telfer, fully convinced of the need for the new body by the medical and court evidence she had seen, was undaunted by the magnitude of the assignment.

It is a tribute to Mrs Telfer's skilled leadership and wisdom that NECA has grown so majestically to meet an acute local need. She is selfless in the giving of time; only the staff (and her family) could tell of the long hours she spent in the office, running meetings, discussing plans and always supporting staff and volunteers in their work. She will be greatly missed, for all value her personal kindness and friendship as well as the integrity that has characterised every decision, she has taken in order to promote an organisation that she feels is so necessary in our modern society. NECA hopes to see her often in the future and wishes her many happy years ahead."

Whilst Laetitia stepped down as Chair in 1987, she continued as a trustee and honorary President until 2006 when she retired. Unfortunately, Laetitia passed away in 2011 aged 91, but her legacy continues and despite the ups and downs of the last few years, NECA continues to provide the best services it can throughout the region. An example is the continued close cooperation with GambleAware whose funding has enabled NECA to expand its gambling service into Yorkshire and Humberside. The Community Garden continues its excellent work providing activities for school children and free packed lunches for every child during the school holidays. NECA was also invited to take over a second community garden in Jarrow from a small charity that was disbanding.

NECA is very aware that whatever it gets involved with must be of benefit to the community. To achieve this NECA works with other community groups such as the Blaydon Shed who have been provided with rent free space in Clasper House and Akari Care Home Group to facilitate their staff training, also at Clasper House. Space has also been made available at a discount to small start-ups such as an arts & crafts business at Connect in Sunderland. These and the outstanding work carried out at the Community Garden are good examples of how seriously NECA takes its community responsibilities and delivers public benefit.

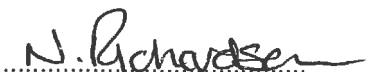
Members will note that despite an increase in turnover and an improved trading position the audited accounts show a large deficit. This is due entirely to a revaluation of our Derwent Point property which has had to be reclassified as an investment property instead of a fixed asset. A further unexpected consequence of Covid and a weak commercial property market. Details of the background to this are fully explained in the Trustees' Report and also the notes accompanying the accounts. Despite this NECA remains strong financially and cashflow remains steady and under control.

NECA

Chairman's Statement

Looking back, I know that Laetitia was very proud of NECA's achievements and looking forward I believe she would be equally as proud that 50 years later we still strive to continue the good work that she began.

As always, I end with grateful thanks to the trustees, staff, volunteers, and supporters who have worked tirelessly throughout the year to support the organisation as well as others who have made financial and other donations in kind to the charity.



Mr N. Richardson
Chairman

NECA

Independent Auditor's Report to the Members of NECA

Opinion

We have audited the financial statements of NECA (the 'charity') for the year ended 31 March 2024, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

NECA

Independent Auditor's Report to the Members of NECA

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 5 and 6), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

NECA

Independent Auditor's Report to the Members of NECA

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; anti-bribery and corruption; and, compliance with both the UK Companies Act and UK Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Azets Audit Services

.....
Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
For and on behalf of
Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 21/8/2024

Azets Audit Services is a trading name of Azets Audit Services Limited

NECA

Statement of Financial Activities for the Year Ended 31 March 2024 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2024 £	Total 2023 £
Income and Endowments from:					
Donations and legacies	3	3,783	1,500	5,283	16,901
Charitable activities	4	1,459,445	246,315	1,705,760	1,165,649
Investment income	5	41,791	-	41,791	6,892
Total Income		<u>1,505,019</u>	<u>247,815</u>	<u>1,752,834</u>	<u>1,189,442</u>
Expenditure on:					
Charitable activities	6	<u>(1,553,589)</u>	<u>(229,463)</u>	<u>(1,783,052)</u>	<u>(1,284,081)</u>
Total Expenditure		<u>(1,553,589)</u>	<u>(229,463)</u>	<u>(1,783,052)</u>	<u>(1,284,081)</u>
Gains/losses on investment assets		<u>(867,767)</u>	<u>-</u>	<u>(867,767)</u>	<u>-</u>
Net (expenditure)/income		<u>(916,337)</u>	<u>18,352</u>	<u>(897,985)</u>	<u>(94,639)</u>
Net movement in funds		<u>(916,337)</u>	<u>18,352</u>	<u>(897,985)</u>	<u>(94,639)</u>
Reconciliation of funds					
Total funds brought forward		<u>7,497,326</u>	<u>101,825</u>	<u>7,599,151</u>	<u>7,693,790</u>
Total funds carried forward	20	<u>6,580,989</u>	<u>120,177</u>	<u>6,701,166</u>	<u>7,599,151</u>

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

The funds breakdown for 2023 is shown in note 20.

NECA

Comparative Statement of Financial Activities for the Year Ended 31 March 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2023 £
Income and Endowments from:				
Donations and legacies	3	16,901	-	16,901
Charitable activities	4	481,003	684,646	1,165,649
Investment income	5	<u>6,892</u>	<u>-</u>	<u>6,892</u>
Total income		<u>504,796</u>	<u>684,646</u>	<u>1,189,442</u>
Expenditure on:				
Charitable activities	6	<u>(632,801)</u>	<u>(651,280)</u>	<u>(1,284,081)</u>
Total expenditure		<u>(632,801)</u>	<u>(651,280)</u>	<u>(1,284,081)</u>
Net (expenditure)/income		(128,005)	33,366	(94,639)
Transfers between funds		<u>8,217</u>	<u>(8,217)</u>	<u>-</u>
Net movement in funds		(119,788)	25,149	(94,639)
Reconciliation of funds				
Total funds brought forward		<u>7,617,114</u>	<u>76,676</u>	<u>7,693,790</u>
Total funds carried forward	20	<u><u>7,497,326</u></u>	<u><u>101,825</u></u>	<u><u>7,599,151</u></u>


NECA

(Registration number: 01828287) Balance Sheet as at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	13	1,344,277	2,984,958
Investments	14	<u>3,935,004</u>	<u>3,185,004</u>
		<u>5,279,281</u>	<u>6,169,962</u>
Current assets			
Debtors	15	384,016	378,663
Cash at bank and in hand	16	<u>1,545,632</u>	<u>1,468,252</u>
		1,929,648	1,846,915
Creditors: Amounts falling due within one year	17	<u>(507,763)</u>	<u>(417,726)</u>
Net current assets		<u>1,421,885</u>	<u>1,429,189</u>
Net assets		<u>6,701,166</u>	<u>7,599,151</u>
Funds of the charity:			
Restricted		<u>120,177</u>	<u>101,825</u>
Unrestricted income funds			
Designated funds		744,233	1,612,000
Unrestricted funds		<u>5,836,756</u>	<u>5,885,326</u>
Total unrestricted funds		<u>6,580,989</u>	<u>7,497,326</u>
Total funds	20	<u>6,701,166</u>	<u>7,599,151</u>

The financial statements on pages 12 to 28 were approved by the trustees, and authorised for issue on 8 August 2024 and signed on their behalf by:


.....
Mr N. Richardson
Trustee


.....
Mr R.I. Watson
Trustee

NECA

Statement of Cash Flows for the Year Ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash expenditure		(897,985)	(94,639)
Adjustments to cash flows from non-cash items			
Depreciation		26,197	55,241
Investment income	5	(41,791)	(6,892)
Revaluation of investments		867,767	-
		<u>(45,812)</u>	<u>(46,290)</u>
Working capital adjustments			
Increase in debtors	15	(5,353)	(295,936)
Increase in creditors	17	90,037	307,308
Net cash flows from operating activities		<u>38,872</u>	<u>(34,918)</u>
Cash flows from investing activities			
Interest receivable and similar income	5	41,791	6,892
Purchase of tangible fixed assets	13	(3,283)	(9,867)
Net cash flows from investing activities		<u>38,508</u>	<u>(2,975)</u>
Net increase/(decrease) in cash and cash equivalents		77,380	(37,893)
Cash and cash equivalents at 1 April		<u>1,468,252</u>	<u>1,506,145</u>
Cash and cash equivalents at 31 March		<u>1,545,632</u>	<u>1,468,252</u>

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

NECA

Notes to the Financial Statements for the Year Ended 31 March 2024

1 Charity status

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

The address of its registered office is: Derwent Point, Clasper Way, Swalwell, Newcastle upon Tyne, NE16 3BE

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) (effective 1 January 2019) - (Charities SORP (FRS 102)). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

NECA 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 charity meets its day to day working capital requirements through cash generated from operations.

The charitable company's forecasts and projections for the next twelve months show that the charity will be able to continue in operational existence for that period. The charity has strong positive cash balances and is forecasting for this to continue to be the case. Based on the factors set out above, the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

Estimation uncertainty and judgements

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

The judgements (apart from those involving estimations) that management has made in the process of applying the charitable company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability

NECA

Notes to the Financial Statements for the Year Ended 31 March 2024

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Depreciation - depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset. An estimate of the useful economic life of assets is detailed in the depreciation accounting policy.

Income and endowments

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

Donations and legacies

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

Grants receivable

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

Other trading activities

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment income

Investment income is recognised on a receivable basis.

Interest receivable is recognised on a receivable basis, when the amount can be measured reliably - this is normally upon notification of the interest paid or payable by the bank.

Charitable activities

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support client service activities and is recognised where there is entitlement, probable receipt and the amount can be measured with sufficient reliability. Income is deferred when related grants are received and the performance conditions relating to its entitlement are not met. Income from charitable activities includes rental income from investment properties, as a result of renting the properties to organisations with similar objectives.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2024

Expenditure

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

Charitable activities

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

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs, which have not been directly apportioned, have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in the Support Cost note.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

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 £1,000 or more are initially recorded at cost.

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Freehold Property	2% straight line
Leasehold Property	Straight line over the period of the lease
Equipment	12.5% straight line, 25% straight line for computer equipment

No depreciation is provided on land included within the category known as freehold property.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2024

Investment properties

Investments include properties from which rental income is received and are shown at their most recent valuation. Any aggregate surplus or deficit arising from changes in value are transferred to a designated revaluation reserve.

As Investment properties, the value of the buildings are not normally depreciated, being carried (after the initial formal valuation) at the board's valuation each year, with a formal valuation being undertaken at least every fifth year.

The board continue to assess all factors which may impact the value of the investment properties and where an impairment is considered appropriate would charge the SoFA with that impairment (and release, as a transfer, from the designated reserve back to general reserves any amount which reversed the original uplift in valuation, which is being held as a designated reserve).

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.

Fund structure

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

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees. These funds consist of the total revaluation surplus on the investment properties.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the income and expenditure account.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2024

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2024 £	Total 2023 £
Donations and legacies;				
Donations	3,783	1,500	5,283	16,901
Total for 2024	3,783	1,500	5,283	16,901
Total for 2023	16,901	-	16,901	

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2024 £
Service contracts	1,131,975	-	1,131,975
Rental income	295,860	-	295,860
Grants receivable	-	246,315	246,315
Other income	1,182	-	1,182
Drink drive course income	30,428	-	30,428
	1,459,445	246,315	1,705,760

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Service contracts	181,923	-	181,923
Rental income	266,002	-	266,002
Grants receivable	-	684,616	684,616
Other income	7,683	30	7,713
Drink drive course income	25,395	-	25,395
	481,003	684,646	1,165,649

NECA

Notes to the Financial Statements for the Year Ended 31 March 2024

5 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2024 £	Total 2023 £
Interest receivable and similar income;				
Interest receivable on bank deposits	41,791	-	41,791	6,892
Total for 2023	6,892	-	6,892	

6 Expenditure on charitable activities

	Unrestricted General £	Restricted £	Total 2024 £	Total 2023 £
Staff costs	908,479	153,843	1,062,322	861,973
Advertising and PR	5,785	85	5,870	2,380
Transitional service delivery Resources	162,500	-	162,500	-
Travel expenses	4,177	3,997	8,174	-
Other professional fees	10,321	5,955	16,276	10,729
Support costs (note 7)	80,735	314	81,049	41,710
Governance costs (note 7)	342,080	65,269	407,349	341,230
	39,512	-	39,512	39,578
Total	1,553,589	229,463	1,783,052	1,297,600

NECA

Notes to the Financial Statements for the Year Ended 31 March 2024

7 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs £	Other support costs £	Total 2024 £	Total 2023 £
Bank charges	-	793	793	980
Cleaning	-	13,066	13,066	13,091
Depreciation	-	26,197	26,197	55,241
Insurance	-	33,670	33,670	29,627
Irrecoverable VAT	-	43,251	43,251	27,864
Light and heat	-	57,409	57,409	58,242
Printing, stationery and postage	-	5,482	5,482	6,843
Recharges	-	8,180	8,180	6,921
Rent and rates	-	35,339	35,339	15,377
Repairs and maintenance	-	97,861	97,861	50,317
Staff training and welfare	-	3,358	3,358	2,853
Sundry expenses	-	7,624	7,624	9,072
Bad debts provision	-	1,576	1,576	1,325
Audit and accountancy	11,050	-	11,050	12,340
IT and communication costs	-	73,543	73,543	63,477
Staff costs	28,462	-	28,462	27,238
	<u>39,512</u>	<u>407,349</u>	<u>446,861</u>	<u>380,808</u>

8 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2024 £	2023 £
Audit fees	9,500	8,855
Other non-audit services	1,550	3,485
Depreciation of fixed assets	<u>26,197</u>	<u>55,241</u>

9 Trustees remuneration and expenses

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

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2024

10 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	962,018	780,171
Social security costs	80,556	69,337
Pension costs	48,208	39,703
	<u>1,090,782</u>	<u>889,211</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:

	2024 No	2023 No
Administrative staff	9	9
Support services	2	2
Development	28	21
	<u>39</u>	<u>32</u>

The number of employees whose emoluments fell within the following bands was:

	2024 No	2023 No
£60,001 - £70,000	<u>2</u>	<u>2</u>

The total employee benefits of the key management personnel of the charity were £217,156 (2023 - £206,745).

11 Auditors' remuneration

	2024 £	2023 £
Audit of the financial statements	<u>9,500</u>	<u>8,855</u>
Other fees to auditors		
All other non-audit services	<u>1,550</u>	<u>3,485</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2024

12 Taxation

The charity is 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.

13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Leasehold property £	Total £
Cost				
At 1 April 2023	3,784,613	59,497	15,697	3,859,807
Additions	3,283	-	-	3,283
Transfers to/from investment property	(2,096,683)	-	-	(2,096,683)
At 31 March 2024	<u>1,691,213</u>	<u>59,497</u>	<u>15,697</u>	<u>1,766,407</u>
Depreciation				
At 1 April 2023	810,630	48,522	15,697	874,849
Charge for the year	24,532	1,665	-	26,197
Transfers	(478,916)	-	-	(478,916)
At 31 March 2024	<u>356,246</u>	<u>50,187</u>	<u>15,697</u>	<u>422,130</u>
Net book value				
At 31 March 2024	<u>1,334,967</u>	<u>9,310</u>	<u>-</u>	<u>1,344,277</u>
At 31 March 2023	<u>2,973,983</u>	<u>10,975</u>	<u>-</u>	<u>2,984,958</u>

14 Fixed asset investments

	2024 £	2023 £
Shares in group undertakings and participating interests	4	4
Investment properties	<u>3,935,000</u>	<u>3,185,000</u>
	<u>3,935,004</u>	<u>3,185,004</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2024

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2023	4	4
At 31 March 2024	4	4
Net book value		
At 31 March 2024	4	4
At 31 March 2023	4	4

Other investments

	Investment properties £	Total £
Cost or Valuation		
At 1 April 2023	3,185,000	3,185,000
Additions	1,617,767	1,617,767
Revaluation	(867,767)	(867,767)
At 31 March 2024	3,935,000	3,935,000
Net book value		
At 31 March 2024	3,935,000	3,935,000
At 31 March 2023	3,185,000	3,185,000

The fair value of Link House, Speculation House and Ellison House was revalued in the financial year to 31 March 2022 by Bradley Hall Chartered Surveyors.

The cost of Derwent Point was transferred from tangible fixed assets to investments properties in the year. The fair value of Derwent Point was revalued in the financial year to 31 March 2024 by BNP Paribas Real Estate.

Details of undertakings

The principal activity of NECA Services Limited is the promotion of the prevention, recognition and treatment of addictive behaviour including substance dependency and gambling. NECA Services ceased trading in the year end to 31 March 2023 and is moving towards becoming dormant. The profit for the financial period of NECA Services Limited was £Nil (2023 - £12,449) and the aggregate amount of capital and reserves at the end of the period was £Nil (2023 - £388).

NECA Training Limited, NECA Recruitment Limited and NECA Housing Limited were all dormant throughout the current and prior year end.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2024

15 Debtors

	2024 £	2023 £
Trade debtors	304,925	259,397
Due from group undertakings	-	45,799
Prepayments and accrued income	79,091	73,467
	<u>384,016</u>	<u>378,663</u>

16 Cash and cash equivalents

	2024 £	2023 £
Cash on hand	3,195	2,352
Cash at bank	1,542,437	1,465,900
	<u>1,545,632</u>	<u>1,468,252</u>

17 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	31,220	38,355
Due to group undertakings	4	-
Other taxation and social security	21,270	20,883
VAT grant repayable	8,831	25,757
Accruals and deferred income	446,438	332,731
	<u>507,763</u>	<u>417,726</u>

18 Obligations under leases and hire purchase contracts

Operating lease commitments

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

	2024 £	2023 £
Other		
Within one year	1,260	761
Between one and five years	2,205	761
	<u>3,465</u>	<u>1,522</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2024

19 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £48,208 (2023 - £39,703).

20 Funds

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2024 £
Unrestricted funds					
<i>General</i>					
General fund	5,885,326	1,505,019	(1,553,589)	-	5,836,756
<i>Designated</i>					
Investment property revaluation	<u>1,612,000</u>	<u>-</u>	<u>-</u>	<u>(867,767)</u>	<u>744,233</u>
Total unrestricted funds	<u>7,497,326</u>	<u>1,505,019</u>	<u>(1,553,589)</u>	<u>(867,767)</u>	<u>6,580,989</u>
Restricted funds					
Gamcare Grants	100,042	164,526	(158,236)	-	106,332
National Lottery	-	38,267	(34,797)	-	3,470
National Lottery KYN	-	22,080	(12,720)	-	9,360
STC HAF	-	16,542	(15,527)	-	1,015
Karbon Homes	-	3,400	(3,400)	-	-
National Lottery Caterpillar Kitchen Fund	<u>1,783</u>	<u>3,000</u>	<u>(4,783)</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>101,825</u>	<u>247,815</u>	<u>(229,463)</u>	<u>-</u>	<u>120,177</u>
Total funds	<u>7,599,151</u>	<u>1,752,834</u>	<u>(1,783,052)</u>	<u>(867,767)</u>	<u>6,701,166</u>

The specific purposes for which the funds are to be applied are as follows:

General funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

Restricted funds consist of the income received for specific charitable purposes and its related expenditure.

Designated funds consist of the total revaluation surplus on the investment properties.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2024

21 Analysis of net assets between funds

	Unrestricted		Restricted £	Total funds £
	General £	Designated £		
Tangible fixed assets	1,344,277	-	-	1,344,277
Fixed asset investments	3,190,771	744,233	-	3,935,004
Net current assets/(liabilities)	<u>1,301,708</u>	<u>-</u>	<u>120,177</u>	<u>1,421,885</u>
Total net assets	<u>5,836,756</u>	<u>744,233</u>	<u>120,177</u>	<u>6,701,166</u>

	Unrestricted			Total funds at 31 March 2023 £
	General £	Designated £	Restricted £	
Tangible fixed assets	2,984,958	-	-	2,984,958
Fixed asset investments	1,573,004	1,612,000	-	3,185,004
Net current assets/(liabilities)	<u>1,327,364</u>	<u>-</u>	<u>101,825</u>	<u>1,429,189</u>
Total net assets	<u>5,885,326</u>	<u>1,612,000</u>	<u>101,825</u>	<u>7,599,151</u>

22 Analysis of net funds

	At 1 April 2023 £	Financing cash flows £	At 31 March 2024 £
Cash at bank and in hand	<u>1,468,252</u>	<u>77,380</u>	<u>1,545,632</u>
Net funds	<u>1,468,252</u>	<u>77,380</u>	<u>1,545,632</u>

	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	<u>1,506,145</u>	<u>(37,893)</u>	<u>1,468,252</u>
Net funds	<u>1,506,145</u>	<u>(37,893)</u>	<u>1,468,252</u>

23 Related party transactions

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

NECA Services Limited

There have been amounts received from NECA Services Limited in the year amounting to £Nil (2023: £157,704) for recharges and other expenses incurred on behalf of NECA. At the balance sheet date the amount due to/from from NECA Services Limited was £Nil (2023 - £45,799).

NECA

England & Wales - Charity number 516516

Accounts

Company registration number: 01828287

Charity registration number: 516516

NECA

(A charitable company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

NECA

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 6
Chairman's Report	7
Independent Auditor's Report	8 to 10
Consolidated Statement of Financial Activities	11
Comparative Consolidated Statement of Financial Activities	12
Consolidated Balance Sheet	13
Balance Sheet	14
Consolidated Statement of Cash Flows	15
Notes to the Financial Statements	16 to 34

NECA

Reference and Administrative Details

Patron	Her Grace, The Duchess of Northumberland
President	Mr B.N. Speker OBE DL
Trustees	Mr B.N. Speker OBE DL, President Mr N. Richardson, Chairman Mr R.I. Watson, Treasurer Dr P.B. Moore
Company Secretary	Mr R.I. Watson
Remuneration Committee	Mr N.Richardson Mr R.I. Watson Mrs C. Atkinson
Key Management Personnel	Mrs C. Atkinson, Chief Executive Ms E. Innes, Deputy Chief Executive Mrs C. Howarth, Finance Manager Mrs L. Strong, HR/Development Manager
Registered Office	Derwent Point Clasper Way Swalwell Newcastle upon Tyne NE16 3BE The charity is incorporated in England and Wales.
Charity Registration Number	516516
Company Registration Number	01828287
Auditor	Azets Audit Services Chartered Accountants & Statutory Auditors Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds Bank Plc Newcastle 102 Grey Street Newcastle upon Tyne NE99 1SL
Solicitors	Sintons LLP The Cube Barrack Road Newcastle NE4 6DB

NECA

Trustees' Report Year Ended 31 March 2023

The trustees, who are directors for the purposes of company law, present the annual report together with the consolidated financial statements and auditors' report of the charitable parent company and its subsidiaries for the year ended 31 March 2023.

Structure, governance and management

Nature of governing document

The organisation is a charitable company limited by guarantee, incorporated on 26th June 1984 and is governed by its Memorandum and Articles of Association, which were last amended on 11th May 2020. It was also registered as a charity with the Charity Commission on 20th June 1985. In the event of the charitable company being wound up members are required to contribute an amount not exceeding £1.

Board of Directors/Trustees

The business of the charity is managed by an Executive Committee of the trustees, the number of which shall not be less than 4 nor more than 30, who meet on a regular basis to decide overall strategic policies and financial matters. Trustees retire by rotation and are able to stand for re-election.

The trustees retiring by rotation at this year's Annual General Meeting are as follows:
Mr B.N. Speker OBE DL

The trustees meet, as a norm, on a monthly basis. They receive detailed management and financial information as well as reports on operational activities for their meetings. Trustees unable to attend a meeting because of COVID-19 restrictions or other engagements are nevertheless provided with all the papers and information relevant for such meetings and are able to discuss issues arising with the Chairman or the Chief Executive. Trustees participate in the strategic planning process and have ultimate responsibility for the strategic plan.

Recruitment and appointment of trustees

Any trustee vacancies which arise are filled by search with due regard to maintaining a proper balance of skills and experience within the Executive Committee. New trustees are appointed by the Executive Committee or by members of the charity in General Meetings.

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.

Arrangements for setting key management personnel remuneration

We have identified Key Management Personnel in the Reference and Administration section.

The remuneration of the key personnel is determined by the Board and the Chief Executive, although the Chief Executive is excluded in relation to discussion of her remuneration. The Board is guided by a formal report from the Remuneration Committee which sets out all available relevant information which includes legislative obligations, best available benchmark data in relation to salaries and settlement levels, internal differentials, recruitment difficulties, the recent settlement history at NECA, the proposed costs and ability to pay.

NECA

Trustees' Report Year Ended 31 March 2023

Day to day management

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

Objectives and activities

Objectives and aims

The objectives of the charity and the group are:

- To promote the prevention, recognition and treatment of problems related to, in particular but not exclusively, the use of alcohol, drugs, related substances, and gambling.
- To advance Education, promote Social Inclusion and Community Capacity, and provide relief from disadvantage, preserving and protecting Health and Wellbeing by providing free accessible services across the North of England.

The mechanisms for delivering the various services of the group are well established and the management team is stable, flexible and well experienced in driving and managing the critical activities of the organisation. All our charitable activities focus on our objectives and are undertaken to further our charitable purposes for the public benefit.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the diverse needs of all staff or clients.

Fundraising disclosures

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

Public benefit

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success/result of each activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aims, objectives and activities remained focussed on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general 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 they have set.

Achievements and performance

Further details of the group's activities, achievements, performance and future plans are contained within the Chairman's Report on page 7 and includes a positive confirmation of delivery of public benefit.

NECA

Trustees' Report Year Ended 31 March 2023

Financial review

The group deficit for the year as shown in the Statement of Financial Activities, including donations of £3,744, amounts to £95,317. This result compares favourably with the budget that had been approved by the trustees for the year.

The year ended 31 March 2023 is therefore considered to be acceptable from a financial perspective, particularly so given the continuing issues affecting all areas of the voluntary sector. With regard to non-financial measures, a great deal has been achieved and is consistent with the objects of the charity.

Policy on reserves

The results for the year leave NECA with an Unrestricted Revenue Reserve of £5,885,713. From note 22 to these financial statements it can be seen that of this sum £1,327,755 is held in net current assets that is, represented by cash and net creditors. This is a decreased position from the prior year which was a net current asset position of £1,402,847 and therefore a decrease of £75,092.

The charitable company will continue to endeavour to make and retain a modest surplus over the next few years in keeping with the agreed Reserves Policy (as follows) 'The company should aim to hold readily expendable reserves of between three to six months average expenditure to ensure that the activities of the charity can be sustained through any period of financial difficulty'. This would equate to a free reserves target of between £500,000 to £1million. The current level of free reserves as at the year end amounted to £1,327,755. The financial statements have been prepared on a going concern basis.

The charity meets its day to day working capital requirements through cash generated from operations.

The charitable company's forecasts and projections for the next twelve months show that the charity will be able to continue in operational existence for that period. The charity has strong positive cash balances and is forecasting for this to continue to be the case. Based on the factors set out above, the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

Investment policy and objectives

The charity funds are controlled by the directors, who also act as trustees, who invest with a view to safely optimise investment income while maintaining capital growth in line with market trends.

The trustees can invest any sums or investments received by them in investments in which they are by law authorised to invest money (including trading subsidiaries), with power from time to time to change for others of a like nature.

Risk Management

The trustees have continued to assess the major risks to which the charity is exposed, in particular those relating to the operations and finances of the charity but, also encompassing non-financial risks that may arise, and are satisfied that systems are in place to mitigate the exposure to the major risks to an acceptable level.

The financial statements which have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP FRS102) conform to current statutory requirements and comply with the charitable company's governing documents.

NECA

Trustees' Report Year Ended 31 March 2023

Plans for future periods

The charity has no plans at the present to radically alter the mix of ongoing activity, nor to change the focus of the charity. It is envisaged that there may be some requirement to adapt to the continuing difficult economic conditions which have the potential to affect all aspects of the charity's work. An organisation wide cost control strategy continues to exist with close scrutiny of all discretionary spending.

The trustees have approved a budget for the forthcoming year consistent with these comments and the charity's overall strategic plan.

The Board and Management are committed to the process of continuous improvement to optimise both the financial performance and activities of the charity.

Statement of Trustees' Responsibilities

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

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NECA

Trustees' Report Year Ended 31 March 2023

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 1 August 2023 and signed on its behalf by:



N. Richardson
Chairman

NECA

Chairman's Report Year Ended 31 March 2023

As the Charity recovered from the Covid pandemic I'm pleased to report that life has mostly returned to normal and although some things remain difficult there are signs of improvement. All three floors at Connect in Sunderland are now fully let and a new tenant has taken over the Connect café.

During the year a new tenant has been secured for the second floor of Derwent Point on a new 5-year lease and similar terms have been agreed with another tenant who will occupy the first floor early in the next financial year. That additional income will be a very useful addition to the cashflow. Hopefully a tenant will also be found for the ground floor in due course.

The trustees, together with senior management, have been working tirelessly to secure additional funding and following long and sometimes complicated negotiations with GambleAware, NECA's gambling team were successful in securing funding to extend services into Yorkshire and North Humberside. A new hub will be opened in Harrogate to service the surrounding areas and additional staff have been recruited. NECA will also look to recruit two apprentices.

The NECA Community Garden was delighted to have been named as 'regional champion' in the first ever Department for Education HAF award scheme designed to recognise organisations which help deliver activities and food during the school holidays. The awards ceremony was performed in the House of Commons in London and staff travelled to London supported by colleagues from South Tyneside Council. Well done to everyone involved in this well-deserved achievement and thank you to South Tyneside Council for their support.

It's important to always be mindful that what we do has to be of public benefit to the community and NECA's support of other charities and small businesses, together with the Queen's Award for Voluntary Service and the Regional Champion award, are perfect examples of how NECA works to achieve this aim.

NECA's website, www.neca.co.uk has been revamped and updated and users can now interact directly with NECA. Our presence on Facebook has also continued to grow and improve as has the Community Garden's own Facebook page. Both are well worth a visit.

As always, I end with grateful thanks to the trustees, staff, volunteers, and supporters who have worked tirelessly throughout the year to support the organisation as well as others who have made financial and other donations in kind to the charity.



.....
N. Richardson
Chairman

NECA

Independent Auditor's Report to the Trustees of NECA

Opinion

We have audited the financial statements of NECA (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

NECA

Independent Auditor's Report to the Trustees of NECA

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the financial statements and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the financial statements and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the financial statements and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 5), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

NECA

Independent Auditor's Report to the Trustees of NECA

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; anti-bribery and corruption; and, compliance with both the UK Companies Act and UK Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



.....
Mark Brunton BSc FCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 28.2.21

Azets Audit Services is a trading name of Azets Audit Services Limited.

NECA

Consolidated Statement of Financial Activities for the Year Ended 31 March 2023 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	3,774	-	3,774	40,841
Charitable activities	4	506,971	684,646	1,191,617	974,884
Investment income	5	6,892	-	6,892	1,755
Other income	6	-	-	-	130,511
Total Income		<u>517,637</u>	<u>684,646</u>	<u>1,202,283</u>	<u>1,147,991</u>
Expenditure on:					
Charitable activities	7	<u>(646,320)</u>	<u>(651,280)</u>	<u>(1,297,600)</u>	<u>(1,248,738)</u>
Total Expenditure		<u>(646,320)</u>	<u>(651,280)</u>	<u>(1,297,600)</u>	<u>(1,248,738)</u>
Gains/losses on investment assets		-	-	-	1,612,000
Net (expenditure)/income		(128,683)	33,366	(95,317)	1,511,253
Transfers between funds	21	<u>8,217</u>	<u>(8,217)</u>	-	-
Net movement in funds		<u>(120,466)</u>	<u>25,149</u>	<u>(95,317)</u>	<u>1,511,253</u>
Reconciliation of funds					
Total funds brought forward		<u>7,618,179</u>	<u>76,676</u>	<u>7,694,855</u>	<u>6,183,602</u>
Total funds carried forward	21	<u>7,497,713</u>	<u>101,825</u>	<u>7,599,538</u>	<u>7,694,855</u>

All of the group's activities derive from continuing operations during the above period.

NECA

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

	Note	Unrestricted £	Restricted £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	40,641	200	40,841
Charitable activities	4	426,852	548,032	974,884
Investment income	5	1,755	-	1,755
Other income	6	130,511	-	130,511
Total income		<u>599,759</u>	<u>548,232</u>	<u>1,147,991</u>
Expenditure on:				
Charitable activities	7	<u>(668,137)</u>	<u>(580,601)</u>	<u>(1,248,738)</u>
Total expenditure		<u>(668,137)</u>	<u>(580,601)</u>	<u>(1,248,738)</u>
Gains/losses on investment assets		<u>1,612,000</u>	<u>-</u>	<u>1,612,000</u>
Net income/(expenditure)		<u>1,543,622</u>	<u>(32,369)</u>	<u>1,511,253</u>
Net movement in funds		1,543,622	(32,369)	1,511,253
Reconciliation of funds				
Total funds brought forward		<u>6,074,557</u>	<u>109,045</u>	<u>6,183,602</u>
Total funds carried forward	21	<u>7,618,179</u>	<u>76,676</u>	<u>7,694,855</u>

NECA

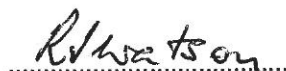
(Registration number: 01828287) Consolidated Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	2,984,958	3,030,332
Investments	15	<u>3,185,000</u>	<u>3,185,000</u>
		<u>6,169,958</u>	<u>6,215,332</u>
Current assets			
Debtors	16	335,611	56,045
Cash at bank and in hand	17	<u>1,515,410</u>	<u>1,546,251</u>
		1,851,021	1,602,296
Creditors: Amounts falling due within one year	18	<u>(421,441)</u>	<u>(122,773)</u>
Net current assets		<u>1,429,580</u>	<u>1,479,523</u>
Net assets		<u>7,599,538</u>	<u>7,694,855</u>
Funds of the group:			
Restricted		<u>101,825</u>	<u>76,676</u>
Unrestricted income funds			
Designated funds		1,612,000	1,612,000
Unrestricted funds		<u>5,885,713</u>	<u>6,006,179</u>
Total unrestricted funds		<u>7,497,713</u>	<u>7,618,179</u>
Total funds	21	<u>7,599,538</u>	<u>7,694,855</u>

The financial statements on pages 11 to 34 were approved by the trustees, and authorised for issue on 1 August 2023 and signed on their behalf by:



N. Richardson
Chairman



R.I. Watson
Treasurer

NECA

(Registration number: 01828287) Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	2,984,958	3,030,332
Investments	15	<u>3,185,004</u>	<u>3,185,004</u>
		<u>6,169,962</u>	<u>6,215,336</u>
Current assets			
Debtors	16	378,663	82,727
Cash at bank and in hand	17	<u>1,468,252</u>	<u>1,506,145</u>
		1,846,915	1,588,872
Creditors: Amounts falling due within one year	18	<u>(417,726)</u>	<u>(110,418)</u>
Net current assets		<u>1,429,189</u>	<u>1,478,454</u>
Net assets		<u>7,599,151</u>	<u>7,693,790</u>
Funds of the charity:			
Restricted		<u>101,825</u>	<u>76,676</u>
Unrestricted income funds			
Designated funds		1,612,000	1,612,000
Unrestricted funds		<u>5,885,326</u>	<u>6,005,114</u>
Total unrestricted funds		<u>7,497,326</u>	<u>7,617,114</u>
Total funds		<u>7,599,151</u>	<u>7,693,790</u>

The financial statements on pages 11 to 34 were approved by the trustees, and authorised for issue on 1 August 2023 and signed on their behalf by:


.....
N. Richardson
Chairman


.....
R.I. Watson
Treasurer

NECA

Consolidated Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (expenditure)/income		(95,317)	1,511,253
Adjustments to cash flows from non-cash items			
Depreciation	9	55,241	60,317
Investment income	5	(6,892)	(1,755)
Surplus on revaluation of investment properties		-	(1,612,000)
		<u>(46,968)</u>	<u>(42,185)</u>
Working capital adjustments			
(Increase)/decrease in debtors	16	(279,566)	33,980
Increase/(decrease) in creditors	18	<u>298,668</u>	<u>(4,753)</u>
Net cash flows from operating activities		<u>(27,866)</u>	<u>(12,958)</u>
Cash flows from investing activities			
Interest receivable and similar income	5	6,892	1,755
Purchase of tangible fixed assets	14	(9,867)	(1,400)
Sale of tangible fixed assets		-	520,481
Net cash flows from investing activities		<u>(2,975)</u>	<u>520,836</u>
Net (decrease)/increase in cash and cash equivalents		(30,841)	507,878
Cash and cash equivalents at 1 April		<u>1,546,251</u>	<u>1,038,373</u>
Cash and cash equivalents at 31 March		<u>1,515,410</u>	<u>1,546,251</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

1 Charity status

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

The address of its registered office is: Derwent Point, Clasper Way, Swalwell, Newcastle upon Tyne, NE16 3BE

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) (effective 1 January 2019) - (Charities SORP (FRS 102)). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

NECA 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.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2023.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit for the financial year of £94,639 (2022- surplus £1,520,585).

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern

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

The charity meets its day to day working capital requirements through cash generated from operations.

The charitable company's forecasts and projections for the next twelve months show that the charity will be able to continue in operational existence for that period. The charity has strong positive cash balances and is forecasting for this to continue to be the case. Based on the factors set out above, the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

Estimation uncertainty and judgements

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

The judgements (apart from those involving estimations) that management has made in the process of applying the charitable company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Depreciation - depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset. An estimate of the useful economic life of assets is detailed in the depreciation accounting policy.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

Income and endowments

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

Donations and legacies

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

Grants receivable

Grants are recognised when the group 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.

Other trading activities

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment income

Investment income is recognised on a receivable basis.

Interest receivable is recognised on a receivable basis, when the amount can be measured reliably - this is normally upon notification of the interest paid or payable by the bank.

Charitable activities

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support client service activities and is recognised where there is entitlement, probable receipt and the amount can be measured with sufficient reliability. Income is deferred when related grants are received and the performance conditions relating to its entitlement are not met. Income from charitable activities includes rental income from investment properties, as a result of renting the properties to organisations with similar objectives.

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.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's (and the group's) activities. These costs, which have not been directly apportioned, have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in the Support Cost note.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

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 £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Freehold Property	2% straight line
Leasehold Property	Straight line over the period of the lease
Equipment	12.5% straight line, 25% straight line for computer equipment

No depreciation is provided on the land included within the category known as freehold property.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

Investment properties

Investments include properties from which rental income is received and are shown at their most recent valuation. Any aggregate surplus or deficit arising from changes in value are transferred to a designated revaluation reserve.

As Investment properties, the value of the buildings are not normally depreciated, being carried (after the initial formal valuation) at the board's valuation each year, with a formal valuation being undertaken at least every fifth year.

The board continue to assess all factors which may impact the value of the investment properties and where an impairment is considered appropriate would charge the SoFA with that impairment (and release, as a transfer, from the designated reserve back to general reserves any amount which reversed the original uplift in valuation, which is being held as a designated reserve).

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.

Fund structure

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

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees. These funds consist of the total revaluation surplus on the investment properties.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

Pensions and other post retirement obligations

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the income and expenditure account.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Donations and legacies;			
Donations from organisations	1,364	-	1,364
Donations from individuals	2,410	-	2,410
	<u>3,774</u>	<u>-</u>	<u>3,774</u>
	Unrestricted funds General £	Restricted funds £	Total 2022 £
Donations and legacies;			
Donations from organisations	1,712	200	1,912
Donations from individuals	1,664	-	1,664
Grants, including capital grants;			
Government grants - CJRS	37,265	-	37,265
	<u>40,641</u>	<u>200</u>	<u>40,841</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Service contracts	207,891	-	207,891
Rental income	266,002	-	266,002
Grants receivable	-	684,616	684,616
Other income	7,683	30	7,713
Drink drive course income	25,395	-	25,395
	<u>506,971</u>	<u>684,646</u>	<u>1,191,617</u>

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Service contracts	152,314	-	152,314
Rental income	243,288	-	243,288
Grants receivable	-	548,032	548,032
Other income	430	-	430
Drink drive course income	30,820	-	30,820
	<u>426,852</u>	<u>548,032</u>	<u>974,884</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

5 Investment income

	Unrestricted funds General £	Total 2023 £
Interest receivable and similar income; Interest receivable on bank deposits	6,892	6,892
	<u>6,892</u>	<u>6,892</u>
	Unrestricted funds General £	Total 2022 £
Interest receivable and similar income; Interest receivable on bank deposits	1,755	1,755
	<u>1,755</u>	<u>1,755</u>

6 Other income

	Total 2023 £	Total 2022 £
Gains on sale of tangible fixed assets	-	130,511
	<u>-</u>	<u>130,511</u>

7 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Staff costs	409,329	452,644	861,973
Advertising and PR	427	1,953	2,380
Travel expenses	2,033	8,696	10,729
Other professional fees	20,100	21,610	41,710
Support costs (note 8)	174,853	166,377	341,230
Governance costs (note 8)	39,578	-	39,578
	<u>646,320</u>	<u>651,280</u>	<u>1,297,600</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Staff costs	438,223	356,136	794,359
Advertising and PR	685	3,872	4,557
Travel expenses	2,301	5,618	7,919
Other professional fees	34,495	20,210	54,705
Support costs (note 8)	151,208	194,765	345,973
Governance costs (note 8)	41,225	-	41,225
	<u>668,137</u>	<u>580,601</u>	<u>1,248,738</u>

8 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs £	Support costs £	Total 2023 £	Total 2022 £
Bank charges	-	980	980	697
Cleaning	-	13,091	13,091	13,080
Depreciation	-	55,241	55,241	60,318
Insurance	-	29,627	29,627	34,911
Irrecoverable VAT	-	27,864	27,864	22,207
Light and heat	-	58,242	58,242	38,767
Printing, stationery and postage	-	6,843	6,843	5,302
Recharges	-	6,921	6,921	8,572
Rent and rates	-	15,377	15,377	49,733
Repairs and maintenance	-	50,317	50,317	39,596
Staff training and welfare	-	2,853	2,853	1,660
Sundry expenses	-	9,072	9,072	5,250
Bad debts provision	-	1,325	1,325	-
Audit and accountancy	12,340	-	12,340	14,000
IT and communication costs	-	63,477	63,477	65,880
Staff costs	27,238	-	27,238	27,225
	<u>39,578</u>	<u>341,230</u>	<u>380,808</u>	<u>387,198</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

9 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2023	2022
	£	£
Audit fees	8,855	12,100
Other non-audit services	3,485	1,900
Depreciation of fixed assets	55,241	60,317
(Profit)/loss on disposal of tangible fixed assets	<u>-</u>	<u>(130,511)</u>

10 Trustees remuneration and expenses

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

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

11 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	780,171	723,385
Social security costs	69,337	59,148
Pension costs	39,703	39,054
	<u>889,211</u>	<u>821,587</u>

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

	2023 No	2022 No
Administrative staff	9	10
Support services	2	2
Development	21	20
	<u>32</u>	<u>32</u>

The number of employees whose emoluments fell within the following bands was:

	2023 No	2022 No
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1

1 (2022 - 1) of the above employees participated in the Defined Contribution Pension Schemes.

The total employee benefits of the key management personnel (as disclosed in the reference and admin page) of the group were £206,745 (2022 - £206,322).

12 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>8,855</u>	<u>12,100</u>
Other fees to auditors		
All other non-audit services	<u>3,485</u>	<u>1,900</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

13 Taxation

NECA is a registered charity and is therefore 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.

14 Tangible fixed assets

Group and Charity

	Freehold property £	Equipment £	Leasehold property £	Total £
Cost				
At 1 April 2022	3,782,963	51,280	15,697	3,849,940
Additions	1,650	8,217	-	9,867
At 31 March 2023	<u>3,784,613</u>	<u>59,497</u>	<u>15,697</u>	<u>3,859,807</u>
Depreciation				
At 1 April 2022	756,252	47,659	15,697	819,608
Charge for the year	54,378	863	-	55,241
At 31 March 2023	<u>810,630</u>	<u>48,522</u>	<u>15,697</u>	<u>874,849</u>
Net book value				
At 31 March 2023	<u>2,973,983</u>	<u>10,975</u>	<u>-</u>	<u>2,984,958</u>
At 31 March 2022	<u>3,026,711</u>	<u>3,621</u>	<u>-</u>	<u>3,030,332</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

15 Fixed asset investments

Group	2023	2022
	£	£
Other investments	<u>3,185,000</u>	<u>3,185,000</u>
Other investments		
	Investment properties	Total
	£	£
Cost or Valuation		
At 1 April 2022	<u>3,185,000</u>	<u>3,185,000</u>
At 31 March 2023	<u>3,185,000</u>	<u>3,185,000</u>
Net book value		
At 31 March 2023	<u>3,185,000</u>	<u>3,185,000</u>
At 31 March 2022	<u>3,185,000</u>	<u>3,185,000</u>

The fair value of Link House, Speculation House and Ellison House was revalued in the financial year to 31 March 2022 by Bradley Hall Chartered Surveyors.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

Charity

	2023 £	2022 £
Shares in group undertakings and participating interests	4	4
Other investments	<u>3,185,000</u>	<u>3,185,000</u>
	<u>3,185,004</u>	<u>3,185,004</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2022	<u>4</u>	<u>4</u>
At 31 March 2023	<u>4</u>	<u>4</u>
Net book value		
At 31 March 2023	<u>4</u>	<u>4</u>
At 31 March 2022	<u>4</u>	<u>4</u>

Other investments

	Investment properties £	Total £
Cost or Valuation		
At 1 April 2022	<u>3,185,000</u>	<u>3,185,000</u>
At 31 March 2023	<u>3,185,000</u>	<u>3,185,000</u>
Net book value		
At 31 March 2023	<u>3,185,000</u>	<u>3,185,000</u>
At 31 March 2022	<u>3,185,000</u>	<u>3,185,000</u>

The fair value of Link House, Speculation House and Ellison House was revalued in the financial year to 31 March 2022 by Bradley Hall Chartered Surveyors.

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2023	2022
Subsidiary undertakings				
NECA Services Limited	England	Ordinary	100%	100%
NECA Training Limited	England	Ordinary	100%	100%
NECA Recruitment Limited	England	Ordinary	100%	100%
NECA Housing Limited	England	Ordinary	100%	100%

Principal Activity and results

The principal activity of NECA Services Limited is the promotion of the prevention, recognition and treatment of addictive behaviour including substance dependency and gambling. The profit for the financial period of NECA Services Limited was £12,449 (2022 - £13,127) and the aggregate amount of capital and reserves at the end of the period was £388 (2022 - £1,066). NECA Services Limited ceased to operate during the year and will, as a result become dormant.

NECA Training Limited, NECA Recruitment Limited and NECA Housing Limited were all dormant throughout the current and prior year end.

16 Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	262,144	8,675	259,397	6,936
Due from group undertakings	-	-	45,799	28,768
Prepayments and accrued income	73,467	47,370	73,467	47,023
	<u>335,611</u>	<u>56,045</u>	<u>378,663</u>	<u>82,727</u>

17 Cash and cash equivalents

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Cash on hand	2,352	654	2,352	654
Cash at bank	1,513,058	1,545,597	1,465,900	1,505,491
	<u>1,515,410</u>	<u>1,546,251</u>	<u>1,468,252</u>	<u>1,506,145</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

18 Creditors: amounts falling due within one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	40,275	14,448	38,355	10,909
Other taxation and social security	23,478	17,378	20,883	17,378
VAT liability	21,472	12,016	25,757	17,050
Accruals and deferred income	336,216	78,931	332,731	65,081
	<u>421,441</u>	<u>122,773</u>	<u>417,726</u>	<u>110,418</u>

19 Obligations under leases and hire purchase contracts

Operating lease commitments

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

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Other				
Within one year	761	761	761	761
Between one and five years	761	1,521	761	1,521
	<u>1,522</u>	<u>2,282</u>	<u>1,522</u>	<u>2,282</u>

20 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £39,703 (2022 - £39,054).

Contributions totalling £4,504 (2022 - £3,777) were payable to the scheme at the end of the year and are included within creditors.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

21 Funds

Group

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
<i>General</i>					
General fund	6,006,179	517,637	(646,320)	8,217	5,885,713
<i>Designated</i>					
Investment property revaluation	<u>1,612,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,612,000</u>
Total unrestricted funds	<u>7,618,179</u>	<u>517,637</u>	<u>(646,320)</u>	<u>8,217</u>	<u>7,497,713</u>
Restricted funds					
GamCare Grants	64,121	648,692	(612,771)	-	100,042
National Lottery	12,555	16,445	(29,000)	-	-
South Tyneside HAF	-	7,809	(7,809)	-	-
National Lottery Caterpillar Kitchen Fund	-	10,000	-	(8,217)	1,783
Karbon Homes	<u>-</u>	<u>1,700</u>	<u>(1,700)</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>76,676</u>	<u>684,646</u>	<u>(651,280)</u>	<u>(8,217)</u>	<u>101,825</u>
Total funds	<u>7,694,855</u>	<u>1,202,283</u>	<u>(1,297,600)</u>	<u>-</u>	<u>7,599,538</u>

The specific purposes for which the funds are to be applied are as follows:

General funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

Restricted funds consist of the income received for specific charitable purposes and its related expenditure.

Designated funds consist of the total revaluation surplus on the investment properties.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

22 Analysis of net assets between funds

Group

	Unrestricted		Restricted £	Total funds £
	General £	Designated £		
Tangible fixed assets	2,984,958	-	-	2,984,958
Fixed asset investments	1,573,000	1,612,000	-	3,185,000
Net current assets/(liabilities)	1,327,755	-	101,825	1,429,580
Total net assets	5,885,713	1,612,000	101,825	7,599,538

	Unrestricted		Restricted £	Total funds at 31 March 2022 £
	General £	Designated £		
Tangible fixed assets	3,030,332	-	-	3,030,332
Fixed asset investments	1,573,000	1,612,000	-	3,185,000
Net current assets/(liabilities)	1,402,847	-	76,676	1,479,523
Total net assets	6,006,179	1,612,000	76,676	7,694,855

23 Analysis of net funds

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	1,546,251	(30,841)	1,515,410
Net funds	1,546,251	(30,841)	1,515,410

	At 1 April 2021 £	Cash flow £	At 31 March 2022 £
Cash at bank and in hand	1,038,373	507,878	1,546,251
Net funds	1,038,373	507,878	1,546,251

NECA

Notes to the Financial Statements for the Year Ended 31 March 2023

24 Related party transactions

Group and Charity

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

NECA Services Limited

There have been amounts received from NECA Services Limited in the year amounting to £157,704 (2022: £46,051) for recharges and other expenses incurred on behalf of NECA.

At the balance sheet date the amount due from NECA Services Limited was £45,799 (2022 - £28,768).

NECA

England & Wales - Charity number 516516

Accounts

Company registration number: 01828287

Charity registration number: 516516

NECA

(A charitable company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2022

NECA

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 6
Chairman's Report	7
Independent Auditor's Report	8 to 11
Consolidated Statement of Financial Activities	12
Comparative Consolidated Statement of Financial Activities	13
Consolidated Balance Sheet	14
Balance Sheet	15
Consolidated Statement of Cash Flows	16
Notes to the Financial Statements	17 to 35

NECA

Reference and Administrative Details

Patron	Her Grace, The Duchess of Northumberland
President	Mr B.N. Speker OBE DL
Trustees	Mr B.N. Speker OBE DL, President Mr N. Richardson, Chairman Mr R.I. Watson, Treasurer Dr P.B. Moore
Company Secretary	Mr R.I. Watson
Remuneration Committee	Mr N. Richardson Mr R.I. Watson Mrs C. Atkinson
Key Management Personnel	Mrs C. Atkinson, Chief Executive Ms E. Innes, Deputy Chief Executive Mrs C. Howarth, Finance Manager Mrs L. Strong, HR/Development Manager
Registered Office	Derwent Point Clasper Way Swalwell Newcastle upon Tyne NE16 3BE The charity is incorporated in England and Wales.
Charity Registration Number	516516
Company Registration Number	01828287
Auditor	Azets Audit Services Chartered Accountants & Statutory Auditors Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds Bank Plc Newcastle 102 Grey Street Newcastle upon Tyne NE99 1SL
Solicitors	Sintons LLP The Cube Barrack Road Newcastle NE4 6DB

NECA

Trustees' Report Year Ended 31 March 2022

The trustees, who are directors for the purposes of company law, present the annual report together with the consolidated financial statements and auditors' report of the charitable parent company and its subsidiaries for the year ended 31 March 2022.

Structure, governance and management

Nature of governing document

The organisation is a charitable company limited by guarantee, incorporated on 26th June 1984 and is governed by its Memorandum and Articles of Association, which were last amended on 11th May 2020. It was also registered as a charity with the Charity Commission on 20th June 1985. In the event of the charitable company being wound up members are required to contribute an amount not exceeding £1.

Board of Directors/Trustees

The business of the charity is managed by an Executive Committee of the trustees, the number of which shall not be less than 4 nor more than 30, who meet on a regular basis to decide overall strategic policies and financial matters. Trustees retire by rotation and are able to stand for re-election.

The trustees retiring by rotation at this year's Annual General Meeting are as follows:

Dr P.B. Moore

The trustees meet, as a norm, on a monthly basis. They receive detailed management and financial information as well as reports on operational activities for their meetings. Trustees unable to attend a meeting because of COVID-19 restrictions or other engagements are nevertheless provided with all the papers and information relevant for such meetings and are able to discuss issues arising with the Chairman or the Chief Executive. Trustees participate in the strategic planning process and have ultimate responsibility for the strategic plan.

Recruitment and appointment of trustees

Any trustee vacancies which arise are filled by search with due regard to maintaining a proper balance of skills and experience within the Executive Committee. New Trustees are appointed by the Executive Committee or by members of the charity in General Meetings.

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.

Arrangements for setting key management personnel remuneration

We have identified Key Management Personnel in the Reference and Administration section.

The remuneration of the key personnel is determined by the Board and the Chief Executive, although the Chief Executive is excluded in relation to discussion of her remuneration. The Board is guided by a formal report from the Remuneration Committee which sets out all available relevant information which includes legislative obligations, best available benchmark data in relation to salaries and settlement levels, internal differentials, recruitment difficulties, the recent settlement history at NECA, the proposed costs and ability to pay.

NECA

Trustees' Report Year Ended 31 March 2022

Day to day management

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

Objectives and activities

Objectives and aims

The objectives of the charity and the group are:

- to promote the prevention, recognition and treatment of problems related to, in particular but not exclusively, the use of alcohol, drugs, related substances, and gambling.
- to advance Education, promote Social Inclusion and Community Capacity, and provide relief from disadvantage, preserving and protecting Health and Wellbeing by providing free accessible services across the North of England.

The mechanisms for delivering the various services of the group are well established and the management team is stable, flexible and well experienced in driving and managing the critical activities of the organisation. All our charitable activities focus on our objectives and are undertaken to further our charitable purposes for the public benefit.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the diverse needs of all staff or clients.

Fundraising disclosures

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

Public benefit

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success/result of each activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aims, objectives and activities remained focussed on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general 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 they have set.

Achievements and performance

Further details of the group's activities, achievements, performance and future plans are contained within the Chairman's Report on page 7 and include positive confirmation of delivery of public benefit.

NECA

Trustees' Report Year Ended 31 March 2022

Financial review

The group surplus for the year as shown in the Statement of Financial Activities, including donations of £3,576, amounts to £1,511,253. However, this includes a significant unrestricted gain on the revaluation of certain tangible fixed asset properties which, because of a requirement in the Charities SORP, the charity must now treat as investment properties and be revalued to market value. The resulting total surplus for the year has been credited to Unrestricted and Restricted Funds as shown in the Statement of Financial Activities, with the revaluation surplus credited to a Designated Reserve.

The year ended 31 March 2022 is considered to be acceptable from a financial perspective, particularly so given the ongoing difficulties for the voluntary sector which do not show any sign of diminishing. With regard to non-financial measures, a great deal has been achieved and is consistent with the objects of the charity.

Policy on reserves

The results for the year leave NECA with an Unrestricted Revenue Reserve of £6,006,179. From note 21 to these financial statements it can be seen that of this sum £1,402,847 is held in net current assets that is, represented by cash and net creditors. This is an increased position from the prior year which was a net current asset position of £891,822 and therefore an increase of £511,025.

The charitable company will continue to endeavour to make and retain a modest surplus over the next few years in keeping with the agreed Reserves Policy (as follows) 'The company should aim to hold readily expendable reserves of between three to six months average expenditure to ensure that the activities of the charity can be sustained through any period of financial difficulty'. This would equate to a free reserves target of between £500,000 to £1million. The current level of free reserves as at the year end amounted to £1,402,847. The financial statements have been prepared on a going concern basis.

The charity meets its day to day working capital requirements through cash generated from operations.

The charitable company's forecasts and projections for the next twelve months show that the charity will be able to continue in operational existence for that period. The charity and its trading subsidiaries have strong positive cash balances and is forecasting for this to continue to be the case. Based on the factors set out above, the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

Investment policy and objectives

The charity funds are controlled by the directors, who also act as trustees, who invest with a view to safely optimising annual investment income while maintaining capital growth in line with market trends.

The trustees can invest any sums or investments received by them in investments in which they are by law authorised to invest money (including trading subsidiaries), with power from time to time to change for others of a like nature.

NECA

Trustees' Report Year Ended 31 March 2022

Risk Management

The trustees have continued to assess the major risks to which the charity is exposed, in particular those relating to the operations and finances of the charity but, also encompassing non-financial risks that may arise, and are satisfied that systems are in place to mitigate the exposure to the major risks to an acceptable level.

The financial statements which have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP FRS102) conform to current statutory requirements and comply with the charitable company's governing documents.

Plans for future periods

The charity has no plans at the present to radically alter the mix of ongoing activity, nor to change the focus of the charity. It is envisaged that there may be some requirement to adapt to the continuing difficult economic conditions which have the potential to affect all aspects of the charity's work. An organisation wide cost control strategy continues to exist with close scrutiny of all discretionary spending.

The Trustees have approved a budget for the forthcoming year consistent with these comments and the charity's overall strategic plan.

The Board and Management are committed to the process of continuous improvement to optimise both the financial performance and activities of the charity and its subsidiaries.

Statement of Trustees' Responsibilities

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

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NECA

Trustees' Report Year Ended 31 March 2022

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 2 August 2022 and signed on its behalf by:



N. Richardson
Chairman

NECA

Chairman's Report

During the year the Covid pandemic continued to be a problem but at last things are returning to normal and staff have returned to the office to continue working as normal.

It has been very much a year of standing still and it's not surprising that the reduction in turnover has affected the end of year figures which regrettably produce a substantial operating deficit, despite the net gain from the sale of 2 properties that were surplus to requirements. However, what was surprising is the compulsory adoption of sections within the Charities SORP rules that have obliged NECA to reclassify and revalue some properties that no longer have services operating from them. These properties are now classed as investment properties and the effect on the accounts of including them at market value is substantial, resulting in a significant overall surplus for the year.


Unfortunately, last year both tenants who rented floors at Derwent Point were forced to give up their leases and the loss of rental income has not helped the deficit this year. Due to Covid, offices are becoming much more difficult to let but our agents are in receipt of some enquiries which may result in new tenants for next year.

I mentioned last year the very good work carried out by the staff and volunteers at the NECA Community Garden in South Tyneside which had been recognised with the Queen's Award for Voluntary Service 2021. The award was presented to David Johnson the garden manager, by the Countess of Wessex who visited the garden in October last year to see first-hand the excellent work carried out by NECA staff and volunteers. Following Her Royal Highness's visit two invitations were received to attend a Buckingham Palace Garden party in London in June 2022.

Despite the difficulties that NECA and many other charities are experiencing, all current contracts have been retained and enhanced with considerable work carried out to prepare for e-learning.

It's important to always be mindful that what we do has to be of public benefit to the community and NECA's support of other charities and small businesses, together with the Queen's Award for Voluntary Service are good examples of how NECA works with others to achieve this aim. The Community Garden continues its good work in providing local children with activities and fun events in the garden and of course providing hundreds of children with free lunches throughout the school holidays.

As always, I end with grateful thanks to the trustees, staff, volunteers, and supporters who have worked tirelessly throughout the year to support the organisation.



N. Richardson
Chairman

NECA

Independent Auditor's Report to the Trustees of NECA

Opinion

We have audited the financial statements of NECA (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

NECA

Independent Auditor's Report to the Trustees of NECA

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the financial statements and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the financial statements and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the financial statements and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 5), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

NECA

Independent Auditor's Report to the Trustees of NECA

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; anti-bribery and corruption; and, compliance with both the UK Companies Act and UK Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.


A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

NECA

Independent Auditor's Report to the Trustees of NECA

Use of our report

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



.....
Mark Brunton BSc FCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date:.....3.8.2022.....

Azets Audit Services is a trading name of Azets Audit Services Limited.

NECA

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

	Note	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Income and Endowments from:					
Donations and legacies	3	40,641	200	40,841	26,466
Charitable activities	4	426,852	548,032	974,884	1,545,969
Investment income	5	1,755	-	1,755	2,315
Other income	6	130,511	-	130,511	-
Total Income		<u>599,759</u>	<u>548,232</u>	<u>1,147,991</u>	<u>1,574,750</u>
Expenditure on:					
Charitable activities	7	<u>(668,137)</u>	<u>(580,601)</u>	<u>(1,248,738)</u>	<u>(1,621,697)</u>
Total Expenditure		(668,137)	(580,601)	(1,248,738)	(1,621,697)
Gains/losses on investment assets		<u>1,612,000</u>	-	<u>1,612,000</u>	-
Net income/(expenditure)		<u>1,543,622</u>	<u>(32,369)</u>	<u>1,511,253</u>	<u>(46,947)</u>
Net movement in funds		1,543,622	(32,369)	1,511,253	(46,947)
Reconciliation of funds					
Total funds brought forward		<u>6,074,557</u>	<u>109,045</u>	<u>6,183,602</u>	<u>6,230,549</u>
Total funds carried forward	20	<u>7,618,179</u>	<u>76,676</u>	<u>7,694,855</u>	<u>6,183,602</u>

All of the group's activities derive from continuing operations during the above period.

NECA

Comparative Consolidated Statement of Financial Activities for the Year Ended 31 March 2021 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £
Income and Endowments from:				
Donations and legacies	3	26,166	300	26,466
Charitable activities	4	1,007,661	538,308	1,545,969
Investment income	5	2,315	-	2,315
Total income		<u>1,036,142</u>	<u>538,608</u>	<u>1,574,750</u>
Expenditure on:				
Charitable activities	7	<u>(1,135,260)</u>	<u>(486,437)</u>	<u>(1,621,697)</u>
Total expenditure		<u>(1,135,260)</u>	<u>(486,437)</u>	<u>(1,621,697)</u>
Net (expenditure)/income		<u>(99,118)</u>	<u>52,171</u>	<u>(46,947)</u>
Net movement in funds		(99,118)	52,171	(46,947)
Reconciliation of funds				
Total funds brought forward		<u>6,173,675</u>	<u>56,874</u>	<u>6,230,549</u>
Total funds carried forward	20	<u><u>6,074,557</u></u>	<u><u>109,045</u></u>	<u><u>6,183,602</u></u>


NECA

(Registration number: 01828287) Consolidated Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	3,030,332	5,182,735
Investments	14	<u>3,185,000</u>	<u>-</u>
		<u>6,215,332</u>	<u>5,182,735</u>
Current assets			
Debtors	15	56,045	90,025
Cash at bank and in hand	16	<u>1,546,251</u>	<u>1,038,373</u>
		1,602,296	1,128,398
Creditors: Amounts falling due within one year	17	<u>(122,773)</u>	<u>(127,531)</u>
Net current assets		<u>1,479,523</u>	<u>1,000,867</u>
Net assets		<u>7,694,855</u>	<u>6,183,602</u>
Funds of the group:			
Restricted		<u>76,676</u>	<u>109,045</u>
Unrestricted income funds			
Designated funds		1,612,000	-
Unrestricted funds		<u>6,006,179</u>	<u>6,074,557</u>
Total unrestricted funds		<u>7,618,179</u>	<u>6,074,557</u>
Total funds	20	<u>7,694,855</u>	<u>6,183,602</u>

The financial statements on pages 12 to 35 were approved by the trustees, and authorised for issue on 2 August 2022 and signed on their behalf by:


.....
N. Richardson
Chairman


.....
R.I. Watson
Treasurer

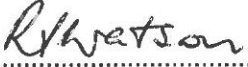
NECA

(Registration number: 01828287) Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	3,030,332	5,182,735
Investments	14	<u>3,185,004</u>	<u>4</u>
		<u>6,215,336</u>	<u>5,182,739</u>
Current assets			
Debtors	15	82,727	69,724
Cash at bank and in hand	16	<u>1,506,145</u>	<u>1,020,859</u>
		1,588,872	1,090,583
Creditors: Amounts falling due within one year	17	<u>(110,418)</u>	<u>(100,117)</u>
Net current assets		<u>1,478,454</u>	<u>990,466</u>
Net assets		<u>7,693,790</u>	<u>6,173,205</u>
Funds of the charity:			
Restricted		<u>76,676</u>	<u>109,045</u>
Unrestricted income funds			
Designated funds		1,612,000	-
Unrestricted funds		<u>6,005,114</u>	<u>6,064,160</u>
Total unrestricted funds		<u>7,617,114</u>	<u>6,064,160</u>
Total funds	20	<u>7,693,790</u>	<u>6,173,205</u>

The financial statements on pages 12 to 35 were approved by the trustees, and authorised for issue on 2 August 2022 and signed on their behalf by:


.....
N. Richardson
Chairman


.....
R.I. Watson
Treasurer

NECA

Consolidated Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash income/(expenditure)		1,511,253	(46,947)
Adjustments to cash flows from non-cash items			
Depreciation	9	60,317	86,814
Investment income	5	(1,755)	(2,315)
Surplus on revaluation of investment properties		<u>(1,612,000)</u>	<u>-</u>
		(42,185)	37,552
Working capital adjustments			
Decrease in debtors	15	33,980	81,301
Decrease in creditors	17	<u>(4,753)</u>	<u>(169,819)</u>
Net cash flows from operating activities		<u>(12,958)</u>	<u>(50,966)</u>
Cash flows from investing activities			
Interest receivable and similar income	5	1,755	2,315
Purchase of tangible fixed assets	13	(1,400)	-
Sale of tangible fixed assets		<u>520,481</u>	<u>-</u>
Net cash flows from investing activities		<u>520,836</u>	<u>2,315</u>
Net increase/(decrease) in cash and cash equivalents		507,878	(48,651)
Cash and cash equivalents at 1 April		<u>1,038,373</u>	<u>1,087,024</u>
Cash and cash equivalents at 31 March		<u>1,546,251</u>	<u>1,038,373</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

1 Charity status

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

The address of its registered office is: Derwent Point, Clasper Way, Swalwell, Newcastle upon Tyne, NE16 3BE

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) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

NECA 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.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2022.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a surplus for the financial year of £1,520,585 (2021- £8,610).

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern

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

The charity meets its day to day working capital requirements through cash generated from operations.

The charitable company's forecasts and projections for the next twelve months show that the charity will be able to continue in operational existence for that period. The charity and its trading subsidiaries have strong positive cash balances and is forecasting for this to continue to be the case. Based on the factors set out above, the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

Estimation uncertainty and judgements

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

The judgements (apart from those involving estimations) that management has made in the process of applying the charitable company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Depreciation - depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset. An estimate of the useful economic life of assets is detailed in the depreciation accounting policy.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

Income and endowments

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

Donations and legacies

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

Grants receivable

Grants are recognised when the group 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.

Other trading activities

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment income

Investment income is recognised on a receivable basis.

Interest receivable is recognised on a receivable basis, when the amount can be measured reliably - this is normally upon notification of the interest paid or payable by the bank.

Charitable activities

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support client service activities and is recognised where there is entitlement, probable receipt and the amount can be measured with sufficient reliability. Income is deferred when related grants are received and the performance conditions relating to its entitlement are not met. Income from charitable activities includes rental income from investment properties, as a result of renting the properties to organisations with similar objectives.

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.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's (and the group's) activities. These costs, which have not been directly apportioned, have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in the Support Cost note.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

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 £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Freehold Property	2% straight line
Leasehold Property	Straight line over the period of the lease
Equipment	12.5% straight line, 25% straight line for computer equipment

No depreciation is provided on the land included within the category known as freehold property.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

Investment properties

Investments include properties from which rental income is received and are shown at their most recent valuation. Any aggregate surplus or deficit arising from changes in value are transferred to a designated revaluation reserve.

As Investment properties, the value of the buildings are not normally depreciated, being carried (after the initial formal valuation) at the board's valuation each year, with a formal valuation being undertaken at least every fifth year.

The board continue to assess all factors which may impact the value of the investment properties and where an impairment is considered appropriate would charge the SoFA with that impairment (and release, as a transfer, from the designated reserve back to general reserves any amount which reversed the original uplift in valuation, which is being held as a designated reserve).

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.

Fund structure

Unrestricted income funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the group.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Designated funds consist of the total revaluation surplus on the investment properties that were revalued in the year and which are now reclassified as investment properties.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

Pensions and other post retirement obligations

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the income and expenditure account.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Donations and legacies;			
Donations from organisations	1,712	200	1,912
Donations from individuals	1,664	-	1,664
Grants, including capital grants;			
Government grants - CJRS	37,265	-	37,265
	<u>40,641</u>	<u>200</u>	<u>40,841</u>
	Unrestricted funds General £	Restricted funds £	Total 2021 £
Donations and legacies;			
Donations from organisations	1,722	300	2,022
Donations from individuals	1,025	-	1,025
Grants, including capital grants;			
Government grants - CJRS	23,419	-	23,419
	<u>26,166</u>	<u>300</u>	<u>26,466</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Service contracts	152,314	-	152,314
Rental income	243,288	-	243,288
Grants receivable	-	548,032	548,032
Other income	430	-	430
Drink drive course income	30,820	-	30,820
	<u>426,852</u>	<u>548,032</u>	<u>974,884</u>

	Unrestricted funds General £	Restricted funds £	Total 2021 £
Service contracts	671,514	-	671,514
Rental income	308,626	-	308,626
Grants receivable	-	538,308	538,308
Other income	6,010	-	6,010
Drink drive course income	21,511	-	21,511
	<u>1,007,661</u>	<u>538,308</u>	<u>1,545,969</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

5 Investment income

	Unrestricted funds General £	Total 2022 £
Interest receivable and similar income; Interest receivable on bank deposits	1,755	1,755
	<u>1,755</u>	<u>1,755</u>

	Unrestricted funds General £	Total 2021 £
Interest receivable and similar income; Interest receivable on bank deposits	2,315	2,315
	<u>2,315</u>	<u>2,315</u>

6 Other income

	Unrestricted General £	Total 2022 £	Total 2021 £
Gains on sale of tangible fixed assets	130,511	130,511	-
	<u>130,511</u>	<u>130,511</u>	<u>-</u>

7 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Staff costs	438,223	356,136	794,359
Advertising and PR	685	3,872	4,557
Travel expenses	2,301	5,618	7,919
Other professional fees	34,495	20,210	54,705
Support costs (note 8)	151,208	194,765	345,973
Governance costs (note 8)	41,225	-	41,225
	<u>668,137</u>	<u>580,601</u>	<u>1,248,738</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

	Unrestricted funds General £	Restricted funds £	Total 2021 £
Staff costs	688,909	366,984	1,055,893
Agency staff	19,807	-	19,807
Advertising and PR	985	730	1,715
Medical costs	46,857	-	46,857
Counselling and sessional fees	-	204	204
Travel expenses	2,374	1,319	3,693
Other professional fees	80,954	13,210	94,164
Support costs (note 8)	253,234	103,990	357,224
Governance costs (note 8)	42,140	-	42,140
	<u>1,135,260</u>	<u>486,437</u>	<u>1,621,697</u>

8 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs £	Support costs £	Total 2022 £	Total 2021 £
Bank charges	-	697	697	897
Cleaning	-	13,080	13,080	14,223
Depreciation	-	60,318	60,318	86,813
Insurance	-	34,911	34,911	42,792
Irrecoverable VAT	-	22,207	22,207	-
Light and heat	-	38,767	38,767	31,991
Printing, stationery and postage	-	5,302	5,302	7,454
Recharges	-	8,572	8,572	15,115
Rent and rates	-	49,733	49,733	32,389
Repairs and maintenance	-	39,596	39,596	22,237
Staff training and welfare	-	1,660	1,660	1,200
Sundry expenses	-	5,250	5,250	6,693
Bad debts provision	-	-	-	11,760
IT and communication costs	-	65,880	65,880	83,660
Audit and accountancy	14,000	-	14,000	14,300
Staff costs	27,225	-	27,225	27,840
	<u>41,225</u>	<u>345,973</u>	<u>387,198</u>	<u>399,364</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

9 Net incoming/outgoing resources

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

	2022	2021
	£	£
Audit fees	12,100	12,250
Other non-audit services	1,900	2,050
Depreciation of fixed assets	60,317	86,814
(Profit)/loss on disposal of tangible fixed assets	<u>(130,511)</u>	<u>-</u>

10 Trustees remuneration and expenses

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

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

11 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	723,385	958,556
Social security costs	59,148	78,500
Pension costs	39,054	46,675
	<u>821,587</u>	<u>1,083,731</u>

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

	2022 No	2021 No
Administrative staff	10	10
Support services	2	3
Development	20	33
	<u>32</u>	<u>46</u>

The number of employees whose emoluments fell within the following bands was:

	2022 No	2021 No
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1

1 (2021 - 1) of the above employees participated in the Defined Contribution Pension Schemes.

The total employee benefits of the key management personnel (as disclosed in the reference and admin page) of the group were £206,322 (2021 - £225,121).

12 Taxation

The group is a registered charity and is therefore 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.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

13 Tangible fixed assets

Group and Charity

	Freehold property £	Equipment £	Leasehold property £	Total £
Cost				
At 1 April 2021	6,501,218	75,011	15,697	6,591,926
Additions	-	1,400	-	1,400
Disposals	(669,246)	(25,142)	-	(694,388)
Transfers	(2,048,998)	-	-	(2,048,998)
At 31 March 2022	<u>3,782,974</u>	<u>51,269</u>	<u>15,697</u>	<u>3,849,940</u>
Depreciation				
At 1 April 2021	1,321,257	72,237	15,697	1,409,191
Charge for the year	59,753	564	-	60,317
Eliminated on disposals	(148,765)	(25,142)	-	(173,907)
Transfers	(475,993)	-	-	(475,993)
At 31 March 2022	<u>756,252</u>	<u>47,659</u>	<u>15,697</u>	<u>819,608</u>
Net book value				
At 31 March 2022	<u>3,026,722</u>	<u>3,610</u>	<u>-</u>	<u>3,030,332</u>
At 31 March 2021	<u>5,179,961</u>	<u>2,774</u>	<u>-</u>	<u>5,182,735</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

14 Fixed asset investments

Group

	2022 £	2021 £
Other investments	<u>3,185,000</u>	<u>-</u>

Other investments

	Investment properties £	Total £
Cost or Valuation		
Revaluation	1,612,000	1,612,000
Transfers	<u>1,573,000</u>	<u>1,573,000</u>
At 31 March 2022	<u>3,185,000</u>	<u>3,185,000</u>
Net book value		
At 31 March 2022	<u>3,185,000</u>	<u>3,185,000</u>

The fair value of Link House, Speculation House and Ellison House was revalued in the year by Bradley Hall Chartered Surveyors.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

Charity

	2022 £	2021 £
Shares in group undertakings and participating interests	4	4
Other investments	3,185,000	-
	<u>3,185,004</u>	<u>4</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2021	<u>4</u>	<u>4</u>
At 31 March 2022	<u>4</u>	<u>4</u>
Net book value		
At 31 March 2022	<u>4</u>	<u>4</u>
At 31 March 2021	<u>4</u>	<u>4</u>

Other investments

	Investment properties £	Total £
Cost or Valuation		
Revaluation	1,612,000	1,612,000
Transfers	<u>1,573,000</u>	<u>1,573,000</u>
At 31 March 2022	<u>3,185,000</u>	<u>3,185,000</u>
Net book value		
At 31 March 2022	<u>3,185,000</u>	<u>3,185,000</u>

The fair value of Link House, Speculation House and Ellison House was revalued in the year by Bradley Hall Chartered Surveyors.

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
NECA Services Limited	England	Ordinary	100%	100%
NECA Training Limited	England	Ordinary	100%	100%
NECA Recruitment Limited	England	Ordinary	100%	100%
NECA Housing Limited	England	Ordinary	100%	100%

Principal Activity and results

The principal activity of NECA Services Limited is the promotion of the prevention, recognition and treatment of addictive behaviour including substance dependency and gambling. The profit for the financial period of NECA Services Limited was £13,127 (2021 - £22,459) and the aggregate amount of capital and reserves at the end of the period was £1,066 (2021 - £10,398).

NECA Training Limited, NECA Recruitment Limited and NECA Housing Limited were all dormant throughout the current and prior year end.

15 Debtors

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	8,675	28,989	6,936	22,136
Due from group undertakings	-	-	28,768	14,369
Prepayments and accrued income	47,370	61,036	47,023	33,219
	<u>56,045</u>	<u>90,025</u>	<u>82,727</u>	<u>69,724</u>

16 Cash and cash equivalents

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Cash on hand	654	899	654	-
Cash at bank	1,545,597	1,037,474	1,505,491	1,020,859
	<u>1,546,251</u>	<u>1,038,373</u>	<u>1,506,145</u>	<u>1,020,859</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

17 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	14,448	32,599	10,909	7,596
Other taxation and social security	17,378	16,673	17,378	16,673
VAT liability	12,016	3,753	17,050	16,665
Accruals and deferred income	78,931	74,506	65,081	59,183
	<u>122,773</u>	<u>127,531</u>	<u>110,418</u>	<u>100,117</u>

18 Obligations under leases and hire purchase contracts

Operating lease commitments

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

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Other				
Within one year	761	989	761	-
Between one and five years	1,521	-	1,521	-
	<u>2,282</u>	<u>989</u>	<u>2,282</u>	<u>-</u>

19 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £39,054 (2021 - £46,675).

Contributions totalling £3,777 (2021 - £3,655) were payable to the scheme at the end of the year and are included within creditors.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

20 Funds

Group

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
Unrestricted funds					
<i>General</i>					
General fund	6,074,557	599,759	(668,137)	-	6,006,179
<i>Designated</i>					
Investment property revaluation	-	-	-	1,612,000	1,612,000
Total unrestricted funds	<u>6,074,557</u>	<u>599,759</u>	<u>(668,137)</u>	<u>1,612,000</u>	<u>7,618,179</u>
Restricted funds					
GamCare Grants	97,758	509,949	(543,586)	-	64,121
The Froebel Trust	421	-	(421)	-	-
National Lottery	10,866	32,707	(31,018)	-	12,555
ASDA donation	-	200	(200)	-	-
South Tyneside HAF	-	5,376	(5,376)	-	-
Total restricted funds	<u>109,045</u>	<u>548,232</u>	<u>(580,601)</u>	<u>-</u>	<u>76,676</u>
Total funds	<u>6,183,602</u>	<u>1,147,991</u>	<u>(1,248,738)</u>	<u>1,612,000</u>	<u>7,694,855</u>

The specific purposes for which the funds are to be applied are as follows:

General funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

Restricted funds consist of the income received for specific charitable purposes and its related expenditure.

Designated funds consist of the total revaluation surplus on the investment properties that were revalued in the year and which are now reclassified as investment properties.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

21 Analysis of net assets between funds

Group

	Unrestricted			Total funds £
	General £	Designated £	Restricted £	
Tangible fixed assets	3,030,332	-	-	3,030,332
Fixed asset investments	1,573,000	1,612,000	-	3,185,000
Net current assets/(liabilities)	1,402,847	-	76,676	1,479,523
Total net assets	<u>6,006,179</u>	<u>1,612,000</u>	<u>76,676</u>	<u>7,694,855</u>

	Unrestricted			Total funds at 31 March 2021 £
	General £	Designated £	Restricted £	
Tangible fixed assets	5,182,735	-	-	5,182,735
Net current assets/(liabilities)	891,822	-	109,045	1,000,867
Total net assets	<u>6,074,557</u>	<u>-</u>	<u>109,045</u>	<u>6,183,602</u>

22 Analysis of net funds

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	<u>1,038,373</u>	<u>507,878</u>	<u>1,546,251</u>
Net funds	<u>1,038,373</u>	<u>507,878</u>	<u>1,546,251</u>

	At 1 April 2020 £	Cash flow £	At 31 March 2021 £
Cash at bank and in hand	<u>1,087,024</u>	<u>(48,651)</u>	<u>1,038,373</u>
Net funds	<u>1,087,024</u>	<u>(48,651)</u>	<u>1,038,373</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2022

23 Related party transactions

Group and Charity

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

NECA Services Limited

There have been amounts received from NECA Services Limited in the year amounting to £46,051 (2021: £380,038) for recharges and other expenses incurred on behalf of NECA.

At the balance sheet date the amount due from NECA Services Limited was £28,771 (2021 - £14,372).

NECA

England & Wales - Charity number 516516

Accounts

Company registration number: 01828287

Charity registration number: 516516

NECA

(A charitable company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

NECA

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 6
Chairman's Report	7
Independent Auditor's Report	8 to 11
Consolidated Statement of Financial Activities	12
Comparative Consolidated Statement of Financial Activities	13
Consolidated Balance Sheet	14
Balance Sheet	15
Consolidated Statement of Cash Flows	16
Notes to the Financial Statements	17 to 34

NECA

Reference and Administrative Details

Patron	Her Grace, The Duchess of Northumberland
President	Mr B.N. Speker OBE DL
Trustees	Mr B.N. Speker OBE DL, President Mr N. Richardson, Chairman Mr R.I. Watson, Treasurer Mr D. Gregory (to 9 October 2020) Dr P.B. Moore
Company Secretary	Mr R.I. Watson
Remuneration Committee	Mr N. Richardson Mr R.I. Watson Mrs C. Atkinson
Key Management Personnel	Mrs C. Atkinson, Chief Executive Ms E. Innes, Deputy Chief Executive Mrs C. Howarth, Finance Manager Mrs C. Cook, Service Manager (resigned 14 August 2020) Mrs L. Strong, HR/Development Manager
Registered Office	Derwent Point Clasper Way Swalwell Newcastle upon Tyne NE16 3BE The charity is incorporated in England and Wales.
Charity Registration Number	516516
Company Registration Number	01828287
Auditor	MHA Tait Walker Chartered Accountants & Statutory Auditors Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds Bank Plc Newcastle 102 Grey Street Newcastle upon Tyne NE99 1SL
Solicitors	Sintons LLP The Cube Barrack Road Newcastle upon Tyne NE4 6DB

NECA

Trustees' Report Year Ended 31 March 2021

The trustees, who are directors for the purposes of company law, present the annual report together with the consolidated financial statements and auditors' report of the charitable parent company and its subsidiaries for the year ended 31 March 2021.

Structure, governance and management

Nature of governing document

The organisation is a charitable company limited by guarantee, incorporated on 26th June 1984 and is governed by its Memorandum and Articles of Association, which were last amended on 11th May 2020. It was also registered as a charity with the Charity Commission on 20th June 1985. In the event of the charitable company being wound up members are required to contribute an amount not exceeding £1.

Board of Directors/Trustees

The business of the charity is managed by an Executive Committee of the trustees, the number of which shall not be less than 4 nor more than 30, who meet on a regular basis to decide overall strategic policies and financial matters. Trustees retire by rotation and are able to stand for re-election.

The trustees retiring by rotation at this year's Annual General Meeting are as follows:

Mr N. Richardson

Mr R.I. Watson

The trustees meet, as a norm, on a monthly basis. They receive detailed management and financial information as well as reports on operational activities for their meetings. Trustees unable to attend a meeting because of COVID-19 restrictions or other engagements are nevertheless provided with all the papers and information relevant for such meetings and are able to discuss issues arising with the Chairman or the Chief Executive. Trustees participate in the strategic planning process and have ultimate responsibility for the strategic plan.

Recruitment and appointment of trustees

Any trustee vacancies which arise are filled by search with due regard to maintaining a proper balance of skills and experience within the Executive Committee. New Trustees are appointed by the Executive Committee or by members of the charity in General Meetings.

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.

Arrangements for setting key management personnel remuneration

We have identified Key Management Personnel in the Reference and Administration section.

The remuneration of the key personnel is determined by the Board and the Chief Executive, although the Chief Executive is excluded in relation to discussion of her remuneration. The Board is guided by a formal report from the Remuneration Committee which sets out all available relevant information which includes legislative obligations, best available benchmark data in relation to salaries and settlement levels, internal differentials, recruitment difficulties, the recent settlement history at NECA, the proposed costs and ability to pay.

NECA

Trustees' Report Year Ended 31 March 2021

Day to day management

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

Objectives and activities

Objectives and aims

The objectives of the charity and the group are:

- to promote the prevention, recognition and treatment of problems related to, in particular but not exclusively, the use of alcohol, drugs, related substances, and gambling.
- to advance Education, promote Social Inclusion and Community Capacity, and provide relief from disadvantage, preserving and protecting Health and Wellbeing by providing free accessible services across the North of England.

The mechanisms for delivering the various services of the group are well established and the management team is stable, flexible and well experienced in driving and managing the critical activities of the organisation. All our charitable activities focus on our objectives and are undertaken to further our charitable purposes for the public benefit.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the diverse needs of all staff or clients.

Fundraising disclosures

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

Public benefit

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success/result of each activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aims, objectives and activities remained focussed on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general 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 they have set.

Achievements and performance

Further details of the group's activities, achievements, performance and future plans are contained within the Chairman's Report on page 7 and include positive confirmation of delivery of public benefit.

NECA

Trustees' Report Year Ended 31 March 2021

Financial review

The group deficit for the year as shown in the Statement of Financial Activities, including donations of £3,047, amounts to £46,947. The total deficit has been debited to Unrestricted and Restricted Funds as shown in the Statement of Financial Activities.

The year ended 31 March 2021 is considered to be acceptable from a financial perspective, particularly so given the increasing difficulties for the voluntary sector and the ongoing potential impact of COVID – 19. In respect of non-financial measures a great deal has been achieved, as ever and as outlined above, consistent with the objects of the charity.

Policy on reserves

The results for the year leave NECA with an Unrestricted Revenue Reserve of £6,074,557. From note 22 to these financial statements it can be seen that of this sum £891,822 is held in net current assets that is, represented by cash and net creditors. This is a modestly reduced position from the prior year which was a net current asset position of £904,126 and therefore a decrease of £12,304.

The charitable company will continue to endeavour to make and retain a modest surplus over the next few years in keeping with the agreed Reserves Policy (as follows) 'The company should aim to hold readily expendable reserves of between three to six months average expenditure to ensure that the activities of the charity can be sustained through any period of financial difficulty'. This would equate to a free reserves target of between £500,000 to £1million. The current level of free reserves as at the year end amounted to £891,822. The financial statements have been prepared on a going concern basis.

The charity meets its day to day working capital requirements through cash generated from operations.

The charitable company's forecasts and projections for the next twelve months show that the charity will be able to continue in operational existence for that period. The impact of COVID-19 to date on the charity has been manageable and is forecast to remain to be the case. The charity and its trading subsidiaries have strong positive cash balances and is forecasting for this to continue to be the case. Based on the factors set out above, the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

Investment policy and objectives

The Charity funds are controlled by the directors, who also act as trustees, who invest with a view to safely optimising annual investment income while maintaining capital growth in line with market trends.

The trustees can invest any sums or investments received by them in investments in which they are by law authorised to invest money (including trading subsidiaries), with power from time to time to change for others of a like nature.

Risk Management

The trustees have continued to assess the major risks to which the charity is exposed, in particular those relating to the operations and finances of the charity but, also encompassing non-financial risks that may arise, and are satisfied that systems are in place to mitigate the exposure to the major risks to an acceptable level.

The financial statements which have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP FRS102) conform to current statutory requirements and comply with the charitable company's governing documents.

NECA

Trustees' Report Year Ended 31 March 2021

Plans for future periods

The charity has no plans at the present to radically alter the mix of ongoing activity, nor to change the focus of the charity. It is envisaged that there may be some requirement to adapt to the continuing difficult economic conditions which have the potential to affect all aspects of the charity's work. An organisation wide cost control strategy continues to exist with close scrutiny of all discretionary spending.

The Trustees have approved a budget for the forthcoming year consistent with these comments and the Charity's overall strategic plan.

The Board and Management are committed to the process of continuous improvement to optimise both the financial performance and activities of the Charity and its subsidiaries.

Statement of Trustees' Responsibilities

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

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NECA

Trustees' Report Year Ended 31 March 2021

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 3 August 2021 and signed on its behalf by:



N. Richardson
Chairman

NECA

Chairman's Report

It is not surprising that this year has been very difficult not just for NECA but for many charities who struggled to cope with the demands of the Covid-19 restrictions. However, throughout the pandemic NECA services continued to operate either with staff working remotely from home, having telephone contact with clients where appropriate, and regular meetings using video apps such as Zoom and Teams. It was hugely disappointing therefore, despite NECA's best efforts, to have both Darlington services closed prematurely by the council, especially as NECA services in Darlington continued to remain open when many other organisations closed, and despite the service being rated as 'outstanding' by CQC.

NECA is fortunate to have some unrestricted income from properties that it had purchased for its own use over the last 25 years but when contracts ended and individual properties became surplus to requirements, they were either sold or let to provide an income for the charity. That income has been reduced this year as 3 tenants who have had extreme cash flow problems have had to give up their tenancies. NECA was initially able to offer rent free periods and reduced rent to help financially but there was only so much that could be done. Now that FACT have moved out of Clasper House a decision was made to relocate some functions from Derwent Point so that we can make use of both buildings while efforts are made to find new tenants.

Two other NECA properties that have become surplus to requirements are in the process of being sold and the capital from those sales will have a positive effect on cashflow going forward.

When all of this is taken into consideration it is hardly surprising that NECA has returned a deficit for the year, in fact the first time in many years. Nonetheless it is encouraging to note that NECA actually made an operating surplus during the year however, once depreciation and an allowance for a possible bad debt were considered, this small surplus became a deficit.


There is some good news in that the Dept of Transport drink / drive contract has been extended for a further 7 years and NECA's gambling service has also benefited from additional funding from Gamcare.

The very good work carried out by the NECA Community Garden in South Tyneside has been recognised by being awarded the Queens Award for Voluntary Service 2021. This prestigious award, the equivalent of an MBE for charities is richly deserved by all our volunteers, not forgetting the hard work put into the garden by our staff and the encouragement offered by Emma Lewell-Buck MP for South Shields and several other organisations whose support has been invaluable.

It's important to always be mindful that what we do has to be of benefit to the public and NECA's support of other charities together with the Queens Award for Voluntary Service, which was nominated by the local community, are perfect examples of this. Well done to everyone involved.

During the year we sadly said goodbye to longstanding trustee David Gregory who died unexpectedly in October 2020. David had been a trustee for over 25 years and will be sorely missed by all who knew him.

As always, I end with grateful thanks to the trustees, staff, volunteers, and supporters who have worked tirelessly throughout the year to support the organisation.



N. Richardson
Chairman

NECA

Independent Auditor's Report to the Trustees of NECA

Opinion

We have audited the financial statements of NECA (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

NECA

Independent Auditor's Report to the Trustees of NECA

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the financial statements and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the financial statements and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the financial statements and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 5), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

NECA

Independent Auditor's Report to the Trustees of NECA

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; anti-bribery and corruption; and, compliance with both the UK Companies Act and UK Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.


A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

NECA

Independent Auditor's Report to the Trustees of NECA

Use of our report

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


.....
Mark Brunton BSc FCA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 16.8.2021

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

NECA

Consolidated Statement of Financial Activities for the Year Ended 31 March 2021 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Income and Endowments from:					
Donations and legacies	3	26,166	300	26,466	4,644
Charitable activities	4	1,007,661	538,308	1,545,969	2,400,103
Other trading activities	5	-	-	-	40,251
Investment income	6	2,315	-	2,315	5,233
Total Income		<u>1,036,142</u>	<u>538,608</u>	<u>1,574,750</u>	<u>2,450,231</u>
Expenditure on:					
Raising funds	7	-	-	-	(36,930)
Charitable activities	8	<u>(1,135,260)</u>	<u>(486,437)</u>	<u>(1,621,697)</u>	<u>(2,378,006)</u>
Total Expenditure		<u>(1,135,260)</u>	<u>(486,437)</u>	<u>(1,621,697)</u>	<u>(2,414,936)</u>
Net (expenditure)/income		<u>(99,118)</u>	<u>52,171</u>	<u>(46,947)</u>	<u>35,295</u>
Net movement in funds		(99,118)	52,171	(46,947)	35,295
Reconciliation of funds					
Total funds brought forward		<u>6,173,675</u>	<u>56,874</u>	<u>6,230,549</u>	<u>6,195,254</u>
Total funds carried forward	21	<u><u>6,074,557</u></u>	<u><u>109,045</u></u>	<u><u>6,183,602</u></u>	<u><u>6,230,549</u></u>

All of the group's activities derive from continuing operations during the above period.

NECA

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

	Note	Unrestricted £	Restricted £	Total 2020 £
Income and Endowments from:				
Donations and legacies	3	2,693	1,951	4,644
Charitable activities	4	1,973,976	426,127	2,400,103
Other trading activities	5	40,251	-	40,251
Investment income	6	5,233	-	5,233
Total income		<u>2,022,153</u>	<u>428,078</u>	<u>2,450,231</u>
Expenditure on:				
Raising funds	7	(36,930)	-	(36,930)
Charitable activities	8	<u>(2,002,102)</u>	<u>(375,904)</u>	<u>(2,378,006)</u>
Total expenditure		<u>(2,039,032)</u>	<u>(375,904)</u>	<u>(2,414,936)</u>
Net (expenditure)/income		<u>(16,879)</u>	<u>52,174</u>	<u>35,295</u>
Net movement in funds		(16,879)	52,174	35,295
Reconciliation of funds				
Total funds brought forward		<u>6,190,554</u>	<u>4,700</u>	<u>6,195,254</u>
Total funds carried forward	21	<u><u>6,173,675</u></u>	<u><u>56,874</u></u>	<u><u>6,230,549</u></u>

NECA

(Registration number: 01828287)

Consolidated Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	5,182,735	5,269,549
Current assets			
Debtors	16	90,025	171,326
Cash at bank and in hand	17	<u>1,038,373</u>	<u>1,087,024</u>
		1,128,398	1,258,350
Creditors: Amounts falling due within one year	18	<u>(127,531)</u>	<u>(297,350)</u>
Net current assets		<u>1,000,867</u>	<u>961,000</u>
Net assets		<u>6,183,602</u>	<u>6,230,549</u>
Funds of the group:			
Restricted		109,045	56,874
Unrestricted income funds			
General funds		<u>6,074,557</u>	<u>6,173,675</u>
Total funds	21	<u>6,183,602</u>	<u>6,230,549</u>

The financial statements on pages 12 to 34 were approved by the trustees, and authorised for issue on 3 August 2021 and signed on their behalf by:



N. Richardson
Chairman



R.I. Watson
Treasurer

NECA

(Registration number: 01828287) Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	5,182,735	5,269,549
Investments	15	<u>4</u>	<u>4</u>
		<u>5,182,739</u>	<u>5,269,553</u>
Current assets			
Debtors	16	69,724	196,888
Cash at bank and in hand	17	<u>1,020,859</u>	<u>887,486</u>
		1,090,583	1,084,374
Creditors: Amounts falling due within one year	18	<u>(100,117)</u>	<u>(189,329)</u>
Net current assets		<u>990,466</u>	<u>895,045</u>
Net assets		<u>6,173,205</u>	<u>6,164,598</u>
Funds of the charity:			
Restricted		109,045	56,874
Unrestricted income funds			
Unrestricted funds		<u>6,064,160</u>	<u>6,107,724</u>
Total funds	21	<u>6,173,205</u>	<u>6,164,598</u>

The financial statements on pages 12 to 34 were approved by the trustees, and authorised for issue on 3 August 2021 and signed on their behalf by:


.....
N. Richardson
Chairman


.....
R.I. Watson
Treasurer

NECA

Consolidated Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash (expenditure)/income		(46,947)	35,295
Adjustments to cash flows from non-cash items			
Depreciation	10	86,814	88,870
Investment income	6	<u>(2,315)</u>	<u>(5,233)</u>
		37,552	118,932
Working capital adjustments			
Decrease in debtors	16	81,301	196,378
Decrease in creditors	18	<u>(169,819)</u>	<u>(37,007)</u>
Net cash flows from operating activities		(50,966)	278,303
Cash flows from investing activities			
Interest receivable and similar income	6	<u>2,315</u>	<u>5,233</u>
Net (decrease)/increase in cash and cash equivalents		(48,651)	283,536
Cash and cash equivalents at 1 April		<u>1,087,024</u>	<u>803,488</u>
Cash and cash equivalents at 31 March		<u><u>1,038,373</u></u>	<u><u>1,087,024</u></u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

1 Charity status

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

The address of its registered office is: Derwent Point, Clasper Way, Swalwell, Newcastle upon Tyne, NE16 3BE

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) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

NECA 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.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2021.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a surplus for the financial year of £8,610 (2020- £59,767).

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern

The charitable company reported a deficit of £46,947 for the year on a group basis. The financial statements have been prepared on a going concern basis.

The charity meets its day to day working capital requirements through cash generated from operations.

The charitable company's forecasts and projections for the next twelve months show that the charity will be able to continue in operational existence for that period. The impact of COVID-19 to date on the charity has been manageable and is forecast to remain to be the case. The charity and its trading subsidiaries have strong positive cash balances and is forecasting for this to continue to be the case. Based on the factors set out above, the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

Estimation uncertainty and judgements

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

The judgements (apart from those involving estimations) that management has made in the process of applying the charitable company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Depreciation - depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset. An estimate of the useful economic life of assets is detailed in the depreciation accounting policy.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

Income and endowments

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

Donations and legacies

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

Grants receivable

Grants are recognised when the group 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.

Other trading activities

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment income

Investment income is recognised on a receivable basis.

Interest receivable is recognised on a receivable basis, when the amount can be measured reliably - this is normally upon notification of the interest paid or payable by the bank.

Charitable activities

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support client service activities and is recognised where there is entitlement, probable receipt and the amount can be measured with sufficient reliability. Income is deferred when related grants are received and the performance conditions relating to its entitlement are not met.

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.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's (and the group's) activities. These costs, which have not been directly apportioned, have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in the Support Cost note.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

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 £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Freehold Property	2% straight line
Leasehold Property	Straight line over the period of the lease
Equipment	12.5% straight line, 25% straight line for computer equipment

No depreciation is provided on the land included within the category known as freehold property.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Freehold property includes properties which are let to partner organisations, working in similar health and public sectors to the charity. As a result of the agreements, which are in line with the charity's main objectives, the trustees consider these properties to be ancillary to the overall objectives of the charity and therefore do not consider them to be investment properties.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

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.

Fund structure

Unrestricted income funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the group.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions and other post retirement obligations

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the income and expenditure account.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2021 £
Donations and legacies;			
Donations from organisations	1,722	300	2,022
Donations from individuals	1,025	-	1,025
Grants, including capital grants;			
Government grants - CJRS	23,419	-	23,419
	<u>26,166</u>	<u>300</u>	<u>26,466</u>
	Unrestricted funds General £	Restricted funds £	Total 2020 £
Donations and legacies;			
Donations from organisations	1,725	1,000	2,725
Donations from individuals	968	951	1,919
	<u>2,693</u>	<u>1,951</u>	<u>4,644</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2021 £
Service contracts	671,514	-	671,514
Rental income	308,626	-	308,626
Grants receivable	-	538,308	538,308
Other income	6,010	-	6,010
Drink drive course income	21,511	-	21,511
	<u>1,007,661</u>	<u>538,308</u>	<u>1,545,969</u>
	Unrestricted funds General £	Restricted funds £	Total 2020 £
Service contracts	1,566,263	-	1,566,263
Rental income	388,047	-	388,047
Grants receivable	19,385	426,027	445,412
Other income	281	100	381
	<u>1,973,976</u>	<u>426,127</u>	<u>2,400,103</u>

5 Income from other trading activities

	Unrestricted funds General £	Total 2021 £
Trading income;	-	-
	<u>-</u>	<u>-</u>
	Unrestricted funds General £	Total 2020 £
Trading income;		
Commercial operations - NECA Training Limited	40,251	40,251
	<u>40,251</u>	<u>40,251</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

6 Investment income

	Unrestricted funds General £	Total 2021 £
Interest receivable and similar income; Interest receivable on bank deposits	2,315	2,315
	<u>2,315</u>	<u>2,315</u>

	Unrestricted funds General £	Total 2020 £
Interest receivable and similar income; Interest receivable on bank deposits	5,233	5,233
	<u>5,233</u>	<u>5,233</u>

7 Expenditure on raising funds

a) Commercial trading activities

	Total 2021 £	Total 2020 £
Legal and professional	-	1,791
Staff costs	-	17,299
Insurance	-	2,070
Other	-	177
Printing, stationery and postage	-	1,403
Subscriptions	-	991
Travel expenses	-	1,026
IT and communication costs	-	186
Room hire	-	3,739
Auditors remuneration	-	4,188
Agency staff	-	3,150
Bank charges	-	910
	<u>-</u>	<u>36,930</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

8 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2021 £
Staff costs	688,909	366,984	1,055,893
Agency staff	19,807	-	19,807
Advertising and PR	985	730	1,715
Medical costs	46,857	-	46,857
Counselling and sessional fees	-	204	204
Travel expenses	2,374	1,319	3,693
Other professional fees	80,954	13,210	94,164
Support costs (note 9)	253,234	103,990	357,224
Governance costs (note 9)	42,140	-	42,140
	<u>1,135,260</u>	<u>486,437</u>	<u>1,621,697</u>
	Unrestricted funds General £	Restricted funds £	Total 2020 £
Staff costs	1,265,188	268,233	1,533,421
Agency staff	33,140	-	33,140
Advertising and PR	1,040	-	1,040
Medical costs	179,758	-	179,758
Counselling and sessional fees	-	3,131	3,131
Travel expenses	8,305	10,549	18,854
Other professional fees	117,561	3,150	120,711
Other staff costs	4,967	-	4,967
Support costs (note 9)	351,915	90,841	442,756
Governance costs (note 9)	40,228	-	40,228
	<u>2,002,102</u>	<u>375,904</u>	<u>2,378,006</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

9 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs £	Support costs £	Total 2021 £	Total 2020 £
Bank charges	-	897	897	265
Cleaning	-	14,223	14,223	24,432
Depreciation	-	86,813	86,813	88,870
Insurance	-	42,792	42,792	49,923
Light and heat	-	31,991	31,991	42,639
Printing, stationery and postage	-	7,454	7,454	17,393
Recharges	-	15,115	15,115	16,913
Rent and rates	-	32,389	32,389	39,638
Repairs and maintenance	-	22,237	22,237	48,366
Staff training and welfare	-	1,200	1,200	2,553
Sundry expenses	-	6,693	6,693	13,195
IT and communication costs	-	83,660	83,660	98,569
Bad debts provision	-	11,760	11,760	-
Audit and accountancy	14,300	-	14,300	13,877
Staff costs	27,840	-	27,840	26,351
	<u>42,140</u>	<u>357,224</u>	<u>399,364</u>	<u>482,984</u>

10 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021 £	2020 £
Audit fees	12,250	15,350
Other non-audit services	2,050	2,715
Depreciation of fixed assets	<u>86,814</u>	<u>88,870</u>

11 Trustees remuneration and expenses

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

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

12 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	958,556	1,365,499
Social security costs	78,500	111,517
Pension costs	46,675	100,055
	<u>1,083,731</u>	<u>1,577,071</u>

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

	2021 No	2020 No
Administrative staff	10	10
Support services	3	6
Development	33	47
	<u>46</u>	<u>63</u>

The number of employees whose emoluments fell within the following bands was:

	2021 No	2020 No
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
	<u>-</u>	<u>1</u>

1 (2020 - 2) of the above employees participated in the Defined Contribution Pension Schemes.

The total employee benefits of the key management personnel (as disclosed in the reference and admin page) of the group were £225,121 (2020 - £265,399).

13 Taxation

The group is a registered charity and is therefore 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.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

14 Tangible fixed assets

Group and Charity

	Freehold property £	Equipment £	Leasehold property £	Total £
Cost				
At 1 April 2020	<u>6,501,218</u>	<u>75,011</u>	<u>15,697</u>	<u>6,591,926</u>
At 31 March 2021	<u>6,501,218</u>	<u>75,011</u>	<u>15,697</u>	<u>6,591,926</u>
Depreciation				
At 1 April 2020	1,234,906	71,774	15,697	1,322,377
Charge for the year	<u>86,351</u>	<u>463</u>	<u>-</u>	<u>86,814</u>
At 31 March 2021	<u>1,321,257</u>	<u>72,237</u>	<u>15,697</u>	<u>1,409,191</u>
Net book value				
At 31 March 2021	<u>5,179,961</u>	<u>2,774</u>	<u>-</u>	<u>5,182,735</u>
At 31 March 2020	<u>5,266,312</u>	<u>3,237</u>	<u>-</u>	<u>5,269,549</u>

15 Fixed asset investments

Charity

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2020	<u>4</u>	<u>4</u>
At 31 March 2021	<u>4</u>	<u>4</u>
Net book value		
At 31 March 2021	<u>4</u>	<u>4</u>
At 31 March 2020	<u>4</u>	<u>4</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
NECA Services Limited	England	Ordinary	100%	100%
NECA Training Limited	England	Ordinary	100%	100%
NECA Recruitment Limited	England	Ordinary	100%	100%
NECA Housing Limited	England	Ordinary	100%	100%

Principal Activity

The principal activity of NECA Services Limited is the promotion of the prevention, recognition and treatment of addictive behaviour including substance dependency and gambling.

The principal activity of NECA Training Limited is the provision of comprehensive training to a wide spectrum of people. The company ceased trading during the year ended 31 March 2020 and is moving towards being dormant.

The principal activity of NECA Recruitment Limited was the provision of personnel to temporary and permanent placements. The company ceased trading during the year ended 31 March 2019 and is now dormant.

The principal activity of NECA Housing Limited was to be those of managing agents of properties on behalf of their owners. The company ceased trading during the year ended 31 March 2018 and is now dormant.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

Subsidiaries

The profit for the financial period of NECA Services Limited was £22,459 (2020 - £77,424) and the aggregate amount of capital and reserves at the end of the period was £10,398 (2020 - £65,363).

The profit for the financial period of NECA Training Limited was £Nil (2020 - £136) and the aggregate amount of capital and reserves at the end of the period was £1 (2020 - £590).

The profit for the financial period of NECA Recruitment Limited was £Nil (2020 - £Nil) and the aggregate amount of capital and reserves at the end of the period was £1 (2020 - £1).

The profit for the financial period of NECA Housing Limited was £Nil (2020 - £Nil) and the aggregate amount of capital and reserves at the end of the period was £1 (2020 - £1).

16 Debtors

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	28,989	109,188	22,136	61,052
Due from group undertakings	-	-	14,369	110,851
Prepayments and accrued income	61,036	62,138	33,219	24,985
	<u>90,025</u>	<u>171,326</u>	<u>69,724</u>	<u>196,888</u>

17 Cash and cash equivalents

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Cash on hand	899	899	-	-
Cash at bank	1,037,474	1,086,125	1,020,859	887,486
	<u>1,038,373</u>	<u>1,087,024</u>	<u>1,020,859</u>	<u>887,486</u>

18 Creditors: amounts falling due within one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	32,599	43,377	7,596	4,618
Other taxation and social security	16,673	28,299	16,673	28,299
VAT liability	3,753	63,577	16,665	50,758
Accruals and deferred income	74,506	162,097	59,183	105,654
	<u>127,531</u>	<u>297,350</u>	<u>100,117</u>	<u>189,329</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

19 Obligations under leases and hire purchase contracts

Operating lease commitments

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

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Other				
Within one year	989	989	-	-
Between one and five years	-	989	-	-
	<u>989</u>	<u>1,978</u>	<u>-</u>	<u>-</u>

20 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £46,675 (2020 - £100,055).

Contributions totalling £3,655 (2020 - £6,988) were payable to the scheme at the end of the year and are included within creditors.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

21 Funds

Group

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Unrestricted funds				
General				
General fund	6,173,675	1,036,142	(1,135,260)	6,074,557
Restricted funds				
GamCare Grants	47,062	500,605	(449,909)	97,758
The Froebel Trust	1,204	5,185	(5,968)	421
National Lottery	8,608	32,518	(30,260)	10,866
ASDA donation	-	300	(300)	-
Total restricted funds	<u>56,874</u>	<u>538,608</u>	<u>(486,437)</u>	<u>109,045</u>
Total funds	<u>6,230,549</u>	<u>1,574,750</u>	<u>(1,621,697)</u>	<u>6,183,602</u>

The specific purposes for which the funds are to be applied are as follows:

General funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

Restricted funds consist of the income received for specific charitable purposes and its related expenditure.

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

22 Analysis of net assets between funds

Group

	Unrestricted General £	Restricted £	Total funds £
Tangible fixed assets	5,182,735	-	5,182,735
Net current assets/(liabilities)	<u>891,822</u>	<u>109,045</u>	<u>1,000,867</u>
Total net assets	<u>6,074,557</u>	<u>109,045</u>	<u>6,183,602</u>

	Unrestricted General £	Restricted £	Total funds at 31 March 2020 £
Tangible fixed assets	5,269,549	-	5,269,549
Net current assets/(liabilities)	<u>904,126</u>	<u>56,874</u>	<u>961,000</u>
Total net assets	<u>6,173,675</u>	<u>56,874</u>	<u>6,230,549</u>

23 Analysis of net funds

Group

	At 1 April 2020 £	Cash flow £	At 31 March 2021 £
Cash at bank and in hand	1,087,024	(48,651)	1,038,373
Net funds	<u>1,087,024</u>	<u>(48,651)</u>	<u>1,038,373</u>

Group

	At 1 April 2019 £	Cash flow £	At 31 March 2020 £
Cash at bank and in hand	803,488	283,536	1,087,024
Net funds	<u>803,488</u>	<u>283,536</u>	<u>1,087,024</u>

NECA

Notes to the Financial Statements for the Year Ended 31 March 2021

24 Related party transactions

Group and Charity

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

NECA Services Limited

There have been amounts received by NECA Services Limited in the year amounting to £362,155 (2020: £933,438) for recharges and other expenses incurred on behalf of NECA.

At the balance sheet date the amount due from NECA Services Limited was £14,372 (2020 - £109,943).

NECA Training Limited

There have been payments made by NECA Training Limited on behalf of NECA in the year amounting to £Nil (2020: £3,185).

At the balance sheet date the amount due to/from from NECA Training Limited was £Nil (2020 - £910).