

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

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# NECA

## Reference and Administrative Details

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

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### 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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### 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 £
<b>Income and Endowments from:</b>					
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>
<b>Expenditure on:</b>					
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)
<b>Reconciliation of funds</b>					
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 £
<b>Income and Endowments from:</b>				
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>
<b>Expenditure on:</b>				
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)
<b>Reconciliation of funds</b>				
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 £
<b>Fixed assets</b>			
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>
<b>Current assets</b>			
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
<b>Creditors: Amounts falling due within one year</b>	17	<u>(122,773)</u>	<u>(127,531)</u>
<b>Net current assets</b>		<u>1,479,523</u>	<u>1,000,867</u>
<b>Net assets</b>		<u>7,694,855</u>	<u>6,183,602</u>
<b>Funds of the group:</b>			
<b>Restricted</b>		<u>76,676</u>	<u>109,045</u>
<b>Unrestricted income funds</b>			
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>
<b>Total funds</b>	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

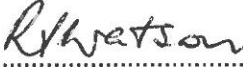
## NECA

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

	Note	2022 £	2021 £
<b>Fixed assets</b>			
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>
<b>Current assets</b>			
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
<b>Creditors: Amounts falling due within one year</b>	17	<u>(110,418)</u>	<u>(100,117)</u>
<b>Net current assets</b>		<u>1,478,454</u>	<u>990,466</u>
<b>Net assets</b>		<u>7,693,790</u>	<u>6,173,205</u>
<b>Funds of the charity:</b>			
<b>Restricted</b>		<u>76,676</u>	<u>109,045</u>
<b>Unrestricted income funds</b>			
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>
<b>Total funds</b>	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 £
<b>Cash flows from operating activities</b>			
Net cash income/(expenditure)		1,511,253	(46,947)
<b>Adjustments to cash flows from non-cash items</b>			
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
<b>Working capital adjustments</b>			
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>
<b>Cash flows from investing activities</b>			
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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
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

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2022 £</b>
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>
	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2021 £</b>
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

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2022 £</b>
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>

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2021 £</b>
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

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

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

#### 6 Other income

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

#### 7 Expenditure on charitable activities

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2022 £</b>
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 £
<b>Staff costs during the year were:</b>		
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 £
<b>Cost</b>				
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>
<b>Depreciation</b>				
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>
<b>Net book value</b>				
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 £
<b>Cost or Valuation</b>		
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>
<b>Net book value</b>		
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 £
<b>Cost</b>		
At 1 April 2021	<u>4</u>	<u>4</u>
At 31 March 2022	<u>4</u>	<u>4</u>
<b>Net book value</b>		
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 £
<b>Cost or Valuation</b>		
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>
<b>Net book value</b>		
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
<b>Subsidiary undertakings</b>				
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
	£	£	£	£
<b>Other</b>				
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 £
<b>Unrestricted funds</b>					
<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
<b>Total unrestricted funds</b>	<u>6,074,557</u>	<u>599,759</u>	<u>(668,137)</u>	<u>1,612,000</u>	<u>7,618,179</u>
<b>Restricted funds</b>					
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)	-	-
<b>Total restricted funds</b>	<u>109,045</u>	<u>548,232</u>	<u>(580,601)</u>	<u>-</u>	<u>76,676</u>
<b>Total funds</b>	<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).