

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

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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.

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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.

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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.

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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.

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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.

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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.

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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
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**Chartered Accountants
Statutory Auditor**

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

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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

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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.

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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>
	<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.