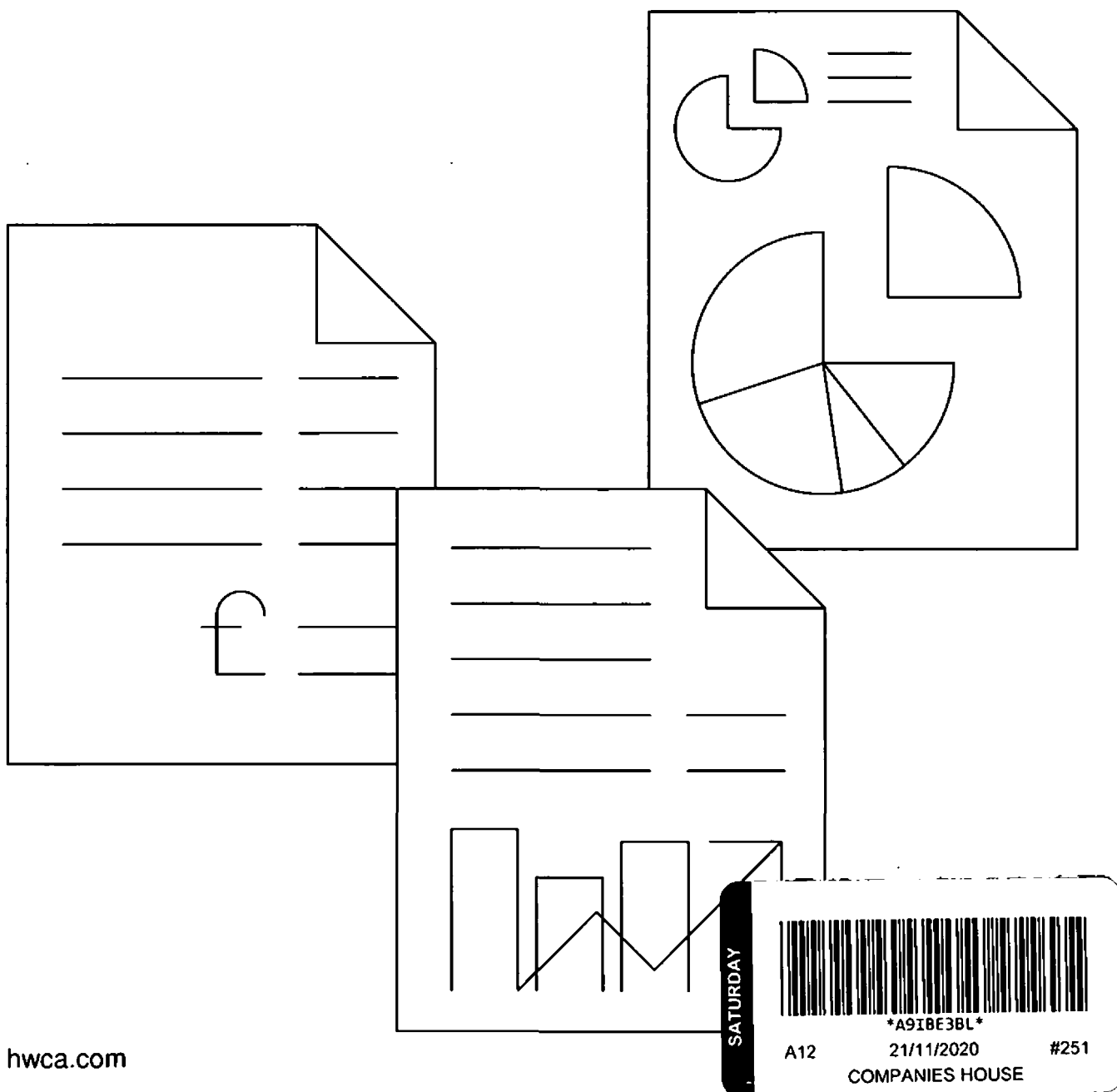

Disability North Executive Committee Report and Financial Statements

For the Year Ended : 31 March 2020
Company Number : 1781525



DISABILITY NORTH

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DISABILITY NORTH

EXECUTIVE COMMITTEE REPORT FOR THE YEAR ENDED 31 MARCH 2020

The Executive Committee present their report together with the financial statements of the charity for the year ended 31 March 2020. The financial statements are also prepared to meet the requirements for a directors' report and accounts for the Companies Act purposes.

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

OBJECTIVES AND ACTIVITIES

Objects of the Charitable Company

The charitable company's objects are:

- i to promote the relief of disabled people and their inclusion within society, in the geographical area covered by the City of Newcastle upon Tyne, the Counties of Cumbria, Durham, Northumberland, Tyne and Wear and areas adjacent thereto;
- ii to support disabled people by addressing the disadvantage or restriction of activity they experience as a result of social attitudes and environmental barriers;
- iii to promote and support research of social welfare issues related to disability and to publish the results of such research.

Aims and Activities

The charity's statement of its main aims and principles is:

"Disability North aims to promote inclusion, independence and choice for disabled people in the region".

In order to achieve these aims, the charity has the following objectives:

- To anticipate, identify and serve the needs of the disabled population within the geographical area covered by Disability North through the provision of a comprehensive, appropriate range of products and services including information, advice and independent living services;
- To keep abreast of disability issues and initiatives in partnership with international, national, regional and local organisations to increase our level of activity throughout the Northern Region;
- To develop the range of products and services delivered both in consultation with service users and in accordance with demographic and social trends;
- To maintain and develop our role as one of the leading disability service organisations in the North East region.

DISABILITY NORTH

EXECUTIVE COMMITTEE REPORT *(Continued)* FOR THE YEAR ENDED 31 MARCH 2020

For the year under review the main objectives were to:

- Implement the first year of Disability North's 2018-23 strategic direction.
- Continue to use the results of evaluations and consultations to consolidate existing funding streams, and develop new ones to cover the activities and management of Disability North.
- Ensure that all services funded on a contractual basis with statutory agencies deliver services with effectiveness, efficiency and quality to satisfy both our service users and statutory funders.
- Continue to explore opportunities to maintain and enhance Disability North's reputation as being one of the region's leading resources for information, advice and support on all aspects of disability.

The significant activities to achieve those objectives were:

- The Chief Executive Officer engaged with statutory funders to safeguard statutory funding streams and identify opportunities for increases in funding where appropriate.
- The Chief Executive (in consultation with the Board) developed, launched and implemented the second year of the 2018-23 strategic plan.
- Disability North explored opportunities with the aim of increasing funding and income generation for Disability North despite notification of loss of the Direct Payment Contract with Newcastle City Council from June 2020 following a retendering exercise.
- The Disability North Service Team continued to provide high quality information and advice services to meet the demand of service users and to fulfil the requirements of statutory funders.

Public Benefit

Disability North's mission is to promote inclusion, independence and choice for disabled people. The benefits to the general public are clearly identifiable. Our services, available to disabled people of all ages are:

- Help to reduce discrimination and remove barriers for disabled people whilst contributing towards creating a fairer and more equal society for all;
- Promote independent living by giving disabled people more control over how they manage their lives;
- *Provide choice to disabled people and their carers and families by giving advice, information and support in all areas of their health and social care needs;*
- Our services help to alleviate poverty by assisting service users to make the best value choices in relation to social care and significantly in the area of welfare rights. During the year 2019-20 we supported around 4,000 disabled people and their carers in obtaining benefits to the ongoing value of approximately £4 million.

DISABILITY NORTH

EXECUTIVE COMMITTEE REPORT *(Continued)* FOR THE YEAR ENDED 31 MARCH 2020

ACHIEVEMENTS AND PERFORMANCE

- The Disability North Service Team continues to perform well. Staff members have retained their own areas of expertise whilst learning new skills in order to manage increasing workloads and to offer a demand led service to beneficiaries.
- The benefits team continue to retain the award from Advice Standard Alliance for advice with casework relating to welfare benefits.
- All statutory funders were very satisfied with the services provided and the performance monitoring reports submitted throughout the year. The majority of the targets in relation to service user activity for the year under review were reached.
- Payroll and Payroll Plus has continued to expand and provides a substantial additional income stream.
- Disability North has worked in partnership with Sintons Solicitors and Irwin Mitchell Solicitors to facilitate and deliver free legal surgeries on any disability related issues. These were delivered at the Dene Centre.

Review of Activities

Disability North Service Team

The Disability North Service Team provides information, advice and guidance on a wide range of disability issues. The service is by the statutory sector and charitable grants, supplemented by income generated by fundraising activities.

Direct Payment Support Service

Disability North have been empowering disabled people through the delivery of the Newcastle City Council's Direct Payment Support Service for over 18 years. We provide one-to-one support on managing Direct Payments and Personal Health Budgets. The support we offer includes recruiting personal assistants and all aspect of employment support.

During the 2019-20 financial year we supported 372 adults and the parents of 127 disabled children to access and manage Direct Payments. We also worked with local Clinical Commissioning Groups to support service users in receipt of Personal Health Budgets.

Independent Living

The varied advice Disability North offers on Independent Living is an important service for the region's disabled people. In the 2019-2020 financial year Disability North responded to 512 requests for advice covering a wide range of equipment and services including: personal care, household items, wheelchairs, scooters, grants and accessible holidays.

The service is also one which is valued by its users with 94% stating they were happy with the advice they received.

DISABILITY NORTH

EXECUTIVE COMMITTEE REPORT *(Continued)* FOR THE YEAR ENDED 31 MARCH 2020

Benefits Advice

Disability North's Benefits advice provides an essential service for disabled people, their families, and carers in the North East. During the 2019-2020 financial we responded to 3254 requests for information and advice on Welfare Benefits and helped our clients gain £6,409,887 worth of benefits, allowing greater opportunities in relation to inclusion and independence.

Over 73% of service users stated that their financial situation improved and 64% stated that their quality of life had improved.

Disability North (The Dene Centre)

The Executive Committee acknowledges that the Dene Centre building is over 30 years old and that its infrastructure including electrical systems and the general building structure must be monitored for significant deterioration or operational failure. We are currently considering our options in relation to the leasehold and the current building. This is a focus for the forthcoming financial year.

Disability North continues to rent out space within the Dene Centre to a variety of tenants. Tenants up to 31 March 2020 include: Liveasy, Newcastle Disability Forum, Newcastle SENDIASS, Silverline Memories, A Time 2 Talk and Brain Box.

Strategic Planning

The Chief Executive Officer regularly reports on progress to the Executive Committee.

FINANCIAL REVIEW

Financial Position

At 31 March 2020 the charity is reporting an operating surplus of £171,677, this is however largely due to an adjustment to long term pension liability of £156,239 without which the operating surplus would be £15,438. The future liability to pensions is recalculated each year and any increase or decrease is reported within the accounts, see note 1.2, and while we recognise the importance of reporting all future liabilities it is also worthy of note that this adjustment is not reflective of the operational surplus or deficit created by operations during the year.

Moving forward, the trustees are confident that the budget set for 2020-21 will be met and the position of the charity will continue to improve, and continue to build on in line with the Strategic Direction 2018-23 despite the ongoing restrictions imposed by the current pandemic. As this report is published Disability North like all charities is operating under tight restrictions due to the pandemic and while this has impacted on income from small events and some rental income these losses have been made up by additional grants both specifically in respect of COVID-19 funding but also by other grants covering core running costs. Uncertainties as always remain within funding streams from Clinical Commissioning Groups and other traditional funders but much of the funding for these streams, in line with our expectations, has been confirmed for the forthcoming year (2020-21) and we are confident in our long term viability.

DISABILITY NORTH

EXECUTIVE COMMITTEE REPORT *(Continued)* FOR THE YEAR ENDED 31 MARCH 2020

Reserves Policy

The reserves policy is formally reviewed and adopted annually and determines the targets necessary for the achievement of appropriate financial underpinning to ensure that the charitable company's statutory financial objectives are capable of being met. We have set a target for unrestricted reserves equivalent to six months expenditure. Free reserves at 31 March 2020 was £175,333, which excluding the long term pension liability, slightly below our reserve target.

Total reserves at 31 March 2020 show a net asset position of £75,854 which includes the net present value of the Tyne and Wear Pension Scheme liability which at 31 March 2020 was calculated to be £380,914. The liability is expected to be repaid in annual instalments based on the Recovery Plan which runs to 2037, the repayment of this liability is incorporated into the annual budgets.

Designated funds at the year end consist of the property fund, which equals the net book value of the property. The repair fund which was set aside in 2015-16 to fund significant repairs to the building, this has been transferred back into general unrestricted funds during the year. Further details can be found in note 21.

Principal Funding Sources

The principle funders remain Local Authorities and Clinical Commissioning groups, without whose annual grants, core work of the charitable company could not continue. The charitable company is making efforts to increase its base of donors and in this respect the Executive Committee wishes to record its gratitude to all those authorities, organisations, bodies and individuals that provide support to Disability North in the furtherance of its mission, including;

Henry Smith Foundation
Community Foundation Tyne & Wear and Northumberland
James Knott Charitable Trust
Tyneside Charitable Trust
REEDS Grassroots Fund
Joseph Strong Frazer Trust
Joicey Trust
Reach Foundation
Treeline
Edward Gostling

DISABILITY NORTH

EXECUTIVE COMMITTEE REPORT *(Continued)* FOR THE YEAR ENDED 31 MARCH 2020

PLANS FOR THE FUTURE

Disability North remains in a sound position financially. This financial stability allows the organisation time to focus on strategic growth as well as build on its reserves.

Hire of conference room facilities

We will continue to promote the conference room as a reasonable priced option to hire.

Office space

Office space available to rent will be reviewed and advertised appropriately.

Funding bids

In addition to statutory funding, the main potential sources of income generation are through successful bids to funding trusts. Disability North is focusing on sourcing and submitting funding applications identified in the fundraising plan (20/21).

Payroll

Payroll and Payroll Plus continues to expand and to provide additional income for Disability North producing an increase of 7.5% on 2018-19 once again.

Statutory Funding

The Chief Executive Officer will continue to work to maintain good relationships with all statutory funders and work to identify any new potential statutory funding streams.

Partnerships

The Chief Executive Officer will continue to maintain relationships with existing partners and explore opportunities to form new alliances with a variety of organisations with a view to working effectively together.

Key drivers for the future

Personalisation, the ageing population and austerity are all continuing themes on the health and social care agenda. The role of the voluntary sector is consistently mentioned within Government agenda at both local and national levels. Disability North needs to ensure it is well placed to take advantage of all potential opportunities both to raise its profile in the region and to ensure financial stability.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Disability North holds monies on behalf of other organisations relating to a payroll service, this is provided to a number of small organisations and individuals. Further detail is given in note 19.

DISABILITY NORTH

EXECUTIVE COMMITTEE REPORT *(Continued)* FOR THE YEAR ENDED 31 MARCH 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number: 514733
Company Number: 1781525
Registered Office: The Dene Centre, Castle Farm Road, Newcastle upon Tyne, NE3 1PH

Our advisors

Auditors Haines Watts, 17 Queens Lane, Newcastle upon Tyne, NE1 1RN

Bankers Lloyds TSB PO Box 8, High Street, Gosforth, Newcastle upon Tyne, NE3 1JQ
Unity Trust Bank Plc Nine Brindleyplace, Birmingham, B1 2HB

Solicitors Watson Burton LLP 1 St James Gate, Newcastle upon Tyne, NE99 1YQ

Directors and trustees

The directors of the charitable company are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Executive Committee	J Cairns	(Chair)
	S Wheatley	(Vice Chair – Resigned November 2019)
	S Knox	(Treasurer)
	D Pritchard	(Resigned July 2019)
	A Blackburn	(Resigned December 2019)
	M Hood	
	L Reynolds	
	R Thomas	
	L Pritchard	(Appointed March 2020)

Key management

Chief Executive Officer	Victoria Armstrong	
Service Team Manager	Keith Moore	
Finance & Office Manager	Katie Boyden	
Payroll Manager	Lynne Waggott	
Service Development & Involvement Manager	Carlene Carter	(Left April 2020)

DISABILITY NORTH

EXECUTIVE COMMITTEE REPORT *(Continued)* FOR THE YEAR ENDED 31 MARCH 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The charitable company is limited by Guarantee and is governed by its memorandum and articles.

Recruitment and Appointment of Executive Committee

Members of the Executive Committee, who must be members of Disability North, are elected by the members at the annual general meetings or appointed by the Executive Committee until the next annual general meeting when the person appointed is eligible for re-election by the members.

Executive Committee Induction and Training

The induction and training of new members of the Executive Committee is accomplished by selection interviews and an introductory session prior to appointment. Periodic training opportunities and all Charity Commission bulletins and fact sheets are forwarded to members of the charity.

Organisational Structure

The Executive Committee is ultimately responsible for the activities of the organisation and the Executive Committee Finance Sub-group facilitates the greater involvement of the individual Executive Committee members. The Senior Executives of the charitable company attend the meetings of the Executive Committee but are not eligible to vote. Voting rights have now been extended to include vice presidents.

Related Parties

Details of related parties arising through third party connections with members of the Executive Committee are given in note 26 to the accounts.

Pay policy for senior staff

The trustees and senior management team comprise the key management of the charity and are in charge of directing, controlling, running and operating the charity on a day to day basis. All trustees give their time freely and no director received remuneration during the year. The pay of senior staff is reviewed annually by the board along with all other staff.

Risk Management Policy

The Executive Committee has assessed the major risks to which the charitable company is exposed, and are satisfied that systems and controls are in place to mitigate exposure to the major risks. The Executive Committee formally reviews the Risk Assessment Policy, which covers every area of activity every six months.

DISABILITY NORTH

EXECUTIVE COMMITTEE REPORT *(Continued)* FOR THE YEAR ENDED 31 MARCH 2020

EXECUTIVE COMMITTEE STATEMENT OF RESPONSIBILITIES

The Executive Committee (who are also directors of Disability North for the purposes of company law) are responsible for preparing the Executive Committee 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 Executive Committee to prepare financial statements for each financial year which give a true and fair view of the charitable company's state of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Executive Committee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Executive Committee are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Executive Committee are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- as the Executive Committee we have taken all the steps that we ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

AUDITORS

A resolution proposing that Haines Watts be reappointed as auditors of the company will be put to the Annual General Meeting.

Approved by the Executive Committee on 2020 and signed on their behalf by:


.....
Jamie Cairns
Chair

DISABILITY NORTH

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DISABILITY NORTH

Opinion

We have audited the financial statements of Disability North for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 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 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charitable company's activities, customers, suppliers and wider economy. The trustees' view on the impact of COVID-19 is disclosed on within the trustees report on page 4 and accounting policies.

DISABILITY NORTH

INDEPENDENT AUDITORS' REPORT *(Continued)* TO THE MEMBERS OF DISABILITY NORTH

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 by the charitable company, 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 directors' 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes 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 group's and parent charitable company'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.

DISABILITY NORTH

INDEPENDENT AUDITORS' REPORT *(Continued)* TO THE MEMBERS OF DISABILITY NORTH

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's 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.



Donna Bulmer BA (Hons) ACA (Senior Statutory Auditor)
For and behalf of Haines Watts

Chartered Accountants and
Statutory Auditors

19 November 2020

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

DISABILITY NORTH

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income:						
Donations and legacies	4	12,568	-	108,016	120,584	16,276
Income from charitable activities	5	312,020	-	-	312,020	358,029
Income from other trading activities	6	74,824	-	-	74,824	81,501
Investment income	7	523	-	-	523	725
Other income		2,718	-	-	2,718	11,916
Total income		<u>402,653</u>	<u>-</u>	<u>108,016</u>	<u>510,669</u>	<u>468,447</u>
Expenditure:						
Cost of raising funds	6	(1,123)	-	-	(1,123)	6,429
Expenditure on charitable activities	8	399,455	8,704	88,158	496,317	535,982
Pension liability		(156,239)	-	-	(156,239)	26,340
Total expenditure		<u>242,093</u>	<u>8,704</u>	<u>88,158</u>	<u>338,955</u>	<u>568,751</u>
Net gains/(losses) on investments		(37)	-	-	(37)	(10)
Net income/expenditure		<u>160,523</u>	<u>(8,704)</u>	<u>19,858</u>	<u>171,677</u>	<u>(100,314)</u>
Transfer between funds	21	-	-	-	-	-
Net movement in funds		<u>160,523</u>	<u>(8,704)</u>	<u>19,858</u>	<u>171,677</u>	<u>(100,314)</u>
Reconciliation of funds						
Total funds brought forward		(303,811)	207,988	-	(95,823)	4,491
Total funds carried forward		<u>(143,288)</u>	<u>199,284</u>	<u>19,858</u>	<u>75,854</u>	<u>(95,823)</u>

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

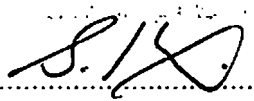
DISABILITY NORTH

BALANCE SHEET AS AT 31 MARCH 2020

	Notes	£	2020 £	£	2019 £
Fixed Assets:					
Tangible assets	13		211,637		212,640
Investments	14		28,840		28,876
			<u>240,477</u>		<u>241,516</u>
Current Assets:					
Stocks		300		300	
Debtors	15	132,164		160,941	
Cash at bank and in hand		128,601		134,619	
		<u>261,065</u>		<u>295,860</u>	
Liabilities:					
Creditors: amounts falling due within one year	16	(65,874)		(96,046)	
Net current assets			<u>195,191</u>		<u>199,814</u>
Total assets less current liabilities			<u>435,668</u>		<u>441,330</u>
Creditors: amounts falling due after more than one year	18	(359,814)		(537,153)	
			<u>75,854</u>		<u>(95,823)</u>
The funds of the charity:					
Restricted funds	21	19,858			
Unrestricted funds		(143,288)		(303,811)	
Designated funds		199,284		207,988	
			<u>75,854</u>		<u>(95,823)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Executive Committee on 17/11/20 2020 and signed on their behalf by:-


Stuart Knox
Treasurer

Company Registration No: 1781525

The notes on pages 16 to 31 form part of these financial statements.

DISABILITY NORTH

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Cash flow from operating activities			
Net cash flow from operating activities	25	4,837	7,886
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(11,378)	(1,474)
Investment income		523	725
Net cash flow from investing activities		(10,855)	(749)
Net decrease in cash and cash equivalents		(6,018)	7,137
Cash and cash equivalents at the beginning of the year		134,619	127,482
Cash and cash equivalents at the end of the year		<u>128,601</u>	<u>134,619</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u>128,601</u>	<u>134,619</u>

DISABILITY NORTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting Policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

Disability North meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

A pension liability of £380,914 shown in note 20 has been provided in the financial statements in accordance with FRS 102. The liability represents the additional contributions required in line with the Recovery Plan which runs to 2037. Further detail in relation to the recognition of the liability can be found in note 1.15. The pension liability does not fall due immediately.

The financial statements are prepared on a going concern basis. The Trustees have reviewed the annual budgets and considered relevant information in response to the COVID-19 pandemic. Actual results are monitored against budget along with cash flows. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Basis of consolidation

The charitable company and its subsidiary, Disability North Events Limited, comprise a small group. The charitable company has therefore taken advantage of the exemption provided by section 398 of the Companies Act 2006 not to prepare group accounts.

1.4 Funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purposes and are available as general funds.

Designated funds are amounts earmarked by the trustees for a specific purpose.

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.

DISABILITY NORTH

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE YEAR ENDED 31 MARCH 2020

1.5 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions have been met, the amount can be measured reliably and it is possible that the income will be received.

Donations from individuals and charitable trusts are recognised when notification of payment is received, unless there are specific conditions attached.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with reasonable certainty. Income received to deliver services over a specific period covering more than one financial year is accounted for over the specific period; related expenditure is accounted when incurred.

Investment income relates to interest earned through holding assets on deposit.

No amount is included within the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees Report.

1.6 Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is possible that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose.

1.7 Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, finance, personnel, payroll and governance costs. They are incurred directly in support of expenditure on the objects of the charity.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold land	over the remaining period of the lease
Leasehold buildings	40 years
Furniture and equipment	1 to 10 years

1.9 Investments

Fixed asset investments are stated at market value.

DISABILITY NORTH

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2020

1.10 Stock

Stock is valued at the lower of cost and net realisable value.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of fund to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement after allowing for any trade discounts due.

1.14 Leases

Rentals payable under operating leases are charged against income on a straight line basis over the base term.

1.15 Pensions

The charitable company contributes to a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The annual contributions payable are charged to the SoFA.

The charity also contributes to a defined benefit pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. It is not possible for the charitable company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme and therefore accounts for it as a defined contribution scheme. In addition to the above accounting the scheme has agreed a schedule of contributions with participating employers that will eliminate the plan over 20 years. The charity has recognised a liability for the contributions adjusted for the time value of money and an equal expense in the SoFA.

1.16 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.17 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

DISABILITY NORTH

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2020

2. Legal status

Disability North is a company limited by guarantee (No 1781525) and not having a share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. Comparative statement of financial activities

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2019 £
Income:					
Donations and legacies	4	16,276	-	-	16,276
Income from charitable activities	5	216,219	-	141,810	358,029
Income from other trading activities	6	81,501	-	-	81,501
Investment income	7	725	-	-	725
Other income		8,316	-	-	8,316
Total income		326,637	-	141,810	481,562
Expenditure:					
Cost of raising funds	6	6,429	-	-	6,429
Expenditure on charitable activities	8	365,639	9,191	161,152	471,834
Pension liability	22	26,340	-	-	26,340
Total expenditure		39,408	9,191	161,152	567,199
Net gains/(losses) on investments		(10)	-	-	(10)
Net income/expenditure		(71,781)	(9,191)	(19,342)	(100,314)
Transfer between funds	23	39,176	(44,256)	5,080	-
Net movement in funds		(32,605)	(53,447)	(14,262)	(100,314)
Reconciliation of funds					
Total funds brought forward		(271,206)	261,435	14,262	4,474
Total funds carried forward		(303,811)	207,988	-	(81,173)

DISABILITY NORTH

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2020

4. Donations and legacies

	2020	2019
	£	£
Donations	4,568	2,477
Grants	116,016	13,799
	<u>120,584</u>	<u>16,276</u>

Analysis of grants:

	£
The Henry Smith Fund	54,200
The Community Foundation	25,000
REACH Fund	12,900
The Clinical Commissioning Group	9,916
Sir James Knott	4,000
REEDS Grassroots Fund	3,000
Joicey Fund	3,000
Other (less than £2,000)	4,000
	<u>116,016</u>

5. Income from charitable activities

	2020	2019
	£	£
Contractual payments	194,415	248,806
Sale of goods and services	117,605	109,223
	<u>312,020</u>	<u>358,029</u>

6. Income from other trading activities

	Fundraising events	Rents receivable and room hire	Shop sales	Training	2020	2019
	£	£	£	£	£	£
Income	5,375	68,080	319	1,050	74,824	81,501
Direct costs	(1,163)	2,354	(68)	-	1,123	(6,429)
	<u>4,212</u>	<u>70,434</u>	<u>251</u>	<u>1,050</u>	<u>75,947</u>	<u>75,072</u>

DISABILITY NORTH

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE YEAR ENDED 31 MARCH 2020

7. Investment income

	2020	2019
	£	£
Income from listed investments	305	481
Interest receivable	218	244
	<u>523</u>	<u>725</u>
	<u><u>523</u></u>	<u><u>725</u></u>

8. Charitable expenditure analysis

	Activities undertaken directly	Support costs	2020	2019
	£	£	£	£
Independent living	277,012	76,100	353,112	390,691
Benefit, advice and support	112,343	30,862	143,205	81,143
	<u>389,355</u>	<u>106,962</u>	<u>496,317</u>	<u>471,834</u>
	<u><u>389,355</u></u>	<u><u>106,962</u></u>	<u><u>496,317</u></u>	<u><u>471,834</u></u>

DISABILITY NORTH**NOTES TO THE FINANCIAL STATEMENTS (Continued)**
FOR THE YEAR ENDED 31 MARCH 2020**9. Support costs**

	2020	2019
	£	£
Salaries	53,826	87,184
Rent & rates	263	(905)
Light & heat	2,068	(122)
Insurances	2,790	1,827
Repairs	22,391	18,979
Cleaning	2,876	109
Telephone	736	1,494
PPS	535	6,548
Training, travel & entertaining	3,260	7,374
Publicity	3,108	8,649
Professional fees	2,543	8,313
Bank charges	862	667
Depreciation	12,381	11,769
Sundry	(6,201)	10,248
Governance costs (note 10)	5,574	6,812
	<u>106,962</u>	<u>168,946</u>

10. Governance costs

	2020	2019
	£	£
Audit fees	5,525	5,850
Executive committee costs	49	962
	<u>5,574</u>	<u>6,812</u>

11. Net movement in funds

	2020	2019
	£	£
This is stated after charging:		
Depreciation	12,381	11,769
Auditor's remuneration	5,525	5,850
	<u></u>	<u></u>

DISABILITY NORTH

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE YEAR ENDED 31 MARCH 2020

12. Analysis of staff costs and trustee remuneration and expenses

	2020	2019
	£	£
Wages and salaries	327,193	304,470
Social security costs	21,973	21,006
Other pension costs	21,869	20,370
	<u>371,035</u>	<u>345,846</u>
	<u><u>371,035</u></u>	<u><u>345,846</u></u>
	2020	2019
Number of employees		
The average monthly number of employees during the year was:		
Direct charitable services	9	9
Fundraising and publicity	1	1
Management and administration of the charitable company	7	7
	<u>17</u>	<u>17</u>
	<u><u>17</u></u>	<u><u>17</u></u>

Included in the above are redundancy costs of £nil (2019 – £6,841).

There were no employees whose annual emoluments were more than £60,000 (2019 - none).

None of the Executive Committee (or any persons connected with them) received any remuneration for their services as directors during the year. Two members of the Executive Committee were reimbursed a total of £49 travelling expenses during the year (2019 - £962 paid to three member).

Stuart Knox, a member of the Executive Committee, was paid £1,500 (2019 - £1,200) in respect of consultancy fees for accounting services provided during the year.

The key management personnel of the charity comprise the trustees, the Chief Executive Officer, Service Team Manager, Events Manager and Finance & Office Manager. The total employee benefits of the key management personnel of the charity were £166,487 (2019 - £160,508).

DISABILITY NORTH

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE YEAR ENDED 31 MARCH 2020

13. Tangible Fixed Assets

	Long leasehold land £	Long leasehold buildings £	Furniture & equipment £	Total £
Cost				
At 1 April 2019	50,847	687,335	18,734	756,916
Additions	-	-	11,378	11,378
At 31 March 2020	50,847	687,335	30,112	768,294
Depreciation				
At 1 April 2019	7,260	522,934	14,082	544,276
Charge for the year	485	8,220	3,676	12,381
At 31 March 2020	7,745	531,154	17,758	556,037
Net book value				
At 31 March 2020	43,102	156,181	12,354	211,637
At 31 March 2019	43,587	164,401	4,652	212,640

All tangible fixed assets are held for direct charitable purposes. Parts of the building are let to organisations with related objectives.

DISABILITY NORTH

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE YEAR ENDED 31 MARCH 2020

14. Fixed Asset Investments

	2020 £	2019 £
UK Managed Bond	28,839	28,875
Investment in subsidiary	1	1
	<u>28,840</u>	<u>28,876</u>
UK Managed Bond		£
At 1 April 2019		28,875
Unrealised loss		(37)
At 31 March 2020		<u>28,839</u>
Historical cost		<u>24,442</u>

15. Debtors

	2020 £	2019 £
Trade debtors	79,076	86,389
Other debtors	-	281
Prepayments and accrued income	47,717	54,763
Owed from group undertakings	5,371	19,508
	<u>132,164</u>	<u>160,941</u>

DISABILITY NORTH**NOTES TO THE FINANCIAL STATEMENTS (Continued)**
FOR THE YEAR ENDED 31 MARCH 2020**16. Creditors: Amounts falling due within one year**

	2020	2019
	£	£
Trade creditors	11,034	13,208
Taxes and social security costs	8,698	11,542
Accruals and deferred income	9,549	18,447
Pension liability (note 20)	21,100	40,600
Other creditors	15,493	12,249
	<u>65,874</u>	<u>96,046</u>

17. Deferred income

Deferred income relates to grants received in advance and fundraising events held in future years.

	£
As at 1 April 2019	3,339
Released	(3,339)
Deferred income from new sources	-
As at 31 March 2020	<u>-</u>

18. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Pension liability (note 20)	<u>359,814</u>	<u>537,153</u>

DISABILITY NORTH

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE YEAR ENDED 31 MARCH 2020

19. Holding accounts

During the year Disability North held monies on behalf of individuals and organisations in relation to the payroll plus service provided to service users.

	£
At 1 April 2019	2,219,412
Income	7,146,110
Expenditure	(7,324,232)
At 31 March 2020	<u>2,041,289</u>

20. Pension costs

Defined contribution scheme

A money purchase stakeholder pension scheme is offered to new employees. During the year contributions of £21,869 (2019 - £20,370) were paid, the employer's contribution rate is 5%.

Defined benefit scheme

The charitable company's employees belong to a Local Government Pension Scheme (LGPS) with the Tyne and Wear Pension Fund. This is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The defined benefit scheme was closed to new entrants on 1 April 2004.

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the LGPS is a multi-employer pension scheme. The charitable company is not able to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the charitable company has taken advantage of the exemption provided by FRS 17 and accounts for its contributions to the scheme as if it were a defined contribution scheme.

The most recent valuation was at 31 March 2019 and showed it to be in deficit. Disability North is required to make contributions to the deficiency. The next year's deficiency payments, which are in addition to the normal pension cost, will be £21,100.

In accordance with FRS 102, the net present value of the future contributions required by Disability North over 17 years to clear the funding deficit is £380,914 (2019 - £577,753). In calculating this net present value the contributions from the triennial valuation to 31 March 2019 have been used, along with a discount rate of 2.5% (2019 – 2.6%) representing the typical yield of high quality corporate bonds has then been applied.

DISABILITY NORTH

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2020

21. Statement of funds

<u>Year ended 31 March 2020</u>	Balance at 1 April 2019 £	Incoming resources £	Outgoing resources £	Gain/loss investment & transfers £	Balance at 31 March 2020 £
Unrestricted funds					
General funds	(303,811)	402,653	(242,093)	(37)	(143,288)
Designated funds					
Capital assets	207,988	-	(8,704)	-	199,284
Total unrestricted funds	(95,823)	402,653	(250,797)	(37)	55,996
Restricted funds					
The Clinical Commissioning Group	-	9,916	(4,958)	-	4,958
Community Foundation	-	25,000	(25,000)	-	-
The Henry Smith Fund	-	54,200	(54,200)	-	-
Reach Fund	-	12,900	-	-	12,900
Reeds Grassroots Fund	-	3,000	(1,000)	-	2,000
The Joicey Fund	-	3,000	(3,000)	-	-
Total restricted funds	-	108,016	(88,158)	-	19,858
	(95,823)	510,669	(338,955)	(37)	75,854

DISABILITY NORTH

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE YEAR ENDED 31 MARCH 2020

21. Statement of funds *(Continued)*

<u>Year ended 31 March 2019</u>	Balance at 1 April 2018 £	Incoming resources £	Outgoing resources £	Gain/loss investment & transfers £	Balance at 31 March 2019 £
Unrestricted funds					
General funds	(271,206)	326,637	(398,408)	39,166	(303,811)
Designated funds					
Capital assets	217,179	-	(9,191)	-	207,988
Renovation fund	44,256	-	-	(44,256)	-
	<u>261,435</u>	<u>-</u>	<u>(9,191)</u>	<u>(44,256)</u>	<u>207,988</u>
Total unrestricted funds	<u>(9,771)</u>	<u>326,637</u>	<u>(407,599)</u>	<u>(5,090)</u>	<u>(95,823)</u>
Restricted funds					
Direct payments	906	141,810	(147,796)	5,080	-
Digital Inclusion	13,356	-	(13,356)	-	-
	<u>14,262</u>	<u>141,810</u>	<u>(161,152)</u>	<u>5,080</u>	<u>-</u>
Total restricted funds	<u>4,474</u>	<u>468,447</u>	<u>(568,751)</u>	<u>(10)</u>	<u>(95,823)</u>

Designated funds

The capital asset fund equals the net book value of the leasehold property.

The renovation fund relates to amounts set aside by the trustees to undertake crucial repair work to the property.

Restricted funds

Direct Payments - This fund is to promote and support the uptake of Direct Payments in Newcastle.

Digital Inclusion – This fund is to help disabled people to have better access to the internet by offering support, digital workshops and use of specialist equipment.

The Clinical Commissioning Group – the fund is to support The Information and Advisory Service and Independent Living and Resource Centre.

Community Foundation – to fund the salary costs of a Service Development and Involvement Manager.

Henry Smith Fund – to fund the salaries and on costs of two Welfare Benefit Advisors.

REACH Fund – to fund the building consultant to undertaken a review of future opportunities for the Dene Centre.

DISABILITY NORTH

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2020

21. Statement of funds (Continued)

Reeds Grassroots Fund - to contribute towards the salary and on costs of a Welfare Benefit Advisor.

The Joicey Fund - to contribute towards the salary and on costs of a Welfare Benefit Advisor.

22. Analysis of funds

Year ended 31 March 2020

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	12,353	199,284	-	211,637
Investments	28,840	-	-	28,840
Net current assets	175,333	-	19,858	195,191
Long term liabilities	(359,814)	-	-	(359,814)
	<u>(143,288)</u>	<u>199,284</u>	<u>19,858</u>	<u>75,854</u>

Year ended 31 March 2019

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible fixed assets	4,652	207,988	-	212,640
Investments	28,876	-	-	28,876
Net current assets	199,814	-	-	199,814
Long term liabilities	(537,153)	-	-	(537,153)
	<u>(303,811)</u>	<u>207,988</u>	<u>-</u>	<u>(95,823)</u>

23. Operating commitments

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

	Equipment	
	2020 £	2019 £
Not later than one year	9,012	6,882
Later than one and not later than five years	15,321	19,008
	<u>24,333</u>	<u>25,890</u>

DISABILITY NORTH

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE YEAR ENDED 31 MARCH 2020

24. Related Parties

Stuart Knox, treasurer, is also a director of The Human Office from which Disability North purchased supplies on an arm's length basis totalling £2,307 (2019 – £1,676). Included within trade creditors is an amount of £3 (2019 - £158) due to The Human Office.

Stuart Knox, treasurer, is also a director of S K Accountancy from which Disability North purchased services on an arm's length basis totalling £1,500 (2019 – £1,200). Included within trade creditors is an amount of £nil (2019 - £2,520) due to S K Accountancy.

Alison Blackburn, trustee, is also a director of Newcastle Disability Forum from which Disability North charge rent for use of part of the property totalling £3,048 (2018 - £2,522). Included within trade debtors is an amount of £792 (2019 - £864) due from Newcastle Disability Forum

25. Reconciliation of net income/expenditure to net cash flow from operating activities

	2020	2019
	£	£
Net movement for the year	171,678	(100,314)
Investment income	(523)	(725)
Depreciation	12,380	11,769
Loss/(gain) on investments	37	10
Decrease/(increase) in debtors	28,776	177,411
(Decrease)/increase in creditors: due within one year	(30,172)	(66,005)
(Decrease)/increase in creditors: due after more than one year	(177,339)	(14,260)
	<u>4,837</u>	<u>7,886</u>