

Newcastle Council
& Voluntary Service



Report and Financial Statements

Year ended 31 March 2016



SIR JAMES KNOTT TRUST



Company number: 06681475
Charity number: 1125877

Newcastle Council for Voluntary Service
(a company limited by guarantee)

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TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2016

The trustees are pleased to present their annual Directors' report together with financial statements of the charity for the year ended 31 March 2016 which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Chair's report

In 2015, I was fortunate enough to be appointed Chair of Newcastle CVS in succession to Ralph Firth. I was fortunate because I succeeded a Chair who had left the organisation in such good shape – fortunate, too, that I inherited an excellent team of Trustees and Staff – and I am grateful for all their contributions in the past 12 months.

At the 2015 AGM, I talked about the need for Newcastle CVS to be relevant, sustainable and open to change. I'm pleased to say that in the last 12 months, in the face of ever increasing challenges, Newcastle CVS has more than lived up to these 3 requirements. Those challenges included the increasing need that the communities we serve have for the services of the voluntary sector, the uncertainty the sector faces over future funding and the ever changing political landscape at a local and national level. The work of the key branches of Newcastle CVS is described in detail in the pages that follow, but it would be remiss of me not to mention some highlights.

- For Advocacy Centre North, there has been significant change and the organisation has proven to be agile in meeting the needs of current and new customers, providing over 700 people with direct advocacy support.
- For Healthwatch, through the year they have gathered the views and experiences of a diverse range of communities, including older people, refugee and asylum seekers, and people with learning difficulties. The future that lies ahead for Healthwatch of being an independent organisation – and we will be excited to help make that happen.
- The Policy and development work of Newcastle CVS continues to be a significant voice for the voluntary sector and able to shape the debate – which will be more necessary than ever in the uncertain political times ahead.
- Specialist Services in the last 12 months carried out more than of 900 direct advice sessions with 570 groups, which strengthened Governance, improved organisations and maximised fundraising.
- Last but not least, Ellison Services goes from strength to strength, providing financial services at a price the sector can afford. Jim and his team have set it well for future growth.

A defining moment for Newcastle CVS occurred towards the end of the financial year when Gateshead Council invited us to provide a service for the voluntary sector in Gateshead. Across the last 3 months of 2015 - 16 and the early months of 2016 - 17, Newcastle CVS has worked hard to ensure that we have the right staff in place and the right focus to meet the needs of Gateshead without any drop in service level to Newcastle City Council. I would like to take a moment to pay tribute to the excellent work done by GVOC over many years – work that was done with distinction. All the Trustees of Newcastle CVS, our excellent Chief Executive, Sally Young, and the entire team are committed to ensuring that the Gateshead voluntary sector is able to go from strength to strength – and that same commitment applies of course to the voluntary sector in Newcastle.

Finally, turning to internal matters, I want to acknowledge the hard work of Newcastle CVS staff in strengthening the budget position after the loss of the advocacy contract for Newcastle City Council. It is a tribute to the resilience and professionalism of everyone involved that the year ended in a better place than we anticipated in the darkest months of 2015. At senior level and amongst the Trustees, there also has been strong engagement over the provision of pensions and the right way to limit liabilities without impacting present or previous staff – more on that in 2016 - 17.

In closing I would like to thank my fellow Trustees for their time and energy and thank the staff of Newcastle CVS for their dedication and professionalism. The next 12 months will no doubt present many more challenges – and equally I have no doubt that we will all rise to meet them.

Simon Elliott
Chair, Newcastle CVS

OBJECTIVES AND ACTIVITIES

The objectives of Newcastle CVS are 'to promote any charitable purposes for the benefit of any locality or community in the County of Northumberland and in the neighbourhood of the River Tyne. In particular; the advancement of education, the protection of health and the relief of poverty, distress and sickness'.

The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit when reviewing the Newcastle CVS aims and objectives and in planning the future activities. In particular, the trustees considered how the planned activities would contribute to the aims and objectives they had set. There has been a review of the support given to voluntary and community organisations to improve effectiveness and efficiency, including the introduction of some new services.

Newcastle CVS gives people who struggle to be heard a voice, supports voluntary and community organisations to be resilient and sustainable and promotes a fairer society by influencing and challenging the debate. It is the only organisation based in Newcastle that provides this for all of its citizens.

The Newcastle CVS overall strategic aim is to improve the quality of life in Newcastle by a broad programme of voluntary action, recognising that priority should be focussed on the most disadvantaged communities. During 2015 - 16 Newcastle CVS contributed to this aim in the following ways:

- As a high performing and leading organisation providing voice for individuals and the voluntary and community sector
- Championing voluntary and community action
- Strengthening voluntary and community organisations
- Highlighting issues around poverty and inequalities in Newcastle and addressing these through our work

Our volunteers

Newcastle CVS values the unique contribution of our volunteers and the added value they bring. It is the intention of Newcastle CVS that all volunteers will be supported, respected and valued. Newcastle CVS encourages volunteers to fulfil their potential and aims to provide meaningful roles where both the organisation and the volunteer mutually benefit. Newcastle CVS has policies and procedures in place and works closely with their partner, Volunteer Centre Newcastle, in order to ensure that best practice is applied in volunteering.

ACHIEVEMENTS AND PERFORMANCE

Newcastle CVS promotes voluntary and community action, providing voluntary sector organisations with services that enable them to be well run, fulfil their aims and objectives and provide them with the opportunity to extend their influence in the city through the sector's collective voice.

Newcastle CVS does this specifically by providing expert advice on governance, on the policies and procedures that voluntary organisations need to have to ensure they are safe and securely run; and by providing funding advice based on experience and knowledge of what funders are seeking in a good application.

In addition Newcastle CVS holds regular forums and network events to keep the sector informed about new initiatives, new policies and legislation, and provides opportunities for voluntary organisations to increase their reach and influence. The forums are a place where Newcastle CVS members come together, where they can engage directly with public sector agencies and where voluntary sector representatives on multi-sector partnerships can inform and be accountable to peers.

During this year, the Policy and Development group services consolidated and built upon the changes made the previous year. The new Specialist Services achieved its targets and it has proved an effective and efficient way of providing an essential and professional range of services while also working towards ensuring the service is sustainable.

There were staff changes in marketing and communications. A successful bid to the BIG Lottery Fund's BIG Assist Programme designed to enable voluntary sector infrastructure organisations to respond and adapt to changing and challenging environments, provided an ideal opportunity to review the strength of the Newcastle CVS internal marketing and communications. This resulted in a new Newcastle CVS website.

The support and development to the voluntary and community sector in Newcastle included:

- Advice and assistance to voluntary organisations in relation to constitutions, charity registrations, charity law and organisational structure
- NCVS Inform, a quarterly magazine to the CVS membership and partners (1,000 copies, four times a year)
- E-inform, a weekly E-Bulletin, mailed out to over 1,915 recipients. This was sent out 24 times
- 43 regularly updated information sheets on specific issues
- Development of the Twitter account with 1,994 followers in April 2016, up from 1,567 followers in April 2015
- 388 organisations supported through 721 individual contacts to help them set up new organisations, run and manage existing organisations better, or to help them have funding and resources they need to meet the needs of their beneficiaries. This includes organisations that have received more in depth support and capacity building work

- Strategic and practical advice to organisations by assisting in the development of future plans and funding strategies
- Production of fortnightly and quarterly information on current funding streams
- 133 people attended 13 training courses, workshops and bespoke training sessions
- More tailored training and flexible facilitation, within the Specialist Services (paid for) programme to help organisations explore an idea, solve a problem, learn new skills, plan for changes and develop action plans
- Supporting organisations working in Newcastle to raise (at least) £2,170,463
- Working with other local infrastructure organisations and the private sector to develop the support that is given to organisations who wish to explore community asset transfer
- Providing advice on accounts, book-keeping and all payroll matters to the sector
- The charity's trading subsidiary Ellison Services Limited continued to provide payroll and accounting services for over 200 organisations and individuals

NETWORKING AND INVOLVEMENT

Newcastle CVS supports voluntary and community sector involvement and representation on the Wellbeing for Life Board, Newcastle Children's Trust and Safe Newcastle Board. Other partnerships Newcastle CVS contributes to through enabling representation directly or indirectly include the Newcastle Safeguarding Adults Board and Newcastle Safeguarding Children Board, Newcastle Progression Forum, Safe Newcastle and Confident Group. Newcastle CVS maintains an annual list of voluntary sector representatives both those directly supported through Newcastle CVS and more loosely connected. There were 55 voluntary sector representative places filled in 2015 - 16.

Newcastle CVS continues to view multi-sector partnerships as important opportunities for the voluntary and community sector to be involved and influence strategic decision-making in the city. However, there are fewer opportunities for representing the voluntary sectors interests than previously.

Newcastle CVS runs two forums for voluntary and community sector organisations in the city; the Wellbeing and Health Open Forum, which covers adult health and social care issues, and the CHYP IN Forum, which is concerned with issues affecting children and young people.

Topics discussed in the Wellbeing and Health Open Forum this year have included asking 'if social housing is dead?', a presentation from the Director of Public Health about the state of public health in Newcastle and its challenges and the commissioning intentions; and the health and social care integration challenge in the city. Along with these key topics the forum had updates about safeguarding adults' policies and practice, provision of health and social care information in the city, collaborative working and the contribution of voluntary sector arts to health and social care issues.

Key highlights during the year for the CHYP IN Network included presentations about the review of mental health services for children and young people, the size of the problem of Novel Psychotic Substances, (NPS), services for young carers and the difficulties they experience; other subjects discussed included partnership working opportunities with Newcastle University, support for BME communities and the Children in Need funding programmes.

There were additional meetings; these included two Deciding Together consultation events about proposed changes to in-patient mental health services. Other consultation opportunities included the city council's market position statement on Adult Social Care and a market position statement about Parental Needs, as part of the wider Family Services Commissioning initiative.

Other opportunities bringing the sector together included an election hustings event in April 2015 with candidates from all the main political parties standing in the General Election. Over fifty people attended what appeared to be one of the few hustings organised during the election for voluntary and community sector activists. Later in the year two events were organised with Newcastle City Council as part of its budget consultation.

Other events that Newcastle CVS held jointly with others included the Make a Difference Event (MaDE), with Newcastle YMCA, Excelsior Academy, Newcastle City Council and others; the MaDE event was a whole systems look at the barriers young people can experience at the vital transition points in their lives.

Throughout the year Newcastle CVS has worked with Newcastle City Council and the Blue Stone Consortium to ensure that the voluntary sector had current information about the European Structural and Investment Funds programme and specifically the Community Led Local Development strand which is part of the ESIF programme most accessible to small and medium sized voluntary organisations. In November Newcastle CVS held a joint event specifically about CLLD in Newcastle, providing information about the programme along with the opportunity to comment and put forward ideas about what the shape of CLLD should be in Newcastle. The CVS Chief Executive attended a number of meetings organised by NELEP on European funding.

REPRESENTATION AND INFLUENCE

An important role for Newcastle CVS is to create opportunities for the voluntary sector to influence what happens in the city. The Wellbeing and Health Open Forum and CHYP IN Voluntary Sector Network are both important parts of the relationship between the voluntary sector and decision makers in the public sector.

Another significant role is provided by the voluntary sector representatives who provide a voice for the voluntary sector and a link between partnerships like the Wellbeing for Life Board, Children's Trust Board and Safe Newcastle, and the wider voluntary sector which has a vital interest in the decisions and avenues that these partnerships may take the city down. Newcastle CVS provides officer support and advice to the Newcastle Voluntary Sector Liaison Group, which is the place in the city structures where the Council discusses joint issues with the voluntary sector and key information is shared and discussed.

The CVS Chief Executive sits on the Wellbeing for Life Board, the Newcastle 2020 group, Welfare Reform Group, Joint Integrated Care Planning Board, CCG Involvement Forum, University groups and others to reflect and represent the needs and views of the voluntary sector. Newcastle CVS fulfils this role because it is in regular contact with many organisations at any one time and are able to use these relationships to provide accurate perspectives.

The CVS newsletters and bulletins also provide an important and timely link with CVS members and others. The circulation of the *Inform* magazine, *On the Hoof* newsletter and *e-inform* e-bulletin has continued to grow. Newcastle CVS invested time and resources in revising and improving the design and content so that they reflect the professionalism of the voluntary sector and is accessible and useful to CVS members and others. One of the most-used resources is the 'Key Facts' sheet which is updated annually and used by many partners. Another key study is the annual report on the state of the voluntary and community sector in Newcastle; *Taking the Temperature 2015* provided a comprehensive reflection of key issues impacting on the local voluntary and community sector.

In April 2015 Newcastle CVS published a *Newcastle Voluntary Sector Manifesto* ahead of the General Election in May. The manifesto attempted to describe what conditions are necessary for communities and voluntary sector organisations to be able to thrive and contribute to making Newcastle a fair and equal place to live, work and get on. The manifesto drew on the issues, ideas and views emerging through Newcastle CVS's own studies and reports, events and forums and hundreds of individual, often informal, discussions, with workers, trustees and volunteers in the voluntary sector. It listed seven key areas, including fair and accessible funding, valuing the skills and assets within voluntary sector and communities, working in partnership and tackling social and economic inequality.

In keeping with recent years Newcastle CVS has continued to put resources into producing reports and studies that illustrate what the voluntary sector does and how the sector is responding to the impact of government policy or changes as to how services are delivered. Recognising the pressures on the sector's time and capacity, Newcastle CVS tried a different approach to some studies and adopted a shorter, more rapid style in both the research and the final report. These rapid reports offer a snapshot of the voluntary sector at the time and provide a basis for further more detailed consideration of the sectors contribution and role.

Two reports produced using this format were *Paint a Canvas* and *Build a Picture*. *Paint a Canvas* considered work of the voluntary sector with older people in Newcastle, with 20 voluntary organisations taking part in an online survey. *Build a Picture* looked at voluntary organisations working with children and young people with 23 organisations responding to the survey. In both cases, a broad mixture of organisations responded to the call for information; from national charities that were based in and/or delivered services in Newcastle, to neighbourhood based groups deeply rooted and committed to the place where they provide services and activities.

This diversity is reflected in the findings of *Paint a Canvas* regarding the £6.5million the 14 voluntary sector organisations featured in the report spent on services and activities for older people in a single year. However closer analysis revealed that £5.5million came from only two organisations while the cost of activities and services provided by the remaining 12 amounted to a more modest £970,285. Each week the twenty organisations provided a total of 957 hours of direct activity and face to face support. For many older people their most significant way to access voluntary sector activities is by referral or recommendation from other voluntary groups and local networks. The main challenges facing older people are social isolation and loneliness; health and poor health; and poverty and increasing costs.

22 voluntary organisations, working with children and young people, contributed to *Build a Picture*. In one year these organisations spent £4.7million on services and activities for children and young people, with most spending between £100,000 and £250,000. Again the divergent nature of the sector was revealed in the expenditure of one organisation with £1million spend, whilst another was under £10,000. Again word of mouth and referral through local networks were important routes through to voluntary sector provision. Poverty, inequality, low self-esteem and health issues featured high in the list of common issues facing children, young people and their families.

Charities at the Crossroads was published in February 2016. This report formed part of the VCS2020 reports and similar to the earlier reports looked across the voluntary sector, asking if providing public sector services is an appropriate way for voluntary organisations to fulfil their aims and objectives and does it make the sector more sustainable. Charities at the Crossroads found much common ground between the voluntary and public sector, each sharing a strong interest in meeting the needs of the most vulnerable or disadvantaged people and communities. However cuts to public sector budgets and services have got in the way of realising the full potential of the voluntary and public sector working together and there is a lack of opportunity for dialogue about service co-design and commissioning. The landscape is fractured and maintaining links and relationships with individual officers is difficult. In these tough times trustees have an important role in steering and maintaining a steady course for their charities so that they don't stray from their charitable aims.

During the year with additional capacity, through a work placement scheme, of Lorna Stabler, a Newcastle University post graduate student, Newcastle CVS carried out a review of the Black and Minority Ethnic (BME) voluntary sector in Newcastle. A subsequent report highlighted areas where the experience of the BME sector is substantially the same as it is for the sector as a whole for example loss of morale and expertise as sources of funding dry up. Other experiences were more unique to the BME sector, language barriers and racism being obvious examples. However across the board other issues highlighted by the review, exclusion, networking opportunities, poverty, valuing of the sector, while generally shared by the voluntary sector as a whole, come with additional barriers when experienced by the BME community.

Other Newcastle CVS publications have included a summary of the facts and findings from Newcastle CVS reports dating back to 2012 on poverty and social exclusion in the city. The Food Banks in Newcastle leaflet was updated.

Newcastle CVS contributed to the Newcastle 2020 work initiated by Newcastle City Council. As well as producing *VCS 2020 : A Force for Good* and commissioning *VCS 2020: understanding current support to the voluntary and community sector delivering in Newcastle*, Newcastle CVS established a working group to consider the information from the reports and a further report will be produced in summer 2016. This 2020 work focuses on how to make Newcastle flourish in 2020 and the following years, particularly within difficult and changing financial environments.

SPECIALIST SERVICES

Newcastle CVS Specialist Services offer expert advice fundamental to the success of voluntary and community organisations whatever their size or complexity; whether it's deciding upon appropriate governance and legal structures, the correct policies and procedures to have in place, or developing successful funding strategies to make voluntary organisations more sustainable.

Specialist Services carried out a total of 937 direct advice sessions with 570 groups, amounting to 614 hours. Examples of the advice and support include setting up a new group, registering and adopting a new legal structure, successful fund raising and income generation, committee skills and managing community assets. Newcastle CVS provides advice and support for stakeholders at all levels of a voluntary organisation.

A number of local organisations contracted with Newcastle CVS Specialist Services to provide detailed funding advice for successful bids. Part of the work can include carrying out Organisational Strength Reviews as part of the Reaching Communities bidding process. A number of local voluntary organisations have been successful with their Reaching Communities bids having received advice from the Newcastle CVS Specialist Services.

Newcastle CVS continued to provide services as part of the Open Doors consortium to community building management committees looking to asset transfer the building from the local authority. Newcastle CVS's role was to provide advice on governance matters and capacity building. This project finished in September 2015.

Services also continued to be provided in Byker under the contract with Byker Community Trust. Newcastle CVS Specialist Services delivered a package of funding advice and capacity building for local groups, some of which were in the earliest stages of their development.

Throughout the year Newcastle CVS promoted Poverty Proofing the Voluntary Sector. PPVS is a free online tool, produced by Newcastle CVS with funding from Millfield House Foundation; that is designed to enable voluntary organisations to evaluate how people on low incomes experience the services they offer and the environment that organisations present to people using their services. The tool, a PDF file was downloaded around 100 times.

Newcastle CVS's training programme, open to all, covers a range of topics intrinsic to almost all voluntary and community groups; Setting up a New Group, Fundraising for Beginners, Writing Better Funding Applications and Introduction to Roles and Responsibilities for Committee Members/Trustees. Some sessions such as Volunteers and the Law, and Volunteer Recruitment are delivered in partnership by Volunteer Centre Newcastle.

OUR LIVES

In 2014 Bob Holman, the social activist, challenged the Newcastle CVS Chief Executive along with eight women to update *Our Towns*. This was written and published in 1943 and was used to influence social reform. The authors carried out a number of interviews with people to listen to their voices and capture their stories. The resultant report *Our Lives : Challenging attitudes to poverty in 2015* was launched in Newcastle in April 2015. A number of well-known social reform activists and commentators attended this event organised by Newcastle CVS. Sadly Bob died in June 2016 so this was the last piece of work with which Bob was involved.

ADVOCACY CENTRE NORTH

Advocacy Centre North has provided advocacy support to vulnerable people throughout Newcastle since 1996. It works mainly in Newcastle, but has also provided support to people living outside that area, including Gateshead and Northumberland. Advocacy Centre North provides free, independent, quality advocacy which helps people say what they want, secures their rights, represents their interests and obtains services they need. Advocates work in partnership with the people they support and take their side. Advocacy Centre North promotes social inclusion, equality and social justice.

Advocacy Centre North:

- Helps people to be aware of the choices available
- Supports them to make informed decisions about their lives and to have them acted upon whenever possible
- Facilitates their voices being heard
- Helps them advocate for themselves
- Informs and influences decision makers in; policy, service commissioning, provision at a local, regional and national level to achieve positive change

In 2015 - 16 Advocacy Centre North:

- Provided 17,534 hours of direct advocacy support to 701 people
- Worked on 1,080 issues with our service users
- Recruited and trained 4 new volunteer Advocates
- Supported and mentored 41 volunteer Advocates who provided 3,775 direct advocacy hours
- Worked with people from 33 BME communities
- Employed five bilingual Advocates

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TRUSTEES ANNUAL REPORT (Continued)
FOR THE YEAR ENDED 31 MARCH 2016

Advocacy Centre North provided the following services:

BME Advocacy for clients from Black and Minority Ethnic communities in Newcastle, including refugees and asylum seekers, using bilingual advocates where necessary, around health and social care issues.

Community Advocacy supports adults in Newcastle with disabilities (including physical and learning disabilities) and older people to advocate for themselves, as well as providing short-term advocacy interventions and longer-term advocacy provided mainly by volunteers.

Mental Health Advocacy provides support for adults in Newcastle who have mental health needs.

Independent Care Act Advocacy (ICAA) Advocacy Centre North supported people's involvement in care and support assessment, planning and review and safeguarding processes in Newcastle until August 2015.

Independent Mental Health Advocacy (IMHA) Advocacy Centre North provided the statutory IMHA service to Newcastle and Gateshead residents until August 2015. It worked with people detained under the Mental Health Act specifically around their care and treatment; ensuring their rights were being upheld. This was provided to people on Forensic, Autistic and other wards.

Independent Mental Capacity Advocacy (IMCA) Advocacy Centre North provided this service in Northumberland until August 2015, supporting people who lacked capacity in relation to important decisions about their care.

Relevant Person's Representatives (RPRs) Advocacy Centre North provided RPRs until August 2015 who ensured that the rights of people being deprived of their liberty under the Mental Capacity Act Deprivation of Liberty Safeguards (DoLS) were protected.

Neurological Advocacy (new from September 2015) This service provides specialist support for people with neurological conditions in Newcastle and Gateshead, some support is provided by volunteers.

Partners in Health Advocacy (new from January 2016) This service provides support to people around appointments in specific GP practices in Newcastle.

Partners for Justice Advocacy (new from April 2015) This service provides support for vulnerable people in Newcastle who have contact with the police and criminal justice system.

Fulfilling Lives works closely with people in Newcastle and Gateshead who have complex needs and lead chaotic lives, helping them to move from crisis to stability.

Directly contracted services for all types of advocacy including Independent Mental Health Advocacy, Relevant Person's Representative and non-statutory advocacy.

HEALTHWATCH NEWCASTLE

Healthwatch Newcastle is the independent champion for members of the public and users of social care and health services. It is delivered in partnership by Newcastle CVS and Involve North East.

The Healthwatch Newcastle vision is to be Newcastle's voice for outstanding health and social care services for all, and the development of a 'feedback centre' helped to promote this vision. The online feedback centre enables people to search for local social care and health services, as well as review and rate them using a star system. A feedback leaflet is also available for those people who don't have internet access.

A number of listening events held throughout the year gathered the views and experiences of a diverse range of communities, including older people, refugee and asylum seekers, and people with learning difficulties. A 'Bring an audience' scheme was developed so that voluntary and community organisations and their members were supported to have listening events at a time and in a venue of their choosing.

All the information gathered through a multiplicity of channels helped analyse local trends. These local themes, together with regional and national issues, then formed part of a priorities long list for the coming year and public and attendees at the annual conference helped the HWN board choose the HWN work priorities for 2016 - 17.

During 2015 - 16 Healthwatch Newcastle continued to strengthen its strategic direction and influence across social care and health providers and commissioners. Major research was carried out in the areas of home care services, young people's mental wellbeing and people's preference when making a GP appointment in Newcastle.

Healthwatch Newcastle carried out a large scale survey of service users, their family and carers, and workers to understand people's views about local home care services. Six of the ten recommendations made in the resulting '*Spotlight on home care*' report – including continuity of care worker and monitoring of visit times/change of care worker – were incorporated into the new home care contract specification, which was put out to tender by Newcastle City Council in summer 2016.

Healthwatch Newcastle worked with the University of Northumbria to find out the relative importance people put upon different aspects when booking a GP appointment. A total of 748 of eligible questionnaires were completed, with the support of specially recruited and trained volunteers, and the overall results showed that evening and weekend appointments were valued the most. The '*GP appointments: what do Newcastle patients want?*' report was well-received and Healthwatch Newcastle is discussing further work focussing on urgent care with Newcastle Gateshead CCG.

There was a strong core of 17 volunteers throughout the year, helping on stalls, at events and with research. There is also 'Young Healthwatch', volunteers aged 13–25 years that live, work or study in the city.

Young Healthwatch designed a survey to get a better understanding of the main issues young people face regarding mental health. There were 465 responses, with a clear call from young people for information on mental health support to be made available at school/college, GP practices and public events in particular. The '*Young People's Mental Wellbeing in Newcastle*' report was published and the research results were also submitted in a call for evidence to 'Expanding Minds, Improving Lives', a joint health and local authority project in Newcastle and Gateshead reviewing mental health provision for children and young people.

Healthwatch Newcastle publishes a separate annual report in line with Healthwatch England requirements. All the Healthwatch Newcastle reports are available at www.healthwatchnewcastle.org.uk/about-us/documents.

Acknowledgements

Newcastle CVS records its appreciation to all its many funders and supporters.

Social Value

Newcastle CVS tries to act in a socially responsible manner. It uses other voluntary sector facilities and services wherever possible. It uses sustainable products as far as possible. It tries to use local suppliers. It uses fair trade products. The staff aims to behave in a manner with regard to the environment. There is a 2.66:1 salary ratio between the three highest and three lowest paid members of staff. The ratio of pay of the lowest earner to the pay of the top earner will never exceed 1:5 (currently 1:3.3 in 2016). It pays the minimum wage as advised by the Living Wage Foundation, including apprentices and interns. About seventy volunteers are associated with Newcastle CVS; all of these volunteers are supported in line with current volunteering policies.

PLANS FOR FUTURE PERIODS

As with the many other voluntary sector organisations, generating income is increasingly problematic. The three year Newcastle Fund grant finished in March 2014, and there have been annual contracts with Newcastle City Council. Advocacy Centre North has completely shifted its funding income, away from contracts. The CVS trustees have discussed funding strategies to maximize resources and agreed the Business Plan for 2015 - 18.

NEWCASTLE CVS – PLANS FOR 2016 - 17

- Act as a champion and advocate for the value of voluntary and community sector action
- Consolidate the position of Advocacy Centre North as a key provider of advocacy services
- Engage in partnership approaches to explore new advocacy services
- Launch a dedicated website for Advocacy Centre North
- Celebrate 20 years of Advocacy Centre North
- Develop and launch an advocacy app
- Compete for and win the Healthwatch Newcastle contract; with Healthwatch Newcastle becoming an independent organisation in Autumn 2016
- Ellison Services supporting a range of organisations and providing support on auto-enrolment
- Further develop Ellison Services so it can provide additional services to a greater number of users
- Ellison Services to become expert in changes to the SORP, HMRC, and other reporting requirements
- Provide support and development services in Gateshead
- Report on the state of the voluntary sector locally and undertake appropriate, linked studies
- Engage in the Newcastle 2020 process and continue to raise the contribution of the voluntary and community sector
- Disseminate key information on new and current initiatives and respond to appropriate consultations
- Build relationships with new partners and further develop relationships with existing ones
- Achieve the renewal of the Investors in People status
- Work with appropriate partners to maximise income into Newcastle
- Highlight the impact of welfare reforms on the citizens of Newcastle

FINANCIAL REVIEW

Newcastle CVS makes bids for funds to statutory sources and charitable trusts, and has done no public fundraising. Newcastle CVS is assiduous in looking for appropriate sources of funding, and as an agency responsible for advising the rest of the sector on funding sources is well placed to know what is available. In the last year, there have been a number of services developed as 'paid-for services', to be commissioned by other voluntary organisations and public services.

A contract comes from Newcastle City Council for 'Newcastle Voluntary and Community Sector Development and Representation'. This is essential to Newcastle CVS finances; however this does not cover the total cost of these services. The rest of the cost is covered by grants from charitable trusts, management recharges, appropriate earned income, contractual income and payment for services.

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TRUSTEES ANNUAL REPORT (Continued)
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Projects that complement the core work are developed whenever there are appropriate funding sources. In 2015-16 funding came from Newcastle City Council, Newcastle Gateshead Clinical Commissioning Groups, Sir James Knott Trust and Big Lottery Fund

2015 - 16 Main funders, incl. Contracts, Grants & Donations

Newcastle CVS:

Newcastle City Council	170,000	Contract: Infrastructure support to voluntary & com. sector in Newcastle
Sir James Knott Trust	7,000	Donation
Hadrian Trust	3,000	Donation
The Joicey Trust	2,000	Grant
RW Mann Trust	1,000	Donation

Policy & Development (PAD)

NHS Newcastle CCG	10,000	Contract: to administer a process which delivers new and innovative projects with respect to health and social care
Newcastle City Council	10,000	Balance of £30,000 towards VCS 2020 research project
Newcastle University	10,000	Grant

Specialist Services

Big Lottery via Big Assist & NCVO	7,000	Grant. To fund advice ref. Marketing & Strategic Relationships and Financial Sustainability
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Advocacy Centre North (ACN)

NHS Newcastle GHD CCG	204,327	Contract
Newcastle City Council	60,000	Contract
Newcastle City Council	89,105	Contract, Independent Mental Health Advocacy (5 months)
Newcastle City Council	7,978	Contract, Mental Health advocacy project (5 months)
Community Foundation	3,000	Grant, Linden Fund, support package & training for advocacy volunteers
Northumberland NHS Trust	5,000	Grant to fund advocacy support for the Autism New Build – Mitford project at Northgate Hospital
Big Lottery	56,832	Northern Neurological Alliance (1 st Year – 7 months)
Changing Lives	57,738	Grant. via Blue Stone Consortium, funding Fulfilling Lives project
NHS CCG Innovation Fund	3,750	Grant funding Partners in Health Advocacy Service (3 months)

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**TRUSTEES ANNUAL REPORT (Continued)
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Healthwatch

Newcastle City Council	215,078	Contract
NHS England	800	Grant. Celebrating Excellence in Participation

The outlook for 2016 - 17 is a challenging one. Newcastle CVS is actively seeking other sources of funding to balance the budget, but it is hard to be optimistic given the difficulties of the whole sector, increases in costs and the closure of many funds that previously supported infrastructure organisations. The three year grant support for development and representation was put onto a one year contract with a 15% cut in 2014, and it is unclear what will happen to this contract in the future. Following the loss of a key contract, Advocacy Centre North has had to explore other funding sources; these have included the Big Lottery Fund, Fresh Ideas Fund, Newcastle Gateshead Clinical Commissioning Group, Office of the Police and Crime Commissioner and other sources. However Newcastle CVS will continue to explore all relevant and appropriate sources of grant aid and potential contractual income, whilst being very aware of its core mission. New paid for services have been developed which will offer additional support to the sector as well as generating income. Newcastle City Council commissions Healthwatch Newcastle and this service will be retendered in summer 2016. Ellison Services reviewed its charges and improved its efficiency and effectiveness; it reports separately, but it is an integral part of Newcastle CVS.

Assets

The charity's assets are being held to enable them to carry out its objectives.

The movements in fixed assets during the year are set out in note 13 to the accounts.

Trading activities

The results of Ellison Services Limited, our trading company, are summarised in note 14 of the accounts. A surplus was generated during the period of £2,933 (2015: £7,038)

Financial dependency

The charity in order to meet its objectives; is financially dependent on grants from the Local Authorities, government programmes and charitable trusts.

Additional funds are derived from smaller grants and charitable donations made by a variety of organisations and individuals.

Funds held as custodian trustee on behalf of others

Newcastle CVS and its subsidiary hold monies on behalf of other organisations. Ellison Services provides payroll and bookkeeping services to a number of small voluntary organisations and holds monies for this purpose. Further detail is given in note 20.

Reserves Policy

The Trustees approved a policy that considers the financial circumstances of the organisation. Funds are held in reserves to cover known liabilities, for example an amount equal to 3 months running costs should an emergency situation arise (such as a fall in contract income). The reserves should not fall below this level in order to support good governance of the organisation.

Where there are funds in excess of the level required to be held to support the factors mentioned earlier, the Reserves Policy provides for the utilisation of funds on areas of spend that support the organisation's vision and mission. This is approved at the Board Meeting following a review of the individual business case presented to the Trustees.

In the year ended 31 March 2016 the reserves have been restated in line with the requirements of the SORP whereby the net present value of deficit payments relating to pension liabilities are shown on the face of the Balance Sheet. As at 31 March 2016 free reserves are £702,478, a reduction of £36,330 which is a result of additional funds spent during the year required to run the operations of Newcastle CVS in support of its vision and mission.

The Trustees monitor the level of reserves at Board Meetings and review the policy annually with the help of the Finance Sub Group.

Review of transactions and financial position

The consolidated balance sheet on page 26 indicates that at 31 March 2016 the total funds of the group were £776,758 (2015: £836,589). This was represented by tangible fixed assets of £13,798 (2015: £22,196), investments of £422,348 (2015 £459,451) and net current assets of £513,612 (2015: £536,942). Unrestricted funds of £716,276 (2015: £761,004) represents the reserves available to the organisation to fulfil its many existing commitments over the long term. Restricted funds of £60,482 (2015: £75,585) represents specific earmarked projects as detailed in note 22 of the accounts.

Investment income

Newcastle CVS is also usually in the position of having to find a considerable proportion of its core running costs each year, and the income it derives from its invested reserves is an essential component of that strategy, alongside donations, earnings and other provisions.

As reported last year NCVS were in the process of transferring the investment portfolio from Barclays Wealth Management to Tilney. The Trustees support the policy that sets out the investment objective for NCVS which is to yield the best financial return within the level of risk considered to be acceptable. This return can then be spent on the charity's aims. The Trustees are comfortable that the investments held are a diversified portfolio in order to mitigate the capital risk.

Trustees monitor the performance of the portfolio using the financial reports presented at the Board Meeting and also the updates from the Finance Sub Group members who review the quarterly investment portfolio reports. The Finance Sub Group also meets regularly with the Associate Director managing the portfolio.

The investment balances as at the 31 March 2016 were £422,348; no additional funds were added to the investment portfolio in the year.

**Newcastle Council for Voluntary Service
(a company limited by guarantee)**

**TRUSTEES ANNUAL REPORT *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2016**

Political contributions

The charity made no political contributions. The Manifesto for the Voluntary and Community sector was launched.

MEMBERS OF THE COMMITTEE AND PROFESSIONAL ADVISORS

Registered Charity Number	1125877	
Company Number	06681475	
Committee	Simon Elliott	Elected Chair 4 August 2015
	Ralph Firth	Resigned 4 August 2015
	Ruth Abrahams	Vice Chair
	Anne Bonner	Vice Chair
	Lynda Rochester	Treasurer
	Andrew White	
	Steve Nash	
	Jamie Sadler	
	Kate Israel	
	Martin Horrocks	
	Nicholas Buxton	Appointed 4 November 2015
	Eden Fletcher	Resigned 7 July 2015
Chief Executive	Sally Young	
Principal Office	Higham House Higham Place Newcastle upon Tyne NE1 8AF	
Auditors	Haines Watts Floor 11 Cale Cross House 156 Pilgrim Street Newcastle upon Tyne NE1 6SU	

**Newcastle Council for Voluntary Service
(a company limited by guarantee)**

**TRUSTEES ANNUAL REPORT *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2016**

Bankers

Yorkshire Bank Plc
Newcastle Business Centre
29-31 Pilgrim Street
Newcastle upon Tyne
NE1 6RL

Unity Trust Bank Plc
Nine Brindley Place
Birmingham
B1 2HB

Investment Manager

Tilney
Private Wealth Management
130 St Vincent Street
Glasgow
G2 5SE

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity's full name is Newcastle Council for Voluntary Service (Newcastle CVS). It is an incorporated charity registered with the Charity Commission (number 1125877) and a company limited by guarantee (number 06681475).

Governing documents

The charity's governing documents are its Memorandum and Articles of Association.

Newcastle CVS is an independent charity working with the voluntary sector in Newcastle. It is run by a Board of Trustees elected annually by its member organisations, and by co-opted members. The Board controls the direction and policy of the work, and met ten times during this financial year. It holds a special business planning meeting with senior managers, at least once a year, in order to define the priorities for the coming year.

Newcastle CVS is a membership organisation with 672 members as of March 2016.

This was the first full reporting year of the group structure. A new Chair was elected during the year, following an open advertising and appointment process, and a comprehensive induction with support from the previous Chair.

Recruitment of trustees

Trustees at Newcastle CVS are elected from the membership annually. Notice is sent to all members, and if a ballot is required it is conducted by post prior to the Annual General Meeting. Trustees may only serve for a set period of time. The skills and experience of existing trustees are audited annually, and new trustees are recruited in order to complement the existing trustees, so a wide set of skills and knowledge is reflected in the overall board. If the Board feels there are particular skills lacking, they are able to promote these during the recruitment process. The governance document allows for co-opted trustees so that specialist skills can be brought onto the board. The Chair is a co-opted trustee, who has experience of business and Human Resources, and is not from the voluntary sector, although he chairs other voluntary organisations; the treasurer is a qualified accountant who works in the public sector.

All trustees have a comprehensive induction session with the Chief Executive. They also complete a form to assess any relevant training they may need; and these needs are met as far as is practical. Trustees are offered opportunities to find out more about Newcastle CVS and the voluntary and community sector in Newcastle and national issues affecting voluntary organisations. Trustees receive a full induction pack including examples of best practice and guidance produced by the Charity Commission. Trustees are encouraged to be fully involved in the work of Newcastle CVS. During 2016, the trustees considered their own performance and mechanisms on how to improve it. During the year, the Chair carried out a confidential interview with each trustee to identify any challenges, concerns and priorities; these were collated into a single document and discussed openly at Board.

Organisational structure

The Board of trustees, which can have up to 12 members, has control of the charity, including its property and its funds. The Board normally meets bimonthly and there are sub committees for covering finance, business development and advocacy which also meet bimonthly and reporting into the Board. The Chief Executive is appointed by the trustees to manage the charity and has delegated authority for all operational matters.

Pay policy for senior staff

The Chief Executive implements the pay policy on an ongoing basis and is responsible for pay reviews and setting salaries for senior staff. The Board reviews the Chief Executive's salary annually and is responsible for making any decisions about remuneration of the Chief Executive. Remuneration is benchmarked against similar roles within voluntary and community sector organisations of similar size in the North East. The need for major changes to the salary structure may be informed by a number of factors such as changes to the organisation's annual turnover and the number of employees.

Newcastle CVS has a Remuneration Policy which covers all staff. Senior staff are not treated differently to other staff and all benefits (including pension contributions) are applied equally across all staff groups.

Related parties and co-operation with other organisations

None of the trustees receive remuneration or other benefit from their work with the charity, any connection between trustees or senior managers of the charity with suppliers must be disclosed to the full Board of trustees. In the current year no such related party transactions were reported. Trustees are asked to declare their interests before each board meeting and there is a Register of Interests.

The charity's wholly owned subsidiary, Ellison Services Ltd, was established to operate as a commercial accountancy service and gift aids all of its profits to the charity (see note 14 to the accounts).

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The Board has agreed to review these risks on a regular basis, and a full report is discussed at a Board meeting annually and risks are reviewed and mitigating actions identified and taken. Health and Safety information is presented on a quarterly basis to the Board.

Indemnity insurance

The charity has Professional Indemnity Insurance cover in respect of the Trustees and Officers of the charity.

Trustees responsibilities statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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 2015 (FRS 102);
- 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and 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 charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Newcastle Council for Voluntary Service
(a company limited by guarantee)**

**TRUSTEES ANNUAL REPORT *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2016**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the board of trustees on 3 October 2016 and signed on behalf by:

.....
Simon Elliott – Chair

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF NEWCASTLE COUNCIL FOR VOLUNTARY SERVICE
FOR THE YEAR ENDED 31 MARCH 2016

We have audited the financial statements of Newcastle Council for Voluntary Service for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent charitable company Balance Sheet, Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and republic of Ireland."

This report is made solely to the parent 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 21, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 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 (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF NEWCASTLE COUNCIL FOR VOLUNTARY SERVICE
(Continued)
FOR THE YEAR ENDED 31 MARCH 2016

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate and sufficient accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

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

3 November 2016

Statutory Auditors

Floor 11, Cale Cross House
156 Pilgrim Street
Newcastle upon Tyne
NE1 6SU

Newcastle Council for Voluntary Service
(a company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including Consolidated Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Income from:						
Donations	4	8,985	-	20	9,005	11,781
Charitable activities:						
Grants and contracts		205,000	-	726,632	931,632	1,079,269
Chargeable services		114,417	-	417	114,834	137,487
Other trading activities						
Subsidiary income		149,657	-	-	149,657	144,852
Investment income	5	8,869	-	-	8,869	12,877
Holding accounts		-	-	-	-	21,315
Other		879	-	-	879	41,197
Total income		487,807	-	727,069	1,214,876	1,448,778
Expenditure on:						
Costs of raising funds:						
Subsidiary expenditure		131,381	-	-	131,381	117,240
Investment management costs		4,846	-	-	4,846	3,026
Charitable activities						
Operation of the charity	6	358,686	21,315	751,726	1,131,727	1,095,225
Total expenditure		494,913	21,315	751,726	1,267,954	1,215,491
Net gains/(losses) on investments		(6,753)	-	-	(6,753)	20,222
Net income/(expenditure) before transfers		(13,859)	(21,315)	(24,657)	(59,831)	253,509
Transfers between funds	22	172,446	(182,000)	9,554	-	-
Net movement in funds		158,587	(203,315)	(15,103)	(59,831)	253,509
Reconciliation of funds						
Total funds brought forward		557,689	203,315	75,585	836,589	583,080
Total funds carried forward		716,276	-	60,482	776,758	836,589

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

Newcastle Council for Voluntary Service
(a company limited by guarantee)

BALANCE SHEET
AS AT 31 MARCH 2016

	Notes	2016 £	Group 2015 £	2016 £	Charity 2015 £
Fixed assets					
Tangible assets	13	13,798	22,196	13,798	22,196
Investments	14	422,348	459,451	422,350	459,453
		<u>436,146</u>	<u>481,647</u>	<u>436,148</u>	<u>481,649</u>
Current assets					
Stocks		4,984	3,321	-	-
Debtors	15	371,820	239,360	377,489	240,056
Cash at bank and in hand		273,682	458,233	252,684	445,789
		<u>650,486</u>	<u>700,914</u>	<u>630,173</u>	<u>685,845</u>
Liabilities					
Creditors: amounts falling due within one year	16	(136,874)	(163,972)	(116,620)	(148,962)
Net current assets		<u>513,612</u>	<u>536,942</u>	<u>513,553</u>	<u>536,883</u>
Total assets less current liabilities		949,758	1,018,589	949,701	1,018,532
Creditors: amounts falling due after more than one year	18	(173,000)	(182,000)	(173,000)	(182,000)
Net assets		<u>776,758</u>	<u>836,589</u>	<u>776,701</u>	<u>836,532</u>
The funds of the charity:					
Unrestricted fund		716,276	557,689	716,219	557,632
Designated funds		-	203,315	-	203,315
<i>Total unrestricted funds</i>		<u>716,276</u>	<u>761,004</u>	<u>716,219</u>	<u>760,947</u>
Restricted funds		60,482	75,585	60,482	75,585
	22	<u>776,758</u>	<u>836,589</u>	<u>776,701</u>	<u>836,532</u>

Approved by the board on 3 October 2016 and signed on its behalf by;

.....
Lynda Rochester - Treasurer

Company Number: 06681475

The notes on pages 28 to 44 form part of these financial statements

Newcastle Council for Voluntary Service
(a company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
Cash flow from operating activities			
Net cash flow from operating activities	24	(247,851)	229,928
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(975)	(21,237)
Receipts from sale of tangible fixed assets		-	225
Payments to acquire investments		(637,673)	(10,000)
Receipts from sale of investments		693,079	8,167
Interest and dividends received		8,869	12,877
Net cash flow from investing activities		<u>63,300</u>	<u>(9,968)</u>
Net decrease in cash and cash equivalents		(184,551)	219,960
Cash and cash equivalents at the beginning of the year		458,233	238,273
Cash and cash equivalents at the end of the year		<u>273,682</u>	<u>458,233</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u>273,682</u>	<u>458,233</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

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 on 16 July 2014, 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 as it applies from 1 January 2015.

The date of transition to FRS 102 was 1 April 2014. An explanation of how transition to SORP (FRS 102) has affected the reported financial position and performance is given in note 25.

Newcastle Council for Voluntary Service 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

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.3 Group Financial Statements

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Ellison Services Limited on a line by line basis. A separate Statement of Financial Activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

1.4 Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2016

1.5 Incoming resources

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

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

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 is earned through holdings assets for investment purposes such as shares and cash deposits. It includes dividends and interest; amounts are recognised when the charity's right to receive payment is established.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual 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 probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Cost of raising funds includes expenditure of the trading subsidiary and investment management costs.
- Expenditure on charitable activities includes all direct and support costs.

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

1.7 Support Cost Allocation

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

1.8 Holding Accounts

The charity and its subsidiary hold monies on behalf of other organisations as a part of their bookkeeping service. The balances held by the charity are not included within the balance sheet in accordance with SORP 2015; the balances of the subsidiary are recognised as an asset with the corresponding liability.

1.9 Operating Lease

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2016

1.10 Tangible Fixed Assets and Depreciation

All assets over £1,000 are capitalised and valued at historic cost.

Depreciation has been calculated to write off the cost of all fixed assets over their estimated useful lives as follows:

Electronic office equipment	25% straight line basis
Office equipment	10% straight line basis

1.11 Listed Investments

In accordance with recommended practice, listed investments are stated at market value. Realised and unrealised gains and losses are shown separately on the SoFA.

1.12 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.

1.13 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.

1.14 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 funds 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.

1.15 Financial instruments

The charitable company 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.

1.16 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. The amount charged in the SoFA represents the contributions payable to the scheme in respect of the accounting period. In addition to the above accounting the scheme has agreed a schedule of contributions with participating employers that will eliminate the plan over 12 years. The charity has recognised a liability for the contributions adjusted for the time value of money and an equal expense in the SoFA.

Newcastle Council for Voluntary Service
(a company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2016

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.

2. Legal Status

Newcastle Council for Voluntary Service Limited is a company limited by guarantee, registered in England and Wales, (number 06681475) 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. Financial performance of the charity

The Consolidated Statement of Financial Activities includes the results of the wholly owned subsidiary.

The summary financial performance of the charity alone is;

	2016	2015
	£	£
Income	1,078,662	1,313,446
Gift aid from subsidiary company	2,933	7,038
	<u>1,081,595</u>	<u>1,320,484</u>
Expenditure	(1,134,673)	(1,095,352)
Net gains/(losses) on investments	(6,753)	20,222
Net income/(expenditure)	<u>(59,831)</u>	<u>245,354</u>

4. Income from donations

	2016	2015
	£	£
Donations	9,005	11,781
	<u>9,005</u>	<u>11,781</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2016

5. Investment Income

	2016 £	2015 £
Interest receivable	1,140	870
Income on investments	7,729	12,007
	<u>8,869</u>	<u>12,877</u>

6. Analysis of expenditure on charitable activities

	PAD £	ACN £	Healthwatch £	Total 2016 £	Total 2015 £
Project staff salaries	161,671	469,859	139,699	771,229	738,248
Direct project costs	12,918	12,672	108,529	134,119	154,515
Support costs (note 7)	152,499	58,520	7,474	218,493	193,726
Governance costs	7,886	-	-	7,886	7,736
	<u>334,974</u>	<u>541,051</u>	<u>255,702</u>	<u>1,131,727</u>	<u>1,095,225</u>

Expenditure on charitable activities total £1,131,727 (2015 - £1,095,225) of which £380,001 (2015 - £239,884) relates to unrestricted funds and £751,726 (2015 - £855,341) relate to restricted funds.

7. Support Costs

	PAD £	ACN £	Healthwatch £	Total 2016 £	Total 2015 £
Management & admin staff salaries	61,078	25,853	7,474	94,405	87,555
Facility costs	34,900	7,957	-	42,857	39,750
Office costs	24,912	9,395	-	34,307	23,803
Professional fees	17,878	6,742	-	24,620	22,551
Pension deficit	6,925	6,006	-	12,931	11,292
Depreciation	6,806	2,567	-	9,373	8,775
	<u>152,499</u>	<u>58,520</u>	<u>7,474</u>	<u>218,493</u>	<u>193,726</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2016

8. Governance costs

	2016 £	2015 £
Audit fee	5,400	5,400
Non-audit fee	133	540
Annual review, AGM and trustee planning	2,353	1,796
	<u>7,886</u>	<u>7,736</u>

9. Summary analysis of expenditure and related income for charitable activities

	PAD £	ACN £	Healthwatch £	2016 £
Costs	(334,974)	(541,051)	(255,702)	(1,131,727)
Direct grant & contracts	210,821	511,116	235,878	957,815
Voluntary income and donations	11,918	20	-	11,938
Chargeable services	27,658	60,403	417	88,478
Other income	14,855	-	-	14,855
	<u>(69,722)</u>	<u>30,488</u>	<u>(19,407)</u>	<u>(58,641)</u>
Investment income	8,512	-	-	8,512
Net cost funded from other income	<u>(61,210)</u>	<u>30,488</u>	<u>(19,407)</u>	<u>(50,129)</u>

10. Net income/(expenditure) for the year

This is stated after charging:

	2016 £	2015 £
Depreciation on tangible fixed assets	9,373	8,775
Operating lease rentals	28,752	32,746
	<u>38,125</u>	<u>41,521</u>

11. Auditor's remuneration

	2016 £	2015 £
Fees payable to the charity's auditors for the audit of the charity's annual accounts	5,400	5,400
	<u>5,400</u>	<u>5,400</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2016

12. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2016	2015
	£	£
Salaries and wages	819,391	812,385
Social security costs	70,765	71,158
Other pension costs	27,330	18,476
	<u>917,486</u>	<u>902,019</u>

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2016 Number	2016 FTE	2015 Number	2015 FTE
ACN	17	16	19	18
PAD	6	5	6	5
Healthwatch	5	4	5	4
Ellison Services	7	5	5	4
Management & support	3	2	3	2
	<u>38</u>	<u>32</u>	<u>38</u>	<u>33</u>

No employees received remuneration amounting to more than £60,000.

The charity trustees were not paid or received any other benefits from employment in the year (2015 – £nil) neither were they reimbursed expenses during the year (2015 - £nil). No charity trustee received payment for professional or other services supplied to the charity (2015 - £nil).

The key management personnel of the charity comprise the trustees, and the Chief Executive Officer. The total employee benefits of the key management personnel of the charity were £54,655 (2015 - £52,040).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2016

13. Tangible Fixed Assets
Group and Charity

	Electronic Office Equipment £	Office Equipment £	Total £
Cost			
At 1 April 2015	36,516	2,497	39,013
Additions	975	-	975
At 31 March 2016	37,491	2,497	39,988
Depreciation			
At 1 April 2015	14,320	2,497	16,817
Charge for the year	9,373	-	9,373
At 31 March 2016	23,693	2,497	26,190
Net Book Value			
At 31 March 2016	13,798	-	13,798
At 31 March 2015	22,196	-	22,196

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2016

14. Fixed Asset Investments

	2016	Group 2015	2016	Charity 2015
	£	£	£	£
Listed investments	422,348	459,451	422,348	459,451
Investment in subsidiary undertaking at cost	-	-	2	2
	<u>422,348</u>	<u>459,451</u>	<u>422,350</u>	<u>459,453</u>

Net income of trading subsidiary

The charitable company owns two £1 ordinary shares, 100% of the voting capital of Ellison Services Limited, a company incorporated and registered in England and Wales. The principal activity of this company is the provision of financial and administrative services for charitable organisations. The audit report for 31 March 2016 was unqualified. A summary of the trading results is shown below:

	2016	2015
	£	£
Turnover	149,657	144,852
Other income	357	400
Gross income	<u>150,014</u>	<u>145,252</u>
Expenses	(150,014)	(136,098)
Net profit/loss	<u>-</u>	<u>9,154</u>
Total assets	303,417	401,249
Total liabilities	(303,359)	(401,191)
	<u>58</u>	<u>58</u>

Listed investments

	£
Market value at 1 April 2015	459,451
Additions at cost	637,673
Disposals at open market value	(693,079)
Net unrealised investment gain/ (loss)	18,303
Market value at 31 March 2016	<u>422,348</u>
Original cost	<u>404,045</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2016

15. Debtors

	2016	Group 2015	2016	Charity 2015
	£	£	£	£
Trade debtors	345,370	186,484	314,537	149,300
Prepayments and other debtors	26,450	52,876	26,243	52,671
Amounts due from subsidiary undertaking	-	-	36,709	38,085
	<u>371,820</u>	<u>239,360</u>	<u>377,489</u>	<u>240,056</u>

16. Creditors: amounts falling due within one year

	2016	Group 2015	2016	Charity 2015
	£	£	£	£
Trade creditors	13,839	47,171	13,279	46,845
Other taxes and social security	46,306	54,244	38,100	45,622
Accruals and other creditors	25,347	34,943	20,944	28,881
Deferred income (note 17)	51,382	27,614	44,297	27,614
	<u>136,874</u>	<u>163,972</u>	<u>116,620</u>	<u>148,962</u>

17. Deferred income

Deferred income comprises grants and donations relating to future periods.

	£
At 1 April 2015	27,614
Released in year	(27,614)
From new sources	51,382
	<u>51,382</u>
At 31 March 2016	<u>51,382</u>

18. Creditors: amounts falling due within one year

	2016	Group 2015	2016	Charity 2015
	£	£	£	£
Pension liability (note 19)	173,000	182,000	173,000	182,000
	<u>173,000</u>	<u>182,000</u>	<u>173,000</u>	<u>182,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2016

19. Pension Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards by the Financial Reporting Council, set out in the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m. To eliminate this funding shortfall, the Trustees has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2013 to 31 March 2023: £13.9m per annum
(payable monthly and increasing by 3% each on 1 April)

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustees has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025: £12,945,440 per annum
(payable monthly and increasing by 3% each on 1 April)

From 1 April 2016 to 30 September 2028: £54,560 per annum
(payable monthly and increasing by 3% each on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2016

19. Pension Scheme (Continued)

Present values of provisions

	31 March 2016 £'000	31 March 2015 £'000	31 March 2014 £'000
Present value of provision	173	182	191

Reconciliation of opening and closing provisions

	Period Ending 31 March 2016 £'000	Period Ending 31 March 2015 £'000
Provision at start of period	182	191
Unwinding of the discount factor (interest expense)	3	5
Deficit contribution paid	(22)	(21)
Remeasurements – impact of any change in assumptions	(3)	8
Remeasurements – amendments to the contribution schedule	13	-
Provision at end of period	173	182

Income and expenditure impact

	Period Ending 31 March 2016 £'000	Period Ending 31 March 2015 £'000
Interest expense	3	5
Remeasurements – impact of any change in assumptions	(3)	8
Remeasurements – amendments to the contribution schedule	13	-
Contributions paid in respect of future service*	-	-
Costs recognised in income and expenditure account	-	-

* Includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

Assumptions

	31 March 2016 % per annum	31 March 2015 % per annum	31 March 2014 % per annum
Rate of discount	2.07	1.74	2.82

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2016

20. Holding Accounts

During the year Newcastle CVS' subsidiary held monies on behalf of other organisations. Ellison Services Limited provides a payroll and bookkeeping service to a number of small organisations and holds monies for this purpose.

	Balance at 31.03.15 £	Receipts £	Expenditure £	Balance at 31.03.16 £
Ellison Services Limited	348,095	7,770,149	(7,871,848)	246,396
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21. Operating Leases

The future minimum lease payments under non-cancellable operating leases are as follows;

	2016 £	2015 £
Not later than one year	15,805	23,348
Later than one and not later than five years	37,610	6,737
	<u> </u>	<u> </u>
	<u>53,415</u>	<u>30,085</u>

Newcastle Council for Voluntary Service
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2016

22. Analysis of funds

	Balance at 01.04.15 £	Incoming resources £	Outgoing resources £	Gains/ (losses) £	Transfer between funds £	Balance at 31.03.16 £
Unrestricted fund	557,689	487,807	(494,913)	(6,753)	172,446	716,276
Designated funds						
Pension deficit payments	182,000	-	-	-	(182,000)	-
Wellbeing and Health Open Forum	12,685	-	(12,685)	-	-	-
CHYP IN Forum	8,630	-	(8,630)	-	-	-
	203,315	-	(21,315)	-	(182,000)	-
Total unrestricted funds	761,004	487,807	(516,228)	(6,753)	(9,554)	716,276
Restricted funds						
ACN	-	361,634	(370,087)	-	8,453	-
Linden Community Foundation	1,438	-	-	-	-	1,438
Healthwatch Newcastle	69,647	236,294	(255,702)	-	-	50,239
Millfield House Foundation	4,500	-	(3,500)	-	-	1,000
On the Hoof	-	5,821	(5,821)	-	-	-
Fulfilling Lives	-	57,738	(58,839)	-	1,101	-
Big Lottery – Partner in Health	-	3,750	(3,750)	-	-	-
Big Lottery – Neurological	-	56,832	(49,027)	-	-	7,805
Mitford Project	-	5,000	(5,000)	-	-	-
	75,585	727,069	(751,726)	-	9,554	60,482
Total funds	836,589	1,214,876	(1,267,954)	(6,753)	-	776,758

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2016

21. Analysis of funds (Continued)

Restricted Projects

ACN (Advocacy Centre North) continues to provide much needed, high quality advocacy, as well as championing and supporting the use of advocacy. This is funded primarily through Newcastle CCG's (Clinical Commissioning Groups), and Newcastle City Council.

In September 2016 a 3 year funded project by Big Lottery via the Northern Neurological Alliance commenced to provide advocacy support to people with Neurological conditions in Newcastle and Gateshead.

Partners in Health, a pilot project providing advocacy support in six GP surgeries in Newcastle was funded through Newcastle and Gateshead CCG Innovation Fund.

The advocacy project received a grant from the Linden Family Fund via the Community Foundation to provide a support package and training to the advocacy volunteers.

The Mitford project, funded by Northumberland Tyne and Wear NHS Foundation trust to provide advocacy and consultation support to a highly specialist inpatient service for adults with an Autism Spectrum Disorder.

The advocacy team provided intensive support to people with complex needs within the Fulfilling Lives project funded in partnership with Changing Lives.

Healthwatch Newcastle responsible for involving public and patients in health and social care continued in this year funded by Newcastle City Council delivered in partnership with Involve North East. Newcastle CVS was awarded the contract for supporting Healthwatch in January 2013 and this will end in September 2016.

22. Analysis of Group Assets between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 March 2016 are represented by:			
Tangible fixed assets	13,798	-	13,798
Investments	422,348	-	422,348
Net current assets	453,130	60,482	513,612
Creditors: amounts due more than one year	(173,000)	-	(173,000)
Total Net Assets	<u>716,276</u>	<u>60,482</u>	<u>776,758</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2016

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

	2016 £	2015 £
Net income/(expenditure) for the year	(59,831)	254,509
Interest received	(8,869)	(12,877)
Depreciation of tangible fixed assets	9,373	8,775
(Gains)/losses on investments	(18,303)	(20,190)
Decrease/(increase) in debtors	(132,460)	(103,157)
(Decrease)/increase in creditors	(36,098)	101,660
Decrease/(increase) in work in progress	(1,663)	1,208
Net cash flow from operating activities	<u>(247,851)</u>	<u>229,928</u>

25. First time adoption of SORP 2015 (FRS 102)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP 2015 (FRS 102) the restatement of comparative items was required.

The effect of the transition from SORP 2005 to SORP 2015 (FRS 102) is outlined below:

a) Changes in accounting policies

Consequential changes in accounting policies resulting from adoption of SORP (FRS 102) were as follows:

A liability must be recognised for the present value of outstanding additional contributions to the defined benefit contribution scheme.

b) Reconciliation of total charity funds

Adjustments to previously reported total charity funds at the date of transition to SORP (FRS 102) were as follows:

	1 April 2014 £	31 March 2015 £
Total charity funds under SORP (2005)	774,080	1,018,589
Adjustments arising from transition to FRS 102:		
Recognition of defined benefit pension liability	(191,000)	(182,000)
Total charity funds under SORP (FRS 102)	<u>583,080</u>	<u>836,589</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2016

25. First time adoption of SORP 2015 (FRS 102) (Continued)

c) Reconciliation of comparative period net income

Adjustments to previously reported net income in the comparative period were as follows:

	2015
	£
Net income as reported under SORP 2005	244,509
Movement in pension liability	9,000
	<hr/>
Net income as reported under SORP (FRS 102)	253,509
	<hr/> <hr/>

Appendix

Newcastle Council for Voluntary Service
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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2016

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Income from					
Donations	11,918	-	20	11,938	18,819
Charitable activities	319,417	-	727,049	1,046,466	1,236,576
Other operating activities	13,800	-	-	13,800	16,920
Investment income	8,512	-	-	8,512	12,477
Other income	879	-	-	879	35,692
Total income	<u>354,526</u>	<u>-</u>	<u>727,069</u>	<u>1,081,595</u>	<u>1,320,484</u>
Expenditure on					
Raising funds					
Investment Management Costs	4,846	-	-	4,846	3,026
Charitable activities	356,786	21,315	751,726	1,129,827	1,092,326
Total expenditure	<u>361,632</u>	<u>21,315</u>	<u>751,726</u>	<u>1,134,673</u>	<u>1,095,352</u>
Net gains/(losses) on investments	(6,753)	-	-	(6,753)	20,222
Net expenditure/income	(13,859)	(21,315)	(24,657)	(59,831)	245,354
Transfers between funds	172,446	(182,000)	9,554	-	-
Net movement in funds	<u>158,587</u>	<u>(203,315)</u>	<u>(15,103)</u>	<u>(59,831)</u>	<u>245,354</u>
Total funds brought forward	557,632	203,315	75,585	836,532	591,178
Total funds carried forward	<u><u>716,219</u></u>	<u><u>-</u></u>	<u><u>60,482</u></u>	<u><u>776,701</u></u>	<u><u>836,532</u></u>