

NEIGHBOURHOOD WATCH NETWORK

CHARITY COMMISSION REGISTERED NO. 1173349

FINANCIAL STATEMENTS

for the year ended

31 March 2019



NEIGHBOURHOOD WATCH NETWORK

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NEIGHBOURHOOD WATCH NETWORK

Charity information

Board of Trustees

D. Huse - Chair
R. Griffin - Vice Chair
J. Pearce - Treasurer
D. Pratt - Secretary (appointed 2 August 2018)
C. Cox (appointed 2 August 2018)
K. McHugh
A. McWhinnie
K. Singh Rooprai (appointed 2 August 2018)
J. Taplin
L. Farrar (resigned 2 August 2018)
Prof. K. G. Pease (appointed 2 August 2018, resigned 12 May 2019)
A. V. Braganza - (appointed 2 August 2018, resigned 22 February 2019)

Chief Executive Officer

J. Hayward-Cripps

Registered office

Unit 18, 8th Floor
Elizabeth House
39 York Road
London
SE1 7NQ

Auditors

Moore Thompson
Bank House
Broad Street
Spalding
Lincs
PE11 1TB

Bankers

HSBC
41 Market Place
Loughborough
Leicestershire
LE11 3EJ

NEIGHBOURHOOD WATCH NETWORK

Report of the Trustees

for the year ended 31 March 2019

The Trustees of the Charitable Incorporated Organisation (CIO) have pleasure in submitting their annual report and financial statements for the year ended 31 March 2019.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2015 in preparing the annual report and financial statements of the charity.

Structure, governance and management

Neighbourhood Watch Network (NWN) is registered as a CIO under a Constitution approved by the Trustees and was registered with the Charity Commission for England & Wales on the 9 June 2017 with Charity Registered number 1173349. The charity replaces Neighbourhood & Home Watch Network, which has now been dissolved.

The Constitution dated 10 April 2017 is available for viewing on NWN's website www.ourwatch.org.uk.

The Objects of NWN, as set out in the Constitution, are to:

1. Promote for the benefit of the public good citizenship, community safety and greater public participation in the prevention and detection of crime, and;
2. Promote public support for the work of the police service and other partners in the protection of people and property from, and the prevention of, crime.

NWN is governed by the Board of Trustees and the Trustees who served during the year are listed on Page 2.

The Trustees are elected by the Members at an Annual General Meeting and others may be co-opted between Annual General Meetings. Candidates are invited based upon their knowledge, experience and abilities in a broad range of relevant disciplines including charity and career experience, which benefits the CIO and assists in the pursuit of our Objects. Externally recruited Trustees are balanced by those who are established Neighbourhood Watch members. Appropriate induction training and guidance is available where needed.

Matters of policy are decided by the Trustees, which takes into account membership feedback. Execution of policies is generally delegated to the Chief Executive Officer, subject to certain limits.

NWN operates in England and Wales only. NWN does not have any subsidiaries.

Research indicates that membership has been declining, and we intend to reverse that trend, to grow and become ever more efficient and effective. Neighbourhood Watch is embarking on a transformation journey to make itself more relevant and impactful to current and new members over the next three years. We will do this by focusing on three things:

1. For the 18 months from August 2018, a single-minded focus on putting the fundamentals in place to help members build and develop existing schemes.
2. A focus on three topics:
 - 2.1. Upgrading our IT, to make it as easy as possible to join and remain a Neighbourhood Watch member, and provide the movement with a fit for purpose capability which reflects modern
 - 2.2. Measuring the difference we make by providing members with an easy to use tool, and
 - 2.3. Improving our offer so we can retain current members and encourage new people to join.
3. Effective from January 2020 we will aim to grow our membership over a two year period via focussing on specific demographics and geographics. The specific plan is being finalised by the CEO ahead of presentation to the Trustees for approval prior to the AGM.

This year we want to ensure that what gets produced centrally is what members need, with a particular focus on the above three topics. Designing and delivering what gets used then creates measurable value, a return on investment for our internal work and supports the Charity's current organisation and financial operating model. This plan is one of the objectives of the CEO's workplan for the year.

NEIGHBOURHOOD WATCH NETWORK

Report of the Trustees (continued)

for the year ended 31 March 2019

Achievements and performance

NWN is the national body for the Neighbourhood Watch movement across England and Wales. It is a member based independent organisation. As such, it exists to represent and support its members, and engages with strategic partners including the Home Office.

NWN liaises with police in 43 Police Force areas and Neighbourhood Watch Associations across England and Wales, of which 30 Neighbourhood Watch Force Level Associations are voting Members of NWN as evidenced by signature of a Memorandum of Understanding. Additionally 8 London Boroughs have signed MoUs, but under our Constitution there is a limit of 4 votes at any one time available to the Metropolitan Police Force area.

Neighbourhood Watch is about making sure that no one has to feel afraid, vulnerable or isolated in the place where they live. The movement is about people looking out for each other, crossing barriers of age, race and class, to create real communities that benefit everyone. Inclusive resilient communities that are safe, and where crime and anti-social behaviour is minimised. Neighbourhood Watch best achieves its objectives when members understand the needs of their communities, are innovative and creative in their thinking, and work in partnership with the police and others. Communities where Neighbourhood Watch operates effectively are shown to be friendlier, more cohesive and to experience lower crime.

Our focus is reflected in the employment of specialist new staff and the establishment of working groups consisting of experienced volunteers with specialist skills, abilities and knowledge in the areas under review. Together, and where necessary involving workshops and utilising external resources, they are developing and implementing solutions which are targeted at delivering changes which will make a real difference, a major modernisation in the way that Neighbourhood Watch will be delivered in the future.

Our achievements to date, which will facilitate achieving our objectives, include progress in:

1. strengthening NWN's financial position and sustainability,
2. identifying appropriate IT solutions, including an easy members sign up process, NWN access and control of its own database and a new website, all of which is in the scoping phase at present.
3. finalisation of an impact measurement tool, produced in conjunction with University College London, for all existing and future members to be able to use,
4. improving and clearly articulating the benefits of joining NWN, publishing this on our new website. The benefits and core offer are being drafted currently.
5. developing relevant high-quality toolkits for members and Associations to support their work in developing safer, stronger and active communities, including specific crime types, 'how to' guidance and case studies,
6. sharing best effective practice from around the Neighbourhood Watch network, enabling members to act as resources and champions for quality, inclusion and learning,
7. clearly defining the roles of the Central Support Team and Associations and developing an accredited self-assessment guide for Associations
8. enabling Associations to fundraise by developing effective fundraising guidance and holding training seminars.

NWN's future strategy is making use of academic commissions to University College London and Nottingham Trent University, to assess the impact of NWN activities and a means to capture this in future years. The work of Nottingham Trent University highlighted that the coverage of NWN has been declining year on year, with just 9% of the population being a household member in 2016/17. The strategy is in place to reverse this trend, and the CEO proposes to increase this coverage to 20% by the end of 2021.

At the NWN strategy conference held in London in March 2019 the Policing Minister, Nick Hurd MP, committed the Home Office to continued support for Neighbourhood Watch, and praised the work of its members.

NEIGHBOURHOOD WATCH NETWORK

Report of the Trustees (continued)

for the year ended 31 March 2019

Plans for future periods

NWN will continue to build upon the progress made to date. Our existing three year strategy (which can be reviewed at <https://www.ourwatch.org.uk/knowledge/into-the-future-2018-2021-nwn-strategy/>) includes a focus on:

1. providing a great service to Neighbourhood Watch members – by supporting and developing existing schemes,
2. growing the charity – by attracting new members and schemes and engaging them in Neighbourhood Watch campaigns,
3. extending our reach – by developing focused work to promote Neighbourhood Watch in areas of high crime, deprivation or need.

Neighbourhood Watch Volunteers

NWN has a paid staff of just 8 people. The vast majority of the work undertaken by Neighbourhood Watch is carried out by unpaid volunteers, which includes the Trustees, who support a membership estimated to be 2,400,000 homes across England & Wales. Nottingham Trent University has researched to validate this estimate. However, it is likely that the reach of the membership goes further, by impacting the lives of many people who are supporters but do not openly identify themselves as members. The comparatively low total cost of Neighbourhood Watch makes it very good value for money. This year the focus will be on providing evidence of member usage of centrally provided tools and the economic value of the volunteers to UK Society.

Many of our volunteers belong to or support local Neighbourhood Watch schemes, which may be facilitated by local volunteer co-ordinators, and increasingly this can include members of social media groups. Our volunteers also help to distribute key information from the police and other recognised Authorities.

Financial Review

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the CIO. Details of the financial performance and position of the CIO are detailed on pages 11 to 26 of these financial statements.

Accounts are prepared on an accruals basis. The Accounts are externally audited. NWN observes the methods and principles in the Charities SORP.

Reserves

The total level of reserves as at 31 March 2019 is £438,043, of which £406,089 consists of unrestricted funds and £31,954 of restricted funds. During the year £300,000 of unrestricted funds have been designated for specific purposes and projects by the Trustees. During the year £122,948 had been spent on these projects, leaving a balance of £177,052 carried forward designated funding, as outlined below.

NWN has a three-year strategic plan with the aim to increase annually the general reserves level, via additional funding streams, up to a sufficient amount to cover the charity's running costs for at least a full three months to maintain the viability of the organisation. In January 2019 the Trustees agreed to raise the organisational reserves to £90,000 in line with this strategy. Sponsorship Agreements with Co-operative Insurance and ERA are long standing and the aim is to continue and grow these, allowing NWN to be more confident over unrestricted funding levels going forward.

Due to the high level of unrestricted funding received in the last 2 years, in addition to the core Home Office grant of £280,000 which is available to the CIO for continuing activities, the Trustees are confident that the CIO is a going concern.

No funds are held by the CIO or the Trustees as custodian Trustees.

No fund is materially in deficit.

No material investments are held.

NWN intends to follow a model which spreads risk by diversifying funding streams to avoid over-reliance on any one funding source. In addition to maintaining its strong relationship with the Home Office, NWN aims to strengthen its long-term partnerships with the Co-operative Group and ERA, and to develop other strategic partnerships which will help NWN achieve its objectives.

NEIGHBOURHOOD WATCH NETWORK

Report of the Trustees (continued)

for the year ended 31 March 2019

Reserves (continued)

The Trustees do not anticipate that there are any factors outside the CIO's control which are relevant to the achievement of NWN's Objects. Factors within the CIO's control are well managed.

Fundraising performance

The Home Office continued to provide funding to support the central office and eight members of staff as well as the Public Liability insurance cover for the members, with a grant of £280,000, and an additional £60,000 funding provided in March 2019, making a total of £340,000.

In the year ended 31 March 2019 we aimed to define a fundraising strategy and raise £40,000 in additional funds outside of the Home Office and two sponsors from trusts, sponsorship or commercial partnerships. A strategy was drafted and presented to the Board; however, no additional funds were successfully raised and we spent £22,785 on activities in trying to do so. For the year ending 31 March 2020 the Board have set the objective of £150,000 to be raised from the same channels, and has supported the CEO with a full-time fundraiser to work on delivering the strategy.

The CIO continued to work with the Home Office at a strategic level, holding regular meetings to discuss important issues with the Government on behalf of the grassroots membership. As part of this strategic relationship, NWN received an additional £300,000 from the Home Office in March 2018 for use in 2018/19, to deliver a series of interventions to support the achievement of the CIO's 10-point strategy, agreed by the Board of Trustees in October 2018. As of 31 March 2019, £122,948 had been spent on these activities, with the remaining £177,052 to be carried forward into 2019/20 as a designated fund.

In June 2018 NWN secured £80,000 funding from NESTA to deliver the 'Communities that Care' project as part of the 'Connected Communities Innovation Fund', with support from the Department of Culture, Media and Sport. The programme aims to pioneer new ideas and approaches that mobilise the time and talents of people, particularly those aged over 50 to help others, alongside public services in four key priority areas: community connections and thriving places; community resilience in emergencies; digital social action; improving the environment. The project is ongoing and will be completed in January 2020.

The CIO continued its primary sponsorship agreement with Co-operative Insurance to raise the profile of both organisations' aims and objectives, with the current agreement running until February 2020. NWN's sponsorship agreement with ERA Home Security remains in place until July 2021. The CIO's operational costs were covered by the core funding and, along with sponsorship income received in the period, managed to carry forward a surplus on activities of £252,165 at 31 March 2019, which includes the surplus from previous years.

Public benefit

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

NWN and Neighbourhood Watch support members of all communities regardless of colour, race, creed, sex, politics, wealth or any other distinguishing features. We contribute to safer communities for all by empowering local residents in the fight against crime and anti-social behaviour. We support police forces and where possible other Authorities in their duties, to help build stronger, safer and more resilient communities. Our volunteers from all walks of life offer support, advice and confidence to those who require assistance.

Risk management

The Trustees review the main risks facing the CIO on a continuous basis. NWN uses insurance policies to cover possible losses from damage or other loss. NWN continuously reviews the income of the CIO and attempts to replace any lost funding with new or existing sources. The Trustees are satisfied that the policy adopted in respect of risk exposure is sufficient to manage and mitigate any impact.

NEIGHBOURHOOD WATCH NETWORK

Report of the Trustees (continued)

for the year ended 31 March 2019

Trustees responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year. In preparing these financial statements, the Trustees are required to:

1. select suitable accounting policies and then apply them consistently;
2. observe the methods and principles in the Charities SORP 2015 (FRS 102);
3. make judgements and estimates that are reasonable and prudent;
4. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
5. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the CIO will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the governing document. They are also responsible for safeguarding the assets of the CIO and the prevention and detection of fraud and other irregularities.

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

In so far as the Trustees are aware:

1. there is no relevant information of which the CIO auditor is unaware; and
2. 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.

BY ORDER OF THE BOARD

David Huse OBE
Chair

Date: 14 August 2019

NEIGHBOURHOOD WATCH NETWORK
Report of the Independent Auditors to the Trustees
on the financial statements for the year ended 31 March 2019

Opinion

We have audited the financial statements of Neighbourhood Watch Network for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

give a true and fair view of the state of the charitable company's affairs as at 31 March 2019, and of its incoming resources and application of resources, for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;

have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

NEIGHBOURHOOD WATCH NETWORK
Report of the Independent Auditors to the Trustees (continued)
on the financial statements for the year ended 31 March 2019

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or

sufficient accounting records have not been kept; or

the financial statements are not in agreement with the accounting records; or

we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 7, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.

evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

NEIGHBOURHOOD WATCH NETWORK
Report of the Independent Auditors to the Trustees (continued)
on the financial statements for the year ended 31 March 2019

evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Moore Thompson
Chartered accountant & statutory auditor
Bank House
Broad Street
Spalding
PE11 1TB

Date: 22 August 2019

Moore Thompson is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

NEIGHBOURHOOD WATCH NETWORK

Statement of Financial Activity

for the year ended 31 March 2019

	Notes	31 March 2019		Total	9 June 2017 to 31 March 2018 Total
		Unrestricted funds	Restricted funds		
		£	£	£	£
Income					
Donations and sponsorships	2	80,000	48,412	128,412	29,128
		80,000	48,412	128,412	29,128
Income from investments		577	-	577	760
Charitable activities	3	643,064	52,660	695,724	211,975
Total income		723,641	101,072	824,713	241,863
Expenditure					
Raising funds	5	40,000	56,173	96,173	1,395
Charitable activities	6	446,760	29,615	476,375	85,137
Total expenditure		486,760	85,788	572,548	86,532
Net income		236,881	15,284	252,165	155,331
Transfers between funds		(3,000)	3,000	-	-
Net movement in funds		233,881	18,284	252,165	155,331
Fund balances brought forward	16	172,209	13,670	185,879	-
Fund balances transferred from company	7	-	-	-	30,548
Fund balances carried forward	16	406,090	31,954	438,044	185,879

All income and expenditure derives from continuing activities.

The statement of financial activity includes all gains and losses recognised during the period.

NEIGHBOURHOOD WATCH NETWORK

Statement of Financial Position

at 31 March 2019

	Note	31 March 2019		31 March 2018	
		£	£	£	£
Fixed assets					
Intangible fixed assets	12		-		-
Tangible fixed assets	13		6,567		8,008
			<u>6,567</u>		<u>8,008</u>
Current assets					
Debtors	14	82,474		56,537	
Cash at bank and in hand		384,939		492,954	
		<u>467,413</u>		<u>549,491</u>	
Creditors:					
Amounts falling due within one year	15		<u>35,936</u>		<u>371,620</u>
Net current assets			431,477		177,871
Total assets less current liabilities			<u>438,044</u>		<u>185,879</u>
Income funds					
Unrestricted funds	16		406,090		172,209
Restricted funds	16		31,954		13,670
			<u>438,044</u>		<u>185,879</u>

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standards applicable in the UK and Republic of Ireland'.

These accounts were approved by the Board of Trustees on 23 July 2019.

D. Huse
Chair

J. Pearce
Trustee

NEIGHBOURHOOD WATCH NETWORK

Statement of Cash Flows

for the year ended 31 March 2019

	31 March 2019		31 March 2018	
	£	£	£	£
Cash flows from operating activities				
Surplus/(Deficit) for the year	252,165		155,331	
Adjustments for:				
Investment income recognised in SOFA	(577)		(760)	
Depreciation of tangible fixed assets	2,036		3,193	
Movements in working capital:				
Increase in debtors	(25,937)		(56,537)	
(Decrease)/Increase in creditors	<u>(335,684)</u>		<u>371,620</u>	
		(107,999)		472,847
Cash flows from investing activities				
Purchase of tangible fixed assets	(594)		(11,201)	
Interest received	<u>577</u>		<u>760</u>	
		<u>(17)</u>		<u>(10,441)</u>
Net income/(expenditure)		(108,015)		462,406
Cash and cash equivalents at beginning of year		492,954		30,548
Cash and cash equivalents at end of year		<u><u>384,939</u></u>		<u><u>492,954</u></u>

NEIGHBOURHOOD WATCH NETWORK

Notes to the Financial Statements

for the year ended 31 March 2019

1. Accounting policies

Neighbourhood Watch Network is a Charitable Incorporated Organisation registered in England and Wales. The address of the registered office of the charity is given in the charity information on page 2 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. 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 2017 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

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

Cashflow Statement

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement.

Going Concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist.

Taxation

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 organisation for UK Corporation tax purposes.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements and estimates have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

The amortisation of website development costs has estimated the useful life of the asset but the true life span is difficult to establish as a result of technological advancements.

This is also applicable to the useful economic life of other tangible fixed assets as is the residual value of those assets.

Details for both these items are included within the accounting policies below.

NEIGHBOURHOOD WATCH NETWORK
Notes to the Financial Statements (continued)
for the year ended 31 March 2019

1. Accounting policies (continued)

Incoming resources

All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is reasonable assurance of receipt. Where a claim for repayment of income tax has or will be made, such income is grossed for the tax recoverable.

Grants are recognised in the statement of financial activities when the conditions for receipt have been met.

Investment income is accounted for in the period in which the charity is entitled to receipt.

Donations and all receipts from charitable activities are reported gross and are accounted for on a receivable basis.

Gifts in kind

Donated goods, facilities and services are recognised as income in the statement of financial activities when the following criteria are met:

- Entitlement: Control over the expected economic benefits that flow from the donation has passed to the charity and any performance conditions attached to the donation have been fully met.
- Probable: It is more likely than not that the economic benefits associated with the donated item will flow to the charity.
- Measurement: The fair value or value to the charity of the donated item can be measured reliably.

Until relocation to London in the current year, the charity used office space and utilities at Wigston Police Station, Leicester for no charge. The Trustees are unable to reliably measure this gift in kind.

Resources expended

Expenditure is included in the statement of financial activities on an accruals basis and has been allocated as detailed below:

- Charitable activities include the costs of the activities defined by the charity's aims for the benefit of the persons sited in the charity objects. Costs of charitable activities includes the direct costs of the activities and depreciation on related assets. Where such assets relate to more than one functional cost category, they have been allocated on either an estimate time or floor space basis, as appropriate.
- Costs directly attributable to a project have been allocated to that project. Other non-allocatable costs such as salaried employees and other fixed nature overheads have been reallocated on the basis of a management charge.
- Governance costs include the costs which relate to the general running of the charity as opposed to the direct management function inherent in generating funds, service delivery and program or project work.

Amortisation

Amortisation is calculated to write down the cost, less estimated residual value, of all assets over their expected useful lives. The rates generally applicable are:

Website development	Straight line over 3 years
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Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Office equipment	25% reducing balance
Fixtures and fittings	20% reducing balance

Fixed assets

Fixed assets are included at cost, less accumulated depreciation.

NEIGHBOURHOOD WATCH NETWORK
Notes to the Financial Statements (continued)
for the year ended 31 March 2019

1. Accounting policies (continued)

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Pension costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Restricted funds

Restricted funds can only be used for the specific purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure which complies with these criteria is identified to the fund.

Unrestricted funds

Unrestricted funds are donations and other income received or generated for the objectives of the charity without further specified purposes and are available as general funds.

NEIGHBOURHOOD WATCH NETWORK
Notes to the Financial Statements (continued)
for the year ended 31 March 2019

2. Income receivable

	31 March 2019			<i>period ending</i> 31 March 2018
	Unrestricted funds	Restricted funds	Total	Total
	£	£	£	£
Central Government grants	640,000	-	640,000	210,000
NESTA grant	-	45,000	45,000	-
Sponsorships - Commercial	80,000	48,412	128,412	29,004
Other sponsorships and donations	-	-	-	124
Commission receivable	3,064	7,660	10,724	1,975
Investments	577	-	577	760
	<u>723,641</u>	<u>101,072</u>	<u>824,713</u>	<u>241,863</u>
Income from:				
Donations and sponsorships	80,000	48,412	128,412	29,128
Charitable	643,064	52,660	695,724	211,975
Investments	577	-	577	760
	<u>723,641</u>	<u>101,072</u>	<u>824,713</u>	<u>241,863</u>

3. Charitable activities

	31 March 2019			<i>period ending</i> 31 March 2018
	Unrestricted funds	Restricted funds	Total	Total
	£	£	£	£
Income receivable	640,000	45,000	685,000	210,000
Commission receivable	3,064	7,660	10,724	1,975
	<u>643,064</u>	<u>52,660</u>	<u>695,724</u>	<u>211,975</u>

4. Analysis of income between activities

	31 March 2019			<i>period ending</i> 31 March 2018	
	Grants	Sponsorships	Other	Total	Total
	£	£	£	£	£
Unrestricted funds					
NWN Group Support	640,000	-	-	640,000	210,000
Other Sponsorship	-	80,000	-	80,000	29,128
Administration and Support	-	-	577	577	760
NWN Patlock Commission	-	-	3,064	3,064	580
Restricted Funds					
Force Area Patlock Commission	-	-	7,660	7,660	1,395
NESTA Grant	45,000	-	-	45,000	-
Co-op online ordering	-	23,958	-	23,958	-
Co-op crime toolkits	-	9,454	-	9,454	-
Co-op membership discovery	-	15,000	-	15,000	-
	<u>685,000</u>	<u>128,412</u>	<u>11,301</u>	<u>824,713</u>	<u>241,863</u>

NEIGHBOURHOOD WATCH NETWORK
Notes to the Financial Statements (continued)
for the year ended 31 March 2019

5. Raising funds

	31 March 2019			<i>period ending</i> 31 March 2018
	Unrestricted funds	Restricted funds	Total	Total
	£	£	£	£
Patlock Commission payable	-	7,660	7,660	1,395
NESTA work	-	6,555	6,555	-
Acceleration Work	40,000	-	40,000	-
Co-op joint IT work	-	23,958	23,958	-
Membership Discovery	-	18,000	18,000	-
	<u>40,000</u>	<u>56,173</u>	<u>96,173</u>	<u>1,395</u>

6. Charitable activities

	31 March 2019			<i>period ending</i> 31 March 2018
	Unrestricted funds	Restricted funds	Total	Total
	£	£	£	£
Human resources				
Staff costs	258,655	11,102	269,757	52,659
Pension costs	3,021	127	3,148	292
Training costs	288	-	288	-
Staff expenses	19,615	2,555	22,170	3,644
Volunteers' expenses	9,274	-	9,274	-
Recruitment costs	13,495	275	13,770	735
Temporary staff costs	1,402	-	1,402	-
Facilities				
Rent and rates	10,000	-	10,000	-
Office relocation costs	2,330	-	2,330	-
Equipment hire and repairs	1,089	-	1,089	281
Operational meeting costs	4,067	406	4,473	89
Website costs	29,438	9,454	38,892	1,200
Information technology costs	14,433	60	14,493	3,668
Telephone costs	2,649	-	2,649	608
Insurance	18,525	-	18,525	6,595
Printing, stationary and books	2,249	217	2,466	243
Activities				
Publicity and advertising	1,910	419	2,329	280
Annual fees and subscriptions	768	-	768	1,190
Consultancy and research costs	26,289	5,000	31,289	2,800
Sundry costs	-	-	-	5
NWN Seminars	9,320	-	9,320	-
Finance				
Bank charges	64	-	64	17
Governance				
Auditor remuneration	5,490	-	5,490	4,370
Trustees expenses	10,353	-	10,353	2,745
Capital costs				
Amortisation	-	-	-	3,193
Depreciation	2,036	-	2,036	523
	<u>446,760</u>	<u>29,615</u>	<u>476,375</u>	<u>85,137</u>

NEIGHBOURHOOD WATCH NETWORK
Notes to the Financial Statements (continued)
for the year ended 31 March 2019

6. Charitable activities continued

Costs directly attributable to a specific project have been analysed to that project as an exact amount.

The remaining costs which are not specific are considered allocated costs of charitable activities and have been apportioned to the relevant activity based on a considered proportion of costs relating to that activity.

7. Transfers from company

On 1 January 2018, the assets and activities were transferred to the Charitable Incorporated Organisation by way of a straight conversion of status.

8. Board of Trustees remuneration

None of the Trustees received any remuneration either directly or indirectly.

None of the Trustees are accruing benefits under either a money purchase pension scheme or defined benefit pension scheme.

9. Board of Trustees expenses

The following Trustees received reimbursement of expenses from the charity during the period:

	31 March 19 Total	<i>period ending</i> 31 March 18 Total
	£	£
C. Cox	102	-
L. Farrar	600	52
R. Griffin	5	9
D. Huse (currently living in Poland)	8,215	2,628
A. McWhinnie	116	47
J. Pearce	183	-
K. Pease	805	-
D. Pratt	125	-
K. Rooprai	358	-
J. Taplin	58	18
	<u>10,465</u>	<u>2,754</u>

10. Employee emoluments

	31 March 19 Total	<i>period ending</i> 31 March 18 Total
	£	£
Wages and salaries	244,657	47,939
Social security costs	23,555	3,947
Childcare vouchers	1,545	773
	<u>269,757</u>	<u>52,659</u>
Average number of employees	<u>7</u>	<u>6</u>

There was one employee with an annual salary of £60,000 or more during the period as follows:

	£	£
Chief Executive Officer (employment commenced 15 January 2018)	<u>84,994</u>	<u>18,309</u>

NEIGHBOURHOOD WATCH NETWORK
Notes to the Financial Statements (continued)
for the year ended 31 March 2019

11. Auditors remuneration

	31 March 19	<i>period ending</i> 31 March 18
	Total	Total
	£	£
Amounts payable in respect of audit	4,550	3,840

12. Intangible fixed assets

	Website development
	Total
	£
Cost	
At 1 April 2018 & 31 March 2019	38,316
Amortisation	
At 1 April 2018 & 31 March 2019	38,316
Net book value	
At 31st March 2018 & 2019	-

13. Tangible fixed assets

	Office	Fixtures	Total
	equipment	and	
	£	£	£
Cost			
At 1 April 2018	32,888	1,931	34,819
Additions	594	-	594
At 31 March 2019	33,482	1,931	35,413
Depreciation			
At 1 April 2018	25,722	1,089	26,811
Charge for the year	1,867	169	2,036
At 31 March 2019	27,589	1,258	28,847
Net book value			
At 31 March 2019	5,894	673	6,567
At 31 March 2018	7,166	842	8,008

NEIGHBOURHOOD WATCH NETWORK
Notes to the Financial Statements (continued)
for the year ended 31 March 2019

14. Debtors

	31 March 19	31 March 18
	Total	Total
	£	£
Trade debtors	15,000	30,671
Other debtors	4,000	7,197
Prepayments and accrued income	63,474	18,669
	<u>82,474</u>	<u>56,537</u>

15. Creditors: Amounts falling due within one year

	31 March 19	31 March 18
	Total	Total
	£	£
Trade creditors	8,965	27,781
Other taxes and social security	7,709	6,006
Other creditors	11,705	6,495
Accruals and deferred income	7,557	331,338
	<u>35,936</u>	<u>371,620</u>

16. Funds

	At 31 March	Incoming	Outgoing	Transfers	At 31 March
	2018	resources	resources	£	2019
	£	£	£	£	£
Unrestricted funds					
General Fund	172,209	423,641	(363,812)	(3,000)	229,038
Designated Fund	-	300,000	(122,948)	-	177,052
	<u>172,209</u>	<u>723,641</u>	<u>(486,760)</u>	<u>(3,000)</u>	<u>406,090</u>
Restricted funds					
Segmentation grant	9,000	-	-	-	9,000
CQC Leaflet Distribution	2,400	-	-	-	2,400
Force Area Patlock commission	2,270	7,660	(7,660)	-	2,270
NESTA Grant	-	45,000	(26,716)	-	18,284
Co-op online ordering	-	23,958	(23,958)	-	-
Co-op crime toolkits	-	9,454	(9,454)	-	-
Co-op membership discovery	-	15,000	(18,000)	3,000	-
	<u>13,670</u>	<u>101,072</u>	<u>(85,788)</u>	<u>3,000</u>	<u>31,954</u>
	<u>185,879</u>	<u>824,713</u>	<u>(572,548)</u>	<u>-</u>	<u>438,044</u>

Designated funds consist of funds allocated specifically to deliver a series of interventions to support the achievement of the CIO's 10-point strategy, agreed by the Board of Trustees in October 2018.

The £3,000 transfer from unrestricted to restricted funds is regarding the VAT element of the Co-operative Membership Discovery expenditure that was not received as income, but payable by the charity.

NEIGHBOURHOOD WATCH NETWORK
Notes to the Financial Statements (continued)
for the year ended 31 March 2019

16. Funds continued

The funds are constituted as follows:

	31 March 19		Total £
	Unrestricted £	Restricted £	
Intangible fixed assets	-	-	-
Tangible fixed assets	6,567	-	6,567
Debtors	81,779	695	82,474
Cash at bank and in hand	341,509	43,430	384,939
Creditors: Amounts falling due within one year	(23,765)	(12,171)	(35,936)
	<u>406,090</u>	<u>31,954</u>	<u>438,044</u>

The restricted funds are defined as follows:

Segmentation grant fund is regarding a grant from the Home Office for testing the application and measurable impact of the serious and organised crime public intervention model.

Care Quality Commission (CQC) Leaflet Distribution fund is regarding the leaflet distribution to 30 Neighbourhood & Home Watch Network force areas on behalf of the Care Quality Commission.

Force Area Patlock commission fund is regarding commission on the sale of the Patlock security product received by Neighbourhood Watch Network on behalf of the force areas who have initiated the sale.

NESTA grant fund is regarding NWN deliver the "Communities that Care" project as part of the "Connected Communities Innovation Fund" programme that NESTA is undertaking with support from the Department for Culture Media and Sport through the Office for Civil Society. .

Co-operative Online Ordering is regarding a joint project with NWN regarding the initiative to provide consultancy, wireframes and project management for online ordering processes.

Co-operative Crime Toolkits is regarding the development of an online crime toolkit.

Co-operative Membership Discovery is regarding the development of a charity membership discovery system.

17. Operating leases

At 31 March the charity had total future minimum lease payments under non-cancellable operating leases as set out below:

	At 31 March 19 Total £	At 31 March 18 Total £
Not more than one year	14,874	874
Later than one and not more than five years	<u>655</u>	<u>1,529</u>

18. Controlling party

The charity is controlled by the Board of Trustees and no individuals can or do exert control.

NEIGHBOURHOOD WATCH NETWORK
Notes to the Financial Statements (continued)
for the year ended 31 March 2019

19. Fund comparatives

Statement of Financial Activities

	<i>period ending 31 March 2018</i>		
	Unrestricted funds	Restricted funds	Total
	£	£	£
Income			
<i>Donations and sponsorships</i>	29,128	-	29,128
	<u>29,128</u>	<u>-</u>	<u>29,128</u>
<i>Income from investments</i>	760	-	760
<i>Charitable activities</i>	<u>210,580</u>	<u>1,395</u>	<u>211,975</u>
Total income	<u>240,468</u>	<u>1,395</u>	<u>241,863</u>
Expenditure			
<i>Raising funds</i>	-	1,395	1,395
<i>Charitable activities</i>	<u>85,137</u>	<u>-</u>	<u>85,137</u>
Total expenditure	<u>85,137</u>	<u>1,395</u>	<u>86,532</u>
Net income	155,331	-	155,331
<i>Transfers between funds</i>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds	155,331	-	155,331
<i>Fund balances transferred from company</i>	16,878	13,670	30,548
Fund balances carried forward	<u><u>172,209</u></u>	<u><u>13,670</u></u>	<u><u>185,879</u></u>

NEIGHBOURHOOD WATCH NETWORK
Notes to the Financial Statements (continued)
for the year ended 31 March 2019

Income receivable

	<i>period ending 31 March 18</i>		
	Unrestricted funds	Restricted funds	Total
	£	£	£
Central Government grants	210,000	-	210,000
Sponsorships - Commercial	29,004	-	29,004
Other sponsorships and donations	124	-	124
Commission receivable	580	1,395	1,975
	<u>239,708</u>	<u>1,395</u>	<u>241,103</u>
<i>Income from:</i>			
Donations and sponsorships	29,128	-	29,128
Charitable activities	210,580	1,395	211,975
	<u>239,708</u>	<u>1,395</u>	<u>241,103</u>

Charitable activities

	<i>period ending 31 March 18</i>		
	Unrestricted funds	Restricted funds	Total
	£	£	£
Income receivable	210,000	-	210,000
Commission receivable	580	1,395	1,975
	<u>210,580</u>	<u>1,395</u>	<u>211,975</u>

Analysis of income between activities

	Grants	<i>period ending 31 March 18</i>		Total
		Sponsorships	Other	
		£	£	
<i>Unrestricted funds</i>				
NWN Group Support	210,000	-	-	210,000
Other Sponsorship	-	29,128	-	29,128
Administration and Support	-	-	760	760
NWN Patlock Commission	-	-	580	580
<i>Restricted Funds</i>				
Force Area Patlock Commission	-	-	1,395	1,395
	<u>210,000</u>	<u>29,128</u>	<u>2,735</u>	<u>241,863</u>

Raising funds

	<i>period ending 31 March 18</i>		
	Unrestricted funds	Restricted funds	Total
	£	£	£
<i>Restricted funds</i>			
Patlock Commission payable	-	1,395	1,395
	<u>-</u>	<u>1,395</u>	<u>1,395</u>

NEIGHBOURHOOD WATCH NETWORK
Notes to the Financial Statements (continued)
for the year ended 31 March 2019

Charitable activities	period ending 31 March 18		
	Unrestricted	Restricted	Total
	funds	funds	
	£	£	£
<i>Human resources</i>			
Staff costs	52,659	-	52,659
Pension costs	292	-	292
Staff expenses	3,644	-	3,644
Recruitment costs	735	-	735
<i>Facilities</i>			
Equipment repairs	281	-	281
Operational meeting costs	89	-	89
Information technology costs	3,668	-	3,668
Telephone costs	608	-	608
Insurance	6,595	-	6,595
Printing and stationary	243	-	243
<i>Activities</i>			
Publicity and advertising	280	-	280
Website costs	1,200	-	1,200
Annual fees and subscriptions	1,190	-	1,190
Consultancy costs	2,800	-	2,800
Sundry costs	5	-	5
<i>Finance</i>			
Bank charges	17	-	17
<i>Governance</i>			
Audit remuneration	4,370	-	4,370
Trustees meeting expenses	2,745	-	2,745
<i>Capital costs</i>			
Amortisation	3,193	-	3,193
Depreciation	523	-	523
	<u>85,137</u>	<u>-</u>	<u>85,137</u>
<i>Reallocation of costs</i>	-	-	-
	<u><u>85,137</u></u>	<u><u>-</u></u>	<u><u>85,137</u></u>

NEIGHBOURHOOD WATCH NETWORK
Notes to the Financial Statements (continued)
for the year ended 31 March 2019

Funds	Transfer from company £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2018 £
Unrestricted funds					
<i>General Fund</i>	16,878	240,468	(85,137)	-	172,209
Restricted funds					
<i>Segmentation grant</i>	9,000	-	-	-	9,000
<i>CQC Leaflet Distribution</i>	2,400	-	-	-	2,400
<i>Force Area Patlock commission</i>	2,270	1,395	(1,395)	-	2,270
	<u>13,670</u>	<u>1,395</u>	<u>(1,395)</u>	<u>-</u>	<u>13,670</u>
	<u>30,548</u>	<u>241,863</u>	<u>(86,532)</u>	<u>-</u>	<u>185,879</u>

The funds are constituted as follows:

	At 31 March 2018		
	Unrestricted £	Restricted £	Total £
<i>Intangible fixed assets</i>	-	-	-
<i>Tangible fixed assets</i>	8,008	-	8,008
<i>Debtors</i>	56,077	460	56,537
<i>Cash at bank and in hand</i>	473,249	19,705	492,954
<i>Creditors: Amounts falling due within one year</i>	<u>(365,125)</u>	<u>(6,495)</u>	<u>(371,620)</u>
	<u>172,209</u>	<u>13,670</u>	<u>185,879</u>