

Company Registration No. 5669443 (England and Wales)

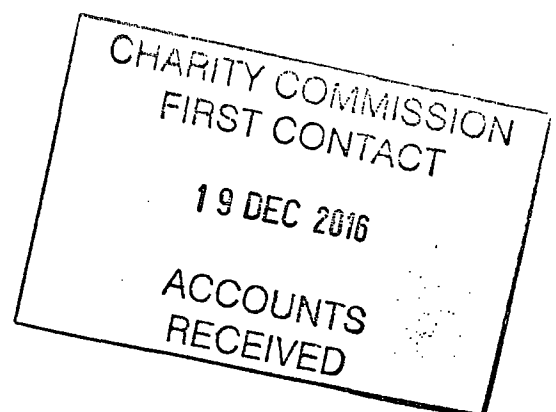
Charity Registration No. 1130568

involve

The Involve Foundation

Trustees' Report and Financial
Statements

For the year ended 31 March 2016



THE INVOLVE FOUNDATION

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THE INVOLVE FOUNDATION

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name	The Involve Foundation
Charity No.	1130568
Company Registration No.	5669443 (England and Wales)
Directors and Trustees	Ed Mayo (Chair) Estelle Rowe (Treasurer) Jack Stilgoe Malcolm Rigg Marilyn Taylor Toby Sebastian Blume (Resigned 5 May 2016) Catarina Tully Steve Evison (Appointed 16 June 2015) Paul Skidmore (Appointed 28 May 2015) Jessica Greenhalf (Appointed 18 May 2015) Patrick Middleton (appointed 18 July 2016)
Secretary	Simon Burall
Principal address	33 Corsham Street London N1 6DR
Registered office	33 Corsham Street London N1 6DR
Auditors	Goldwins Limited 75 Maygrove Road London NW6 2EG www.goldwins.co.uk
Bankers	Unity Trust Bank 9 Brindleyplace Birmingham B1 2HB

THE INVOLVE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The Trustees, who are also directors under company law, present their report and financial statements for the year ended 31 March 2016

The Trustees confirm that the financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

Involve believes that greater participation in public decision-making will help citizens to develop their capacities, help meet their needs and participate more fully in society. In turn, enhancing public engagement will make public decisions more efficient and effective. Involve has two charitable objectives:

1. To advance education for the public benefit in methods and processes of public participation and democratic practice;
2. To promote good citizenship for the public benefit by encouraging and facilitating participation by the public in democratic and decision making processes with an intended outcome of enabling people to develop their capacities, help meet their needs and participate more fully in society.

Our mission is to **inspire, innovate and embed** effective citizen engagement, so that members of the public are able to take and influence the decisions that affect their lives.

We do this by working with public organisations, such as national and local governments, and with citizens, to develop more effective strategies and practice in public participation.

Public benefit

Each year we prepare an organisational strategy, supported by an operating plan, which sets out how we will deliver on our aims and objectives. A summary of these strategies and plans for 2015/16, for each of our programme areas, is set out below. Involve's Trustees have had regard to the Charity Commission's guidance on public benefit.

Thought leadership

One of the important ways in which Involve pursues its charitable objectives is to provide thought leadership on key areas of democratic practice. In October 2015 we published a major contribution to the national debate about UK democracy, with our publication of Room for a View, authored by Simon Burall, Involve's Director.

Open government

Involve has been at the forefront of the open government movement in the UK for a number of years. Our experience, and the experience of others, is that more open government leads to healthier democracies, better decision making and more accountable and responsive institutions. We continue to

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co-ordinate the UK Open Government Network (OGN) – a coalition of active citizens and civil society organisations committed to making government and other powerful institutions work better for people through enhanced transparency, participation and accountability. The OGN collaborates with and challenges governments in the UK to develop and implement ambitious open government reforms through the UK's membership of the Open Government Partnership, and coordinates civil society advocacy on open government issues. Our open government programme objectives for 2015/16 were to:

- Develop a stronger and more diverse network of open government reformers
- Innovate and demonstrate new models of open and collaborative policy making, in particular by having an open and inclusive process for developing the UK's 2016 to 2018 OGP National Action Plan, and
- Secure strong commitments to open government principles and reforms from the UK government.

Citizens and Science

Sciencewise is the UK's national centre for public dialogue in policy making involving science and technology issues. Funded by the Department for Business, Innovation and Skills, Involve has been delivering Sciencewise since 2012 in partnership with Ricardo (formerly Ricardo-AEA) and the British Science Association. The genesis of Sciencewise can be found in the ground-breaking House of Lords Science and Technology Committee report 'Science and Society' in 2000, which highlighted the importance of public input into challenging areas of new and emerging science and called for much more meaningful engagement between scientists, policy makers and the public. Over the years Sciencewise has had a significant impact on policy making in the UK. Involve's Sciencewise programme objectives for 2015/16 were to:

- Build capacity and embed engagement across government departments, in particular by training at least 300 policy makers
- Ensure public dialogue is widely seen as an integral part of open policy making
- Innovate with an online dialogue model, the Sounding Board.

NHS Citizen

NHS Citizen has been one of the UK's major innovations in citizen participation over the last two years, bringing citizens and senior NHS staff together to try and solve some of the challenges facing healthcare in England. Involve was commissioned by NHS England to lead this programme, in collaboration with The Tavistock Institute of Human Relations, The Democratic Society and Public-i. Following an open, public process of design in 2014, the key objective for NHS Citizen in 2015/16 was to run a prototype of the NHS Citizen model, leading up to a major Citizens Assembly in November 2015.

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People and Politics

This was a new programme for Involve in 2015/16. Trustees considered an analysis of UK democracy which highlighted a number of significant shortcomings, not least of which is that – elections and referendums aside - much of the public are disconnected from policy and decision making processes. Proposals for constitutional settlements following the Scottish independence referendum were conspicuous in not putting citizens at the heart of shaping new settlements. Trustees identified two key initial areas where Involve could bring its experience and insights to bear on questions of democratic reform:

- Demonstrating the value of deliberative approaches, and
- Thought leadership.

Trustees defined the programme's overall aim as: *to help citizens and decision-makers re-envisage democracy and create a political system over which they both feel joint ownership*. Our focus during 2015/16 has been to build our presence and networks in this field and to develop funding opportunities.

Scotland

During 2015/16 Trustees decided to invest in building our presence in Scotland, in part following their analysis of democratic reform in the UK, to promote and support citizen participation in Scottish decision-making. We recruited an Edinburgh-based Engagement Lead and our initial focus in this area was to build our presence and networks and develop funding opportunities.

Climate Change

Involve has done work relating to climate change for a number of years now, including the world-wide distributed dialogue 'World Wide Views' in 2009 prior to the UN's Copenhagen conference. Our view is that it is very difficult for policy makers to address this and other highly complex issues without effectively engaging with citizens, who not only have a stake in the issues but can help shape solutions as well. During 2015/16 we decided to undertake a limited amount of work in this field, primarily around completing a Pan-European project using deliberative approaches to engaging small and medium sized businesses on climate issues.

Measures of Success

The key objectives for our programme areas are summarised above. Drawing on these objectives, our operating plan set out detailed targets and milestones for each of our programme areas. Details of what we achieved are set out below. We also developed, for 2015/16, a balanced scorecard for reporting to Trustees against our Mission, our People, our Finances and our Internal Processes.

Organisational arrangements

Involve does not undertake social investment nor do we give grants. We do not have any volunteers, but we do have a group of Associates who bring particular expertise or skills and with whom we work from time to time. Details of our staff, Trustees and Associates can be found on our website at <http://www.involve.org.uk/about-our-team/>. During the year seven new staff joined Involve and seven staff left to move on to new career opportunities. At 31 March 2016 we had 11 staff in post.

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Achievements and performance

In 2015/16 Involve continued to develop strongly as an organisation. We have grown our programmes in strategic areas, embedded our partnerships and gained increased influence at higher levels within government and civil society nationally and locally. Our achievements in our programme areas are outlined below.

In terms of our funding streams, there are significant challenges when contracting as a small charity with central government and its agencies and, despite the goodwill and good relationships involved, we are aware that there have been risks placed on the charity and its partners that we have had to handle due to the combination of tight delivery schedules and delays in financial approvals.

The successful delivery of work on participation with government and its agencies has been core to our funding for some time now. The current, difficult, public sector funding environment means that we have had to explore how we diversify our funding base. We are not alone in doing this, many other organisations are having to do the same. The difficulties are not simply those of reduced expenditure, but also often an inefficient government funding model which can hamper both our work and that of civil servants.

Open government

Our work on open government has had a very successful year, with demonstrable impacts as well as extending our influence and reputation.

In October 2015 we launched the Open Government Manifesto, the product of a ten-month process led by us to source the best open government ideas from citizens and civil society across the UK. In total 79 ideas were collected through face-to-face workshops and an online platform, which were prioritised into 28 proposed commitments for the UK's 2016-18 National Action Plan.

In July 2015 we co-launched the development of the UK's 2016-18 National Action Plan with the Cabinet Office, at an event facilitated by us and attended by ministers, government officials from across Whitehall and civil society organisations. This began a 10-month collaborative process of developing the action plan with stakeholders from the government and OGN.

The first version of the action plan was launched at the Prime Minister's Anti-Corruption Summit in May 2016. This plan contained thirteen stretching commitments aimed at improving the openness of governance of the UK, and committed to an ongoing process of developing and implementing open government reforms with civil society. In part due to our efforts, the ongoing development of this plan is taking place in partnership with the devolved nations of the UK.

In November 2015 we coordinated a response from the Open Government Network to the Freedom of Information Commission's Call for Evidence, which was signed by over 100 civil society organisations, ranging from national NGOs to local community groups. In its subsequent report the Commission recommended no significant changes to the Freedom of Information Act.

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As part of our commitment to evaluation, learning and improvement, each year our Trustees ask our key funders / commissioners for feedback. In respect of our work on open government, one of our key clients said: *"...the fact that the OGP community reacted so strongly, so strategically and in such a coordinated way (to the FOI Commission)... - that's a big example of where Involve's skills come together"*.

We were asked by the Cabinet Office to coordinate the next stage of their work on data sharing across government. The work has built on the experience of our innovations in bringing civil society groups and government together. As part of this work we proposed the idea of a civil society and academic Quality Assurance Group to assure the quality of the government's consultation analysis. The Minister approved this and it is the first time it has happened to the best of our knowledge.

We started work on a major project supporting a civic activism programme in Northern Ireland, commissioned by the Building Change Trust, which we are delivering in partnership with the Democratic Society. The programme is piloting the use of a range of public engagement methods by civil society organisations, on topics ranging from welfare reform to renewable energy. This draws on the civic activism toolkit that we previously developed for the Building Change Trust.

Our work on open government already brings in a significant proportion of Involve's income and we therefore did not set any additional fundraising targets for this programme for 2015/16. However, as outlined above, we secured a number of new commissions during the year.

Citizens and Science

The Sciencewise programme has had a very successful year. We trained over 500 civil servants on using and integrating public dialogue in their policy making. Evaluation of the training showed high levels of satisfaction amongst participants with the quality and relevance of the training, and an increased likelihood of participants using and recommending public dialogue in the future.

We successfully delivered a number of pilots of the Sounding Board, including one for the Committee on Climate Change and one for the Environment Agency on onshore oil and gas. This is a faster and lower cost way to convene a deliberative dialogue using an online platform. Feedback from policy makers and participants was very positive, as was evaluation of the pilot. A key policy maker said that the Sounding Board had been *"critical for the success of the Sciencewise programme as a whole"*.

The current Sciencewise programme came to its planned end in March 2016. The programme is expected to be re-commissioned by the sponsoring department (Business, Energy and Industrial Strategy) later in 2016.

Apart from the delivery of the Sciencewise contract, which is a significant proportion of Involve's income, we did not set additional fundraising targets for this programme in 2015/16.

NHS Citizen

During 2015 the NHS Citizen team prototyped the model for citizen participation in NHS decision making that had been developed in the previous design phase. Involve had the lead role for the Assembly, which took place on 25 November at the Excel Centre in London. The event was attended by over 250 citizens

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of a diverse profile over 70% of who had never attended an NHS England engagement event before, the NHS Citizen programme team and NHS England including the Board of Directors. The Assembly's agenda had been drawn up by a citizens' jury of 15 people (reflecting the England-wide demographic) from a long list that had been proposed by citizens through an open 'Gather' process over the summer.

Following the Assembly, the NHS Citizen team prepared a detailed learning report, drawing on the range of work carried out during 2015. This phase of the work on NHS Citizen came to an end early in 2016.

Apart from the delivery of NHS Citizen, which was a significant proportion of Involve's income, we did not set additional fundraising targets for this programme in 2015/16.

People and Politics

2015/16 has seen us build a range of new relationships, develop project ideas and deliver a number of important pieces of work. Early in the year we collaborated on the People InSpired project, a collaboration between Involve, the Association of English Cathedrals, the Cathedral Innovation Centre, and Theos. The project brought together people from local communities in Lichfield, Portsmouth, Manchester and Bradford to deliberate – using cathedrals as the venues - on how they would like our politics to change. Specifically, they considered how decision-making should work on the issues of most importance to them, such as HS2, inequality in Britain and social care. Their feedback and ideas informed questions to general election candidates at local hustings.

We delivered a workshop for young people in Parliament in January 2016 on the topic of political education. The workshop, run with Bite the Ballot on behalf of the Democratic Participation APPG, fed into an Education Select Committee Inquiry.

We have continued to receive a growing number of requests to join roundtables, give talks and comment on draft reports, reflecting our increasing profile in this area. Our blog post on '*9 steps to getting public engagement right*' had over 500 unique page views. Involve was credited in the Centre for Public Scrutiny's *Devo Why? Devo How?* report as having made a significant contribution to the ideas it contained.

We undertook some work for Newham Clinical Commissioning Group (CCG). We reviewed the CCG's Patient and Public Engagement strategy, working with a broad range of stakeholders to (a) assess what had taken place to-date, and (b) lay the foundations for a forthcoming strategy revision.

We set a challenging fundraising target for this programme in 2015/16 of £40,000. We secured about half of this during the year and also undertook a significant amount of work to lay the groundwork for substantive bids in 2016. This groundwork in building relationships and developing projects has, since year end, resulted in us receiving significant grant funding from the Wellcome Trust for a collaborative project on young people and mental health.

Scotland

Involve's Scotland office was established at the beginning of November 2015, when our new Scotland Engagement Lead took up post. Since then we have been busy building our profile and networks, and have already started to deliver some work, including for the Scottish government, and develop a number

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of project leads. In February 2016 we contributed to a cross-sectoral group brought together to design and deliver a one-day learning conference on Assets Based Workforce Development as part of the Scottish Government-led Skilled Worker Skilled Citizen programme.

We have been supporting the open government process in Scotland following Scotland being granted sub-national pioneers status by the Open Government Partnership.

This was a new programme area for us during the year and therefore we did not set fundraising targets. The programme (in common with all of our programmes) will have a fundraising target for 2016/17.

Climate change

In 2015/16 we completed work on a major European Commission-funded project, a collaboration between Involve, Leeds Beckett University, Aarhus University, University of Udine, Varna Economic Development Agency, The Global Alliance for Public Relations and Communications Management, The Foundation for European Initiatives and the University of Dubrovnik. The project piloted using deliberative engagement techniques to bring small and medium-sized businesses together, in different locations across Europe, to co-produce solutions to their climate change-related challenges. Involve had the lead role for the support and delivery of these pilots. The project was successfully delivered and the various outputs can be seen on the [project website](#).

We had aimed to secure an additional £40,000 of funding for this programme in 2015/16. A collaborative bid for a proportion of this was, unfortunately, not successful. Trustees reviewed our programmes during the year and – partly because of the challenges of securing funding for this area of work - decided to no longer have a designated climate change programme but rather to focus resources on our other programme areas.

Organisational arrangements

Trustees receive quarterly reports on progress against our programme objectives and operating plan. In addition, we trialled the use of a Balanced Scorecard in 2015/16 for reporting to Trustees on a range of indicators, including financial and organisational health. The Board has two sub-committees, one dealing with audit and finance and one covering HR and governance. The Audit and Finance sub-committee reviewed Involve's financial control systems to ensure that they continue to be robust, with sufficient checks and balances and clear oversight from Trustees. The HR and Governance sub-committee undertook a detailed review of the Board's skills, and this has informed our subsequent Trustee recruitment.

Reserves policy

At the start of 2015/16 we had two designated reserves: A Stability Fund (to support the organisation's resilience) and a New Investment Fund (formerly called the Thought Leadership Fund, the purpose of which was to support investment in new areas of work or thought leadership). Given the need to manage the transition to new sources of funding outlined above, in early 2016 Trustees agreed to undesignate and utilise the New Investment Fund. At 31 March 2016 we therefore had one reserve, the Stability Fund of £64,619.

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The purpose of the Stability Fund is to enable Involve to weather shocks and remain resilient and (if necessary) close down the organisation with honour. The level of the Stability Fund is purposely based on an assessment of business risks and a clear understanding of our contingent liabilities should the organisation become non-viable. This level has been set so as to maximise the use of general funds within the organisation whilst also ensuring that we can meet our obligations. Trustees keep the level of reserves under careful scrutiny, reviewing them on a 6-monthly basis and recalculating them as necessary.

Financial review

At 31 March 2016 Involve had total funds of £232,459 (2015: £234,426), of which £163,127 were general funds, with the balance being our Stability Fund of £64,619 and restricted funds of £4,712.

Involve's funding comes from a mix of programme grants and contracts. We receive no core funding and we therefore rely on ensuring a current and future pipeline of grants and contracts. We hold our Stability Fund in the CCLA, which is a charity fund manager that invests its clients' funds in various ways. Other than the CCLA account, Trustees have decided not to have other investments.

The current phases of two of our major programmes (Sciencewise and NHS Citizen) came to an end in March 2016. Anticipating this, we invested time from the third quarter onwards in fundraising. We have focused both on strategic business development as well as responding to tender opportunities. The funding environment has been challenging but we have been successful in handling this transition in our streams of funding, winning both contract work as well as securing new grant awards.

In January 2015 Trustees approved the introduction of a workplace pension scheme for staff, in advance of the statutory requirement for auto-enrolment. The scheme is a defined contribution scheme, administered by Aviva and invested ethically, to which Involve makes an employer's contribution. The scheme started operating in May 2015.

Going concern

In the opinion of the Trustees, Involve is a going concern. The funding environment has been challenging as we have moved into 2016, and it continues to be challenging. However, we have taken a number of robust steps to ensure that Involve is sustained and can continue to build on its track record of leadership and impact in delivering its charitable objectives. These steps include:

- Focusing strategically on securing new and replacement sources of funding since 2015. This is nothing new for Involve, and we have a very successful track record of generating programme funding through both grants and contracts. We have won a number of our recent funding bids and we have a very active funding pipeline through into 2017 and beyond. Involve has a strong reputation in our field of work, both nationally and internationally, and this reputation has been instrumental in securing our sources of funding.
- Carrying out detailed scenario planning which we update regularly. These plans are discussed with Trustees on a regular basis. The plans allow for scenarios where we reduce our staffing levels in order to sustain Involve, and include clear trigger points for decision-making by

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Trustees. The plans also account for how we will continue to properly deliver all of our on-going commitments.

- Well-established and highly active arrangements in place for forward planning on our cash flow, which allow us to prepare the detailed scenario plans referred to above, and robust risk management arrangements with clear oversight from Trustees.

Principal risks and uncertainties

Involve has a risk register which is actively managed by both the management team and by Trustees through the Audit and Finance Sub Committee. We also identify our programmatic risks, as part of developing our annual strategic plan, and these feed into our risk register. Our principal risks and uncertainties, and the steps we have been taking to manage them, are outlined below:

- **Short-term funding and liquidity** – this risk, and some of the ways in which we are managing it, have already been highlighted above in the reporting on financial review and going concern. In addition, we established a fundraising group which meets monthly to ensure that we are focusing on the right business development opportunities and we have significantly strengthened our pricing tools to ensure that we more consistently match our income to our costs.
- **Sustainable programme funding** – we have already highlighted this risk, and some of the mitigating actions, above. In addition, the fundraising group addresses this more strategic fundraising perspective, and Trustees have also undertaken strategic market analyses which have helped us to identify more sustainable routes to funding our programmes.
- **Staff capacity, both the risk of losing staff in the short term and capacity for managing growth and new opportunities** – We manage this risk in a number of ways: by paying careful attention to the way we manage staff and the way we support their development and career progression, by regularly reviewing capacity as part of our scenario planning, by working with our Associates and partnering with other organisations where appropriate, and as part of our strategic market analyses referred to above. Because of the type of organisation we are, Involve has a natural turnover of staff, particularly those who are in the early stages of their careers.

Plans for the future

Our programmatic strategies see the organisation building on the successes of Financial Year 2015-16 to focus on developing more relevant processes and mechanisms for engaging the public in complex policy and public service delivery, deepening our networks in key areas and building the capacity of citizens and civil society to engage.

The key focus of our organisational strategy, looking ahead, is to:

- develop multi-year programmatic funding streams;

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- strengthen further our organisational processes for monitoring finances and the quality of work delivered;
- raise Involve's profile as an expert and innovative public participation organisation; and
- To better communicate the impact of Involve's work.

Structure, governance and management

Involve is a charitable company limited by guarantee. It was incorporated on 9 January 2006 and registered as a charity on 1 April 2010. The Memorandum of Association establishes the objects and powers of the charitable company which is governed under its Articles of Association.

Involve has a Board of Trustees who meet quarterly and are responsible for the strategic direction, finances and policy of Involve. Our Articles of Association allows us to have up to 15 Trustees. At 31 March 2016 there were 10 Trustees, with a range of experience, skills and knowledge relevant to Involve's mission. The company Secretary (who is Involve's Director) also sits on the Board, but has no voting rights. Other staff also attend as required.

The Board has established two sub-committees: An Audit and Finance Sub-Committee and an HR and Governance Sub-Committee. The Audit and Finance Sub Committee is chaired by the Treasurer and meets quarterly, in advance of the Board meeting. The HR and Governance Sub Committee is chaired by the Board Chair and meets every six months.

Responsibility for the day to day management of the organisation is delegated to the Director and Deputy Director. The Director is supported by a Management Team, which comprises:

- Simon Burall, Director
- Amy Pollard, Deputy Director (whose position was covered during maternity leave by Clive Mitchell, Programme Manager)
- Faiza Khan, Programme Director (who left Involve in September 2016), and
- Tim Hughes, Programme Manager.

Recruitment and appointment of Trustees

The directors of the company are also charity Trustees for the purposes of charity law and under the company's articles are known as the Trustees. Trustees are appointed for an initial period of three years by resolution of the Trustees. This is renewable for a further term of three years. Trustees who have served six continuous years must leave and remain out of office for a period of one year unless the Trustees resolve that it is in the best interests of Involve for that person to continue to serve as a Trustee.

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Due to the nature of Involve's work, which is oriented to policy, research and practice, the Trustees have agreed that suitably experienced individuals are required to exercise adequate governance. Trustees identify potential new Board members through relevant networks and contacts and by open recruitment, followed by interview. When appointing new members, Trustees look for a commitment to Involve's mission and attempt to achieve a balance of skills and experience on the Board. Trustees have identified that we need to strengthen the diversity of our Board and will be addressing this in the next planned recruitment round.

Trustee induction and training

All new Trustees are provided with a pack of information about governance, management and the work of Involve. This pack includes key financial and governance documents. In addition, all new Trustees are encouraged to attend a short training session with the Director. The purpose of this session is to familiarise themselves with the charity, its purpose, structure, financing and activities, as well as the role of a Board member.

Related parties and relationships with other organisations

Involve is a small organisation and, although we have a strong set of skills and experiences amongst our staff and Associates, we partner with other organisations and individuals on a significant proportion of our work. This partnering includes work where we are the lead organisation in a partnership as well as sub-contracting by us or to us.

In 2015/16 we partnered, contracted or worked with the following organisations: The Democratic Society, Tavistock Institute of Human Relations, Public-i Ltd, The Open Government Partnership, The Cabinet Office, NHS England, The Scottish Government, Building Change Trust, Ricardo, The British Science Association, Andy Williamson (our Digital Engagement Associate), Edward Andersson (our European Associate), Penny Walker, Hally Ingram, Hopkins Van Mil, the Association of English Cathedrals, Theos, the Cathedral Innovation Centre, Mana Communications, Westminster University, The Danish Board of Technology Foundation, Leeds Beckett University, Aarhus University, University of Udine, Varna Economic Development Agency, The Global Alliance for Public Relations and Communications Management, The Foundation for European Initiatives, the University of Dubrovnik, the Omidyar Network.

Our principal funders in 2015/16 included: NHS England, The Department for Business, Innovation and Skills, Building Change Trust, Omidyar Network, The European Commission, and Newham Clinical Commissioning Group.

Remuneration policy for key management personnel

Involve's pay policy and the pay scales for its key management personnel are set and reviewed by Trustees on an annual basis. In 2015/16 this review was informed by a benchmarking exercise which compared our salary scales to similar posts in similar organisations. Involve has an established appraisal system which includes setting, and reviewing performance against, annual objectives. The Trustees approve any pay rises, within the agreed pay scales, following the annual appraisal. The Director is appraised by the Chair of Trustees.

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FOR THE YEAR ENDED 31 MARCH 2016

Statement of responsibilities of the Trustees

The Trustees (who are also directors of the charitable company for the purposes of company law) 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).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 operation.

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2016 was 10 (at 31 March 2015: 7). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Statement as to disclosure to our auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which The Involve Foundation's auditors are unaware; and

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- 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 auditors are aware of that information.

Goldwins limited were re-appointed as the auditors of The Involve Foundation during the year and have expressed their willingness to continue in that capacity.

The Trustees' annual report has been approved by the Trustees on **9 November 2016** and signed on their behalf by:


.....
Ed Mayo, Chair
.....
Estelle Rowe, Treasurer

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INDEPENDENT AUDITORS REPORT
FOR THE YEAR ENDED 31 MARCH 2016

We have audited the financial statements of the Involve Foundation for the year ended 31st March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, statement of cash flows and the related notes. The financial reporting framework that has been applied to their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' responsibilities statement, 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 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 misstatements, 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' Annual 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.

THE INVOLVE FOUNDATION
INDEPENDENT AUDITORS REPORT
FOR THE YEAR ENDED 31 MARCH 2016

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Anthony Epton

Anthony Epton (Senior Statutory Auditor)
for and on behalf of
Goldwins Limited
Statutory Auditor
Chartered Accountants
75 Maygrove Road
West Hampstead
London NW6 2EG

16 October 2016

THE INVOLVE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2016

	Note	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Income from:					
Donations and grants	3	13,305	1,076,885	1,090,190	1,073,428
Charitable activities:	4				
Embed		231,500	-	231,500	241,812
Innovate		11,668	-	11,668	5,433
Inspire		63,606	-	63,606	132,307
Other project		5,483	-	5,483	4,597
Investment income	5	519	-	519	127
Total incoming Resources		326,081	1,076,885	1,402,966	1,457,704
Expenditure on:					
Cost of raising funds	6	15,777	-	15,777	14,444
Charitable activities:	6				
Embed		157,240	-	157,240	48,054
Innovate		69,763	970,798	1,040,561	1,078,104
Inspire		52,768	129,088	181,856	161,212
Other Projects		9,499	-	9,499	7,725
Other costs		-	-	-	4,752
Total Resources expended	6	305,048	1,099,886	1,404,934	1,314,291
Net income/(expenditure) for the year	7	21,033	(23,001)	(1,968)	143,413
Transfers between funds		(12,065)	12,065	-	-
Net movement in funds	15	8,968	(10,936)	(1,968)	143,413
Reconciliation of funds:					
Total funds brought forward		218,778	15,648	234,426	91,013
Total funds carried forward		227,746	4,712	232,458	234,426

All of the above results are derived from continuing activities.
There were no other recognised gains or losses other than those stated above.
The attached notes form part of these financial statements.

THE INVOLVE FOUNDATION


BALANCE SHEET

AS AT 31 March 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets:					
Tangible assets	10		1,440		1,560
Current assets:					
Debtors	11	144,851		56,174	
Cash at bank and in hand		171,834		256,755	
		<u>316,685</u>		<u>312,929</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	<u>(85,667)</u>		<u>(80,063)</u>	
Net current assets / (liabilities)			<u>231,018</u>		<u>232,866</u>
Total assets less current liabilities			<u>232,458</u>		<u>234,426</u>
Net assets			<u>232,458</u>		<u>234,426</u>
Funds					
Restricted funds	15,16	4,712			15,648
Unrestricted funds:					
Designated Funds		64,619		65,000	
General funds		<u>163,127</u>		<u>153,778</u>	
Total unrestricted funds			<u>232,458</u>		<u>218,778</u>
Total funds			<u>232,458</u>		<u>234,426</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the trustees on **9 November 2016**
and signed on their behalf by:



Ed Mayo - Chair



Estelle Rowe - Treasurer

Company registration no. 5669443

The attached notes form part of the financial statements.

THE INVOLVE FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities:					
Net cash provided by / (used in) operating activities	17		(84,566)		7,115
Cash flows from investing activities:					
Bank interest		519		127	
(Purchase) of fixed assets		(873)		(1,003)	
Cash provided by / (used in) investing activities			(354)		(876)
Change in cash and cash equivalents in the year			(84,921)		6,239
Cash and cash equivalents at the beginning of the year			256,755		250,516
Cash and cash equivalents at the end of the year	18		171,834		256,755

THE INVOLVE FOUNDATION

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

1 Accounting policies

a) 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 - effective 1 January 2015) - (Charities SORP FRS 102) and the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 April 2014. No adjustment was required on transition date.

c) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise of costs incurred by charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

THE INVOLVE FOUNDATION

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

1 Accounting policies (continued)

i) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts artistic programmes and activities. The bases on which support costs have been allocated are set out in note 7.

j) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £100. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Computer equipment	33%
--------------------	-----

k) 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.

l) 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.

m) 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.

THE INVOLVE FOUNDATION

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

2 Detailed comparatives for the statement of financial activities

	2015 Unrestricted £	2015 Restricted £	2015 Total Funds £
Income from:			
Donations and grants	-	1,073,428	1,073,428
Income from Charitable activities:			
Embed	241,812	-	241,812
Innovate	5,433	-	5,433
Inspire	10,799	121,508	132,307
Other project	4,724	-	4,724
Total income	262,768	1,194,936	1,457,704
Expenditure on:			
Raising funds	14,444		14,444
Charitable activities:			
Embed	48,054	-	48,054
Innovate	4,676	1,073,428	1,078,104
Inspire	36,123	125,089	161,212
Other project	7,725	-	7,725
Other costs	4,752	-	4,752
Total expenditure	115,774	1,198,517	1,314,291
Net movement in funds	146,994	(3,581)	143,413
Total funds brought forward	71,784	19,229	91,013
Total funds carried forward	218,778	15,648	234,426

3 Income from donations

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Grants receivable	13,305	1,076,885	1,090,190	1,073,428
	<u>13,305</u>	<u>1,076,885</u>	<u>1,090,190</u>	<u>1,073,428</u>

THE INVOLVE FOUNDATION

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

4 Income from charitable activities

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Embed	231,500	-	231,500	241,812
Innovate	11,668	-	11,668	5,433
Inspire	63,606	-	63,606	132,307
Other Projects	5,483	-	5,483	4,597
	<u>312,258</u>	<u>-</u>	<u>312,258</u>	<u>384,149</u>

5 Income from investments

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Bank interest	519	-	519	127
	<u>519</u>	<u>-</u>	<u>519</u>	<u>127</u>

THE INVOLVE FOUNDATION

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

6 Analysis of expenditure

	Basis of allocation	Cost of raising funds £	Charitable activities				Support costs £	2016 Total £	2015 Total £
			Embed £	Innovate £	Inspire £	Other projects £			
Direct costs	Direct	99	6,708	788,944	51,394	1,733	-	848,879	903,681
Staff costs	Direct	15,678	56,803	82,496	45,056	2,413	256,957	459,403	337,823
Other staff costs	Staff time						22,613	22,613	8,086
Cost of premises	Staff time						18,042	18,042	15,251
Office & IT costs	Staff time						23,043	23,043	24,212
Other costs	Staff time						27,156	27,156	20,486
Trustees expenses	Staff time						1,234	1,234	1,237
Trustees meeting room Hire	Staff time						564	564	515
Audit	Staff time						4,000	4,000	3,000
		15,777	63,511	871,440	96,450	4,147	353,609	1,404,934	1,314,291
Support costs		-	105,741	159,981	82,949	4,938	(353,609)	-	-
Total expenditure 2016		15,777	169,252	1,031,421	179,399	9,084	-	1,404,934	1,314,291
Total expenditure 2015		14,444	49,475	1,080,254	162,327	7,791			

Of the total expenditure, £305,047 was unrestricted (2015: £115,774) and £1,099,886 was restricted (2015: £1,198,517).

THE INVOLVE FOUNDATION

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

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):	2016	2015
	£	£
Operating lease rentals:		
Depreciation	992	854
Auditor's remuneration:		
Independent examination	4,000	3,000

8 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	415,196	303,080
Social security costs	44,045	34,743
	<u>459,241</u>	<u>337,823</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the period was 1 (2015: nil).

The total employee benefits including pension contributions of the key management personnel were £152,951 (2015: £143,169). During the year there were no redundancy payments.

None of the trustees received or waived emoluments in the current or preceding year. During the year 5 trustees (2015: 4) were reimbursed for travel expenses of £1,234 (2015: £1,237). No payments were made direct to third parties on their behalf.

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2015	2014
	No.	No.
Raising funds	2	2
Charitable activities	14	8
Support	2	2
	<u>18</u>	<u>12</u>

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

THE INVOLVE FOUNDATION

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

10 Tangible fixed assets

	2016
	Computer & Office Equipment
	£
Cost	
At the start of the year	9,365
Additions in year	873
At the end of the year	<u>10,238</u>
Depreciation	
At the start of the year	7,805
Charge for the year	993
At the end of the year	<u>8,798</u>
Net book value	
At the end of the year	<u>1,440</u>
At the start of the year	<u>1,560</u>

All of the above assets are used for charitable purposes.

11 Debtors

	2016	2015
	£	£
Trade debtors	100,419	27,883
Other debtors	1,500	7,298
Prepayments	4,548	4,765
Accrued income	38,384	16,229
	<u>144,851</u>	<u>56,175</u>

12 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	10,920	29,913
Taxation and social security	36,784	26,499
Other creditors	1,150	645
Accruals	23,914	8,729
Deferred income	12,899	14,277
	<u>85,667</u>	<u>80,063</u>

13. Deferred income

	2016	2015
	£	£
Balance at the beginning of the year	14,277	38,088
Amount released to income in the year	(14,277)	(38,088)
Amount deferred in the year	12,899	14,277
Balance at the end of the year	<u>12,899</u>	<u>14,277</u>

Deferred income comprises membership subscriptions received in advance.

14 Analysis of net assets between funds

	General unrestricted	Restricted	Total funds
	£	£	£
Tangible fixed assets	1,440	-	1,440
Net current assets	226,306	4,712	231,018
Net assets at the end of the year	<u>227,746</u>	<u>4,712</u>	<u>232,458</u>

THE INVOLVE FOUNDATION

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

15 Movement in Funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers between funds £	At the end of the year £
Restricted Funds					
Inspire					
Omidyar UK Open Government Partnership	15,648	78,770	89,706	-	4,712
European Commission Engage 2020	-	28,552	39,382	10,830	-
Innovate					
NHSE Citizen Assembly	-	969,563	970,798	1,235	-
Total Restricted Funds	15,648	1,076,885	1,099,886	12,065	4,712
Unrestricted Funds					
Designated Funds					
Stability Fund	35,000	-	-	29,619	64,619
New Investments Fund	30,000	-	-	(30,000)	-
General Funds	153,778	326,081	305,048	(11,684)	163,127
Total Unrestricted Funds	218,778	326,081	305,048	(12,065)	227,746
Total Funds	234,426	1,402,966	1,404,935	-	232,458

16 Designated Funds

The Trustees continue to designate their Unrestricted Funds into a Stability Fund, increasing the funds from £35K to £64.6K. The purpose of this fund is to build up a reserve to cover for unexpected funding gaps. £35,000 represents one and half months of Involve's support costs.

The Trustees ceased to designate £30,000 of their Unrestricted Funds into New Investments Fund (formerly called the Thought Leadership Fund) on 22 February 2016. The purpose of this fund was to support investment in new areas of work or thought leadership.

THE INVOLVE FOUNDATION

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

17	Reconciliation of net income / (expenditure) to net cash flow from operating activities	2016 £	2015 £
	Net (expenditure) / income for the reporting period (as per the statement of financial activities)	(1,968)	143,413
	Depreciation	993	854
	Bank interest income	(519)	(127)
	(Increase) in debtors	(88,677)	(31,333)
	(Decrease) in creditors	5,604	(105,692)
	Net cash provided by / (used in) operating activities	(84,566)	7,115

18	Analysis of cash and cash equivalents	At 1 April 2015 £	Cash flows £	At 31 March 2016 £
	Cash at bank and in hand	256,755	(84,921)	171,834
	Total cash and cash equivalents	256,755	(84,921)	171,834

19 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

20 Related party transactions

There are no related party transactions to disclose for the year (2015: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. There is no balance due to/ from related parties at the end of the