

Company no. 5669443
Charity no. 1130568

The Involve Foundation
Report and Unaudited Financial
Statements
31 March 2018

The Involve Foundation

Reference and administrative details

For the year ended 31 March 2018

Company number	5669443
Charity number	1130568
Registered office and operational address	18 Victoria Park Square London E2 9PF
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Jessica Greenhalf Ed Mayo Julie Mellor (appointed 11 April 2017) Patrick Middleton Golam Morshed (appointed 9 November 2017) Estelle Rowe (resigned 9 November 2017) Paul Skidmore Jack Stilgoe Catarina Tully
Company secretary	Tim Hughes
Key management personnel	Tim Hughes (Director) Clive Mitchell (Head of Operations)
Bankers	Unity Trust Bank 9 Brindley Place Birmingham B1 2HB CCLA Senator House 85 Queen Victoria Street London EC4V 4ET
Independent examiners	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD

The Involve Foundation

Report of the trustees

For the year ended 31 March 2018

The trustees, who are also directors under company law, present their report and financial statements for the year ended 31 March 2018.

The reference and administrative information set out on page 1 forms part of this report. 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 (effective from January 2015).

1. Objectives, activities, achievements and performance

2017/18 has been the first full year of Involve's new organisational strategy. The strategy covers three areas:

- **Agenda setting** - responding to the current political context and setting out a vision for an open, participatory and deliberative democracy, and how to get there;
- **Coalition building** - building, supporting and coordinating broad, unexpected and powerful coalitions of allies to shape and advocate for a new vision for democracy; and
- **Participation practice** - supporting world class public participation practice and research, particularly where it can be used to build the case and pressure for wider change.

The strategy supports our core charitable objectives, which are:

- To advance education for the public benefit in methods and processes of public participation and
- 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.

Highlights of our work and our achievements in 2017/18:

Citizens' Assembly on Brexit

Involve designed and led the Citizens' Assembly on Brexit, a collaboration between Involve, University College London's Constitution Unit, University of Westminster's Centre for the Study of Democracy, the University of Southampton, and the Electoral Reform Society. The project — part of the ESRC-funded UK in a Changing Europe initiative — brought together 50 members of the public (broadly representative of the UK population, including how they voted in the Brexit referendum) over two weekends in September 2017. The assembly deliberated and voted on the form they thought Brexit should take. You can read more about the assembly's findings [here](#). This work has made an important contribution to our strategic objective of creating a vision for a better democracy, using world-class participation practice. Involve also led on advocating the Assembly's outcomes, including subsequent engagement with MPs.

Young people and mental health

Following a successful pilot in 2016/17, we have been running our innovative MH:2K programme in four areas across England, in collaboration with Leaders Unlocked. MH:2K empowers 14-25 year olds to identify the mental health issues that they see as most important, engage their peers, and work with local decision-makers to make recommendations for change. The programme is funded by the Wellcome Trust and the four participating areas (Birmingham, Central Lancashire, North Tyneside, and Nottingham and Nottinghamshire). You can read more about MH:2K [here](#).

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Report of the trustees

For the year ended 31 March 2018

Open Government

Since 2012 involve has coordinated the UK's Open Government Network (OGN). The OGN's focus in 2017 was on the implementation of the UK's third open government action plan, working with ministers and civil servants. Our focus in 2018 has been on coordinating civil society input to the UK's fourth open government action plan, due to be launched in July 2018. Our work with the OGN is an important part of our coalition building strategy. It has been generously funded by the David and Elaine Potter Foundation, the Big Lottery Fund, and Nesta.

Sciencewise

Involve was commissioned by the Department for Business, Energy and Industrial Strategy in 2017 to support delivery of the next phase of the Sciencewise programme (we had previously co-led the first phase of Sciencewise). Our role includes: the provision of independent quality assurance; developing and strengthening the existing and highly valued Dialogue and Engagement Specialist network; leading the development of innovative public engagement tools; and building capacity within government to commission high-quality public dialogues that have impact. The programme is in the process of transitioning from being managed by BEIS to being managed by UK Research and Innovation.

Data sharing and public benefit

Over the last year we have been working with Carnegie UK Trust and Understanding Patient Data to try to build a more robust definition of how stakeholders define the public benefit derived from sharing personal data between different government organisations. The report from the project was published in April 2018, and included a framework for assessing data-sharing proposals. There is considerable interest from the local authorities which took part in the first phase to test this framework with the public as a way of building a sustainable conversation with local communities about data sharing and public services. We have support from Carnegie UK Trust to develop this next phase of the work.

Consumer participation – Collaborative Economy

Involve was commissioned by the Scottish Government to design and deliver public engagement workshops to inform the work of the Scottish Expert Advisory Panel on the Collaborative Economy. 50 members of the public took part in the workshops (28 in Edinburgh and 22 in Glasgow), with each group recruited to be a mini-public representative of each city. The workshops explored public perspectives on some of the Panel's emerging conclusions. The findings of the workshops were presented to the Panel in October 2017 and our [report](#) was published with the papers from this meeting. The Panel's final [report](#), published in November 2017, reflected many of the conclusions drawn in the workshops.

Strengthening Consumer Voices in the Energy Network Sector

Citizens Advice commissioned Involve to carry out research into strengthening consumer voice in the energy network sector. Underpinned by a detailed analysis of current practice, our work identified best practice, to inspire future innovation, and made recommendations to energy companies, Citizens Advice, and the regulator (Ofgem) for strengthening the impact of consumer engagement. Our [report](#) was influential in informing Citizen's Advice's response to Ofgem's recent consultation on price control structures, and clearly underpins their own briefing [paper](#) 'Strengthening the voice of consumers in energy networks' business planning, published in May 2018.

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Report of the trustees

For the year ended 31 March 2018

Engaging consumers in energy, water and post

We completed our work for the Consumer Futures Unit (part of Citizens Advice Scotland) on deliberative engagement of consumers with live policy issues in three sectors: energy, water, and postal services. The work was carried out in partnership with Ipsos MORI Scotland. In commissioning the work, the Consumer Futures Unit wanted to establish the merits of using deliberative approaches in engaging consumers, as opposed to more traditional forms of consultation. The reports produced from this work have directly informed the CFU's Insight Reports for each strand of the project: Untapped Potential: Consumer views on water policy, Warming Scotland up to Energy Efficiency: Putting Consumers First, Keeping communities connected: consumer views on Post Office Outreach services. We were also invited to give a keynote speech at the CFU's annual Consumers First: Policy and Practice in Energy, Post and Water conference in February 2018.

Prison reform

Involve worked with four prisons in the north east of England, to support them to become more open and transparent organisations. The underlying principle behind this work is that the men in the prisons will be better supported to lead more productive lives if the prisons work more effectively with partner organisations and the communities to which the men will return to live and work. The work was part of the Ministry of Justice's Reform Prisons programme, and was grant-funded by the MoJ. The work focused on developing more open and accountable forms of decision making, supporting prison staff to be more confident in listening actively to wider community perspectives, and strengthening partnership working between the prisons and other local agencies (including civil society). We had positive feedback from the prisons: *"Involve have been really good critical friends in supporting us to take small and appropriate steps, as well as helping deliver some tangible products. We are confident that the work Involve has done with us will contribute to helping us achieve better outcomes for the men in our prisons"*.

Political parties – ESRC-funded project

Political parties have been suffering from a long-term decline in membership and active participation of the public in their activities. Involve supported Sheffield University to run a series of deliberative workshops with members of the public, to explore what role they think parties should be playing in democracy and what parties could do to make it more likely that people would either join them or become more active.

Canal and River Trust

We were commissioned by the Canal and River Trust to help inform their review of boat licensing. Working with Involve Associate Diane Beddoes, we designed an iterative process, starting with scoping interviews with boating organisations. The findings from the scoping stage were used to design a series of workshops, which in turn shaped the Trust's wider online consultation on its licensing review. The Trust used the outcomes from the consultation to announce a different approach to licensing, one that is intended to be fairer and more straightforward.

Organisational rebrand

In light of our new strategy, we have been working on a new look and feel to the organisation that better communicates our values and purpose. We have developed an exciting new visual identity for Involve that is authentic, pragmatic, friendly, and quietly radical. We have also been developing a new website, which will be a unique resource for public participation materials and help us build understanding and support for our mission.

The Involve Foundation

Report of the trustees

For the year ended 31 March 2018

2. Financial review

2017/18 has been a successful year in terms of our funding. We were recommissioned by the Department of Business, Energy & Industrial Strategy to lead the next phase of the Sciencewise programme. Our successful MH:2K pilot in 2016 was followed in 2017 with funding to deliver an expanded programme in four areas across England. Other significant funding included major collaborative projects in Scotland, on Brexit, and on data for public benefit; work for the Canal and River Trust, and our on-going work coordinating the Open Government Network.

At 31 March 2018 Involve had total funds of £210,650 (2017: £163,333), of which £57,886 were general funds, with the balance being our designated fund of £40,307 and restricted funds of £112,457. Historically, Involve's funding has come from a mix of grants and contracts, with little or no core funding. We normally, therefore, rely on ensuring a current and future pipeline of grants and contracts. We were, however, successful in applying to Joseph Rowntree Charitable Trust for an unrestricted core-funding grant in 2017. This grant (£60,000 for a period of 18 months) will be used to help deliver our 5-year strategy.

The funding environment continues to be volatile. Whilst our total income in 2017/18 was £744,536, this contrasts with total income the previous year of £410,457. The increase reflects significant new and expanded work in a number of areas, however most of our funding is still project or programme based and hence also time-limited. Looking ahead to the future, our strategy is to re-balance our sources of funding and generate a higher proportion of core funding. This will help us to sustain focus on our strategic goals.

Reserves policy

Involve has one designated fund, which we hold as a reserve. At 31 March 2018, this fund held £40,307. We hold this in a deposit account with 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 any investments.

The purpose of the designated fund is to enable Involve to weather shocks and remain resilient, and (if necessary) close the organisation with honour. The level of this fund has been set to maximise the use of general funds within the organisation whilst also ensuring that we can meet our obligations and liabilities. Trustees keep the level of reserves under review. Given our current liabilities (e.g. increased level of staffing), trustees recently (May 2018) approved a rise in the level of our reserve. Trustees have identified that, over the longer term, Involve should move towards holding a higher level of reserves.

Going concern

In the opinion of the trustees, Involve is a going concern. Following significant financial pressures in 2016/17, trustees took action to ensure financial stability, as set out in our 2016/17 trustees' report. We have been successful this year with fundraising. We have also continued to manage our core costs, for example by employing additional staff on a temporary basis to manage peaks in demand.

Looking ahead, we have recently secured commissions and grant funding to undertake some major deliberative democracy projects in 2018/19: a citizens' assembly on social care funding, a citizens' assembly for Northern Ireland, and dialogues on artificial intelligence. We have a pipeline of potential funding and we continue to actively seek both consultancy and grant funding. Involve has a long-standing and successful track record of securing income to deliver our charitable objectives.

The Involve Foundation

Report of the trustees

For the year ended 31 March 2018

3. Principal risks and uncertainties

Involve has a risk register which is actively managed by both the management team and by trustees. Trustees focus on strategic risks, and the management team take responsibility for operational risks. Our principal risks and uncertainties, and the steps we take to manage them, are outlined below.

- **Sustainable funding** – Our 5-year organisational strategy, adopted last year, requires us to work in some new ways. It also implies a shift in our sources of funding, with more core funding and less ad hoc, reactive funding. We are making progress with these transitions, including a new staff structure and appointments to these new roles, and our successful application in 2017 for a core-funding grant. We have also been successful in attracting some significant grant funding to deliver projects that are on strategy. As a result, we can choose which pieces of tendered work we go for in terms of their strategic fit. In 2018/19 we will continue to focus on attracting more core funding.
- **Ensuring impact** – Our new strategy is built around the need for systemic change in the UK's democracy. We need to be able to understand the impact our work is having in helping to make this change happen, and so we need meaningful ways to evaluate this. We continue to develop our theories of change and are developing a comprehensive evaluation and learning strategy.
- **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 several 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 and matching this to opportunities, by making temporary appointments to manage peaks in demand, and by working with our associates and partnering with other organisations where appropriate.

4. Plans for the future

We continue to invest in delivering our new strategy. We have appointed new staff, including a Network Lead and a Parliamentary and Political Lead, and we are currently re-branding Involve.

Building on the success of the Citizens' Assembly on Brexit, we have been commissioned by two parliamentary select committees (the Health and Social Care Select Committee, and the Housing, Communities and Local Government Select Committee – and co-funded by the Esmée Fairbairn Foundation and the Omidyar Network) to run a Citizens' Assembly on Social Care. The Assembly has considered the question of how adult social care in England should be funded long term, and the Assembly's recommendations are feeding in to the committees' joint review into social care. This is the first time that the UK Parliament has commissioned a citizens' assembly.

We have been funded by the Building Change Trust and Community Foundation for Northern Ireland to deliver a pilot citizens' assembly in Northern Ireland in 2018. This is a major initiative, and was recently commented upon in the May 2018 report of Parliament's Northern Ireland Affairs Committee, "Devolution and democracy in Northern Ireland – dealing with the deficit". The Committee said:

"Citizens' Assemblies remain one option to increase civic engagement at a time where citizens are becoming increasingly dissatisfied with Northern Ireland's politics. We look forward to the publication of the pilot study to see whether it would be a suitable forum for Northern Ireland".

The Involve Foundation

Report of the trustees

For the year ended 31 March 2018

5. 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 15 July 2009. 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 2018 there were 8 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 the Board as required. The Board has one sub-committee, a Finance and Audit Sub-Committee, chaired by the Treasurer, which meets quarterly in advance of the Board meeting. The Board has considered its work in the context of the new small charities code of governance.

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

- Tim Hughes, Director
- Clive Mitchell, Head of Operations
- Sarah Allan, Head of Engagement
- Kaela Scott, Head of Democratic Innovation

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.

Due to the nature of Involve's work, which is oriented towards participation, democratic practice and building capacity, 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 had identified that we need to continue to strengthen the diversity of our Board.

During 2017/18, Estelle Rowe (our previous Treasurer) resigned from the Board. Two new trustees joined the Board, Dame Julie Mellor and Golam Morshed (our new Treasurer).

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 attend a short training session with the Director or Head of Operations. The purpose of this session is to familiarise them with the charity, its purpose, structure, financing and activities, as well as the role of a Board member.

The Involve Foundation

Report of the trustees

For the year ended 31 March 2018

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 subcontracting by us or to us.

A full list of our funders in 2017/18, and details of our Associates and partner organisations, is available on our website: www.involve.org.uk.

Involve has an established conflicts of interest policy for trustees. Trustees, and senior management staff, are required to complete an annual declaration of interests. Declaring interests is a standing item at the start of all Board and committee meeting agendas. The policy outlines how any interests are then handled at the meeting, guided by the overall principle that trustees should not be able to unduly influence decision-making on issues where they have an interest. Note 16 in the attached notes to the financial statements provides details of related party transactions.

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. We have been reviewing our appraisal system and will be introducing a new system in 2018/19. Pay rises are normally considered on an annual basis, at financial year end, and any rises are approved by trustees. The Director is appraised by the Chair of trustees.

Statement of responsibilities of the trustees

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those 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 accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The trustees confirm that to the best of their knowledge there is no information relevant to the examination of which the independent examiners are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant examination information and that this information has been communicated to the independent examiners.

The Involve Foundation

Report of the trustees

For the year ended 31 March 2018

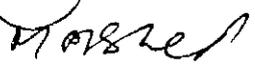
Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Independent examiners

Godfrey Wilson Limited were re-appointed as independent examiners to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 13 September 2018 and signed on their behalf by


Ed Mayo - Chair


Golam Morshed, Treasurer

Independent examiner's report

To the trustees of

The Involve Foundation

I report to the trustees on my examination of the accounts of The Involve Foundation (the charitable company) for the year ended 31 March 2018, which are set out on pages 11 to 24.

Responsibilities and basis of report

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

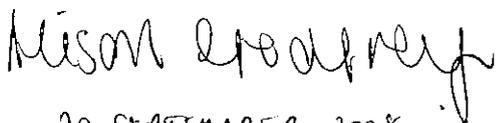
Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Date: 20 SEPTEMBER 2018

Allison Godfrey FCA

Member of the ICAEW

For and on behalf of:

Godfrey Wilson Limited

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

The Involve Foundation

Statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 March 2018

	Note	Restricted £	Unrestricted £	2018 Total £	2017 Total £
Income from:					
Donations		-	100	100	-
Charitable activities	3	314,639	429,702	744,341	410,181
Investments		-	95	95	276
Total income		<u>314,639</u>	<u>429,897</u>	<u>744,536</u>	<u>410,457</u>
Expenditure on:					
Raising funds		-	55,116	55,116	39,912
Charitable activities		295,510	346,593	642,103	439,670
Total expenditure	5	<u>295,510</u>	<u>401,709</u>	<u>697,219</u>	<u>479,582</u>
Net income / (expenditure)		19,129	28,188	47,317	(69,125)
Transfers between funds		3,470	(3,470)	-	-
Net movement in funds	6	22,599	24,718	47,317	(69,125)
Reconciliation of funds:					
Total funds brought forward		89,858	73,475	163,333	232,458
Total funds carried forward		<u>112,457</u>	<u>98,193</u>	<u>210,650</u>	<u>163,333</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 14 to the accounts.

The Involve Foundation

Balance sheet

As at 31 March 2018

	Note	£	2018 £	2017 £
Fixed assets				
Tangible assets	9		-	157
Current assets				
Debtors	10	148,204		75,478
Cash at bank and in hand		<u>152,104</u>		<u>150,064</u>
		300,308		225,542
Liabilities				
Creditors: amounts falling due within 1 year	11	<u>(89,658)</u>		<u>(62,366)</u>
Net current assets			<u>210,650</u>	<u>163,176</u>
Net assets	13		<u>210,650</u>	<u>163,333</u>
Funds				
Restricted funds	14		112,457	89,858
Unrestricted funds				
Designated funds			40,307	40,211
General funds			<u>57,886</u>	<u>33,264</u>
Total charity funds			<u>210,650</u>	<u>163,333</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the Company keeps proper accounting records which comply with section 386 of the Act; and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 13 September 2018 and signed on their behalf by

Ed Mayo - Chair

The Involve Foundation

Statement of cash flows

For the year ended 31 March 2018

	2018	2017
	£	£
Cash used in operating activities:		
Net movement in funds	47,317	(69,125)
<i>Adjustments for:</i>		
Depreciation charges	157	957
Loss / (gain) on disposal of asset	-	326
Dividends, interest and rents from investments	(95)	(276)
Decrease / (increase) in debtors	(72,726)	69,373
Increase / (decrease) in creditors	<u>27,292</u>	<u>(23,301)</u>
Net cash provided by / (used in) operating activities	<u>1,945</u>	<u>(22,046)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	<u>95</u>	<u>276</u>
Net cash provided by / (used in) investing activities	<u>95</u>	<u>276</u>
Increase / (decrease) In cash and cash equivalents in the year	2,040	(21,770)
Cash and cash equivalents at the beginning of the year	<u>150,064</u>	<u>171,834</u>
Cash and cash equivalents at the end of the year	<u><u>152,104</u></u>	<u><u>150,064</u></u>

The Involve Foundation

Notes to the financial statements

For the year ended 31 March 2018

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 in 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)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Involve Foundation 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 note(s).

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

c) Income

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

Income from the 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 of provision of consultancy services is deferred until criteria for income recognition are met.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) 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.

The Involve Foundation

Notes to the financial statements

For the year ended 31 March 2018

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the 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.

g) 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.

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

h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the following basis, which is an estimate of staff time spent on activities:

Raising funds	16.6%
Charitable activities	83.4%

i) Tangible fixed assets

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 and office equipment	3 years straight line basis
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j) 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.

k) 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.

l) Creditors

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

m) Financial instruments

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

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Notes to the financial statements

For the year ended 31 March 2018

n) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

o) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

2. Prior period comparatives

	Restricted £	Unrestricted £	2017 Total £
Income from:			
Charitable activities	160,220	249,961	410,181
Investments	-	276	276
Total income	160,220	250,237	410,457
Expenditure on:			
Raising funds	-	39,912	39,912
Charitable activities	75,074	364,596	439,670
Total expenditure	75,074	404,508	479,582
Net income / (expenditure)	85,146	(154,271)	(69,125)
Transfers between funds	-	-	-
Net movement In funds	85,146	(154,271)	(69,125)

3. Income from charitable activities

	Restricted £	Unrestricted £	2018 Total £	2017 Total £
Grant income*	314,639	30,000	344,639	203,376
Consulting income	-	397,535	397,535	206,348
Training	-	2,167	2,167	457
Total income from charitable activities	314,639	429,702	744,341	410,181

* The unrestricted grant income of £30k is funding received from the Joseph Rowntree Charitable Trust as a contribution to core costs.

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Notes to the financial statements

For the year ended 31 March 2018

4. Government grants

The charitable company receives government grants, defined as funding from NHS trusts, local authorities and government departments to fund charitable activities. The total value of such grants in the period ending 31 March 2018 was £78,000 (2017: £90,787). There are no unfulfilled conditions or contingencies attaching to these grants.

5. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2018 Total £	2017 Total £
Direct costs	-	233,759	-	233,759	83,330
Grants payable	-	86,254	-	86,254	-
Staff costs (note 7)	19,883	154,684	126,755	301,322	330,587
Other staff costs	-	-	648	648	2,118
Premises costs	-	-	14,593	14,593	22,678
Office and IT costs	-	-	23,294	23,294	11,163
Other costs	1,817	-	32,620	34,437	26,897
Governance costs	-	-	337	337	1,309
Independent examination	-	-	2,575	2,575	1,500
Sub-total	21,700	474,697	200,822	697,219	479,582
Allocation of support and governance costs	33,416	167,406	(200,822)	-	-
Total expenditure	55,116	642,103	-	697,219	479,582

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Notes to the financial statements

For the year ended 31 March 2018

6. Net movement in funds

This is stated after charging:

	2018	2017
	£	£
Depreciation	157	957
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	176	416
Independent examiner's remuneration:		
▪ Over-accrued audit fees for 2015/16	-	(1,000)
▪ Independent examination (excluding VAT)	2,575	2,500
▪ Other services	5,998	-
	<u>5,998</u>	<u>-</u>

Trustees' reimbursed expenses relate to payments made to 1 (2017: 3) trustee for reimbursed travel expenses.

7. Staff costs and numbers

Staff costs were as follows:

	2018	2017
	£	£
Salaries and wages	267,258	295,538
Social security costs	24,506	28,090
Pension costs	9,558	6,959
	<u>301,322</u>	<u>330,587</u>

No employee earned more than £60,000 during the year.

The key management personnel of the charitable company comprise the Director and Operations Manager. The total employee benefits including pension contributions of the key management personnel were £72,076 (2017: £109,027).

The average number of employees during the year was as follows:

	2018	2017
	No.	No.
Average head count	<u>8.30</u>	<u>9.40</u>

8. Taxation

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

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Notes to the financial statements

For the year ended 31 March 2018

9. Tangible fixed assets

	Computer and office equipment £
Cost	
At 1 April 2017 and 31 March 2018	<u>2,746</u>
Depreciation	
At 1 April 2017	2,589
Charge for the year	<u>157</u>
At 31 March 2018	<u>2,746</u>
Net book value	
At 31 March 2018	<u>-</u>
At 31 March 2017	<u>157</u>

10. Debtors

	2018 £	2017 £
Trade debtors	124,702	43,467
Prepayments	19,495	1,792
Accrued income	4,007	28,719
Other debtors	-	1,500
	<u>148,204</u>	<u>75,478</u>

11. Creditors : amounts due within 1 year

	2018 £	2017 £
Trade creditors	3,432	7,908
Accruals	42,069	23,296
Other taxation and social security	31,618	13,734
Deferred income (see note 12)	8,724	11,578
Other creditors	3,815	5,850
	<u>89,658</u>	<u>62,366</u>

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For the year ended 31 March 2018

12. Deferred income

	2018 £	2017 £
At 1 April 2017	11,578	12,899
Released during the year	(11,578)	(12,899)
Deferred during the year	<u>8,724</u>	<u>11,578</u>
At 31 March 2018	<u><u>8,724</u></u>	<u><u>11,578</u></u>

Deferred income comprises consultancy income received in advance of work being delivered.

13. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	-	-
Net current assets	<u>112,457</u>	<u>98,193</u>	<u>210,650</u>
Net assets at 31 March 2018	<u><u>112,457</u></u>	<u><u>98,193</u></u>	<u><u>210,650</u></u>
Prior period comparatives			
	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	157	157
Net current assets	<u>89,858</u>	<u>73,318</u>	<u>163,176</u>
Net assets at 31 March 2017	<u><u>89,858</u></u>	<u><u>73,475</u></u>	<u><u>163,333</u></u>

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Notes to the financial statements

For the year ended 31 March 2018

14. Movements in funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2018 £
Restricted funds					
Nesta Open Government Network	3,037	-	(3,037)	-	-
Potter Open Government Network	13,500	-	(18,775)	5,275	-
Wellcome Young People and Mental Health	10,657	3,866	(18,992)	4,469	-
Ministry of Justice - Teeside Reform Prisons	60,938	-	(38,472)	(18,300)	4,166
Big Lottery Fund (via Scottish Council for Voluntary Organisations)	1,726	35,464	(49,216)	12,026	-
MH:2K Mental Health Project - Round 2	-	227,157	(154,174)	-	72,983
The Building Change Trust - Deliberative Democracy Training	-	4,500	(234)	-	4,266
The Building Change Trust - Assembly for Northern Ireland	-	40,500	(9,458)	-	31,042
Citizens Assembly on Social Care	-	3,152	(3,152)	-	-
Total restricted funds	89,858	314,639	(295,510)	3,470	112,457
Unrestricted funds					
<i>Designated funds:</i>					
Stability fund	40,211	96	-	-	40,307
<i>Total designated funds</i>	<i>40,211</i>	<i>96</i>	<i>-</i>	<i>-</i>	<i>40,307</i>
General funds	33,264	429,801	(401,709)	(3,470)	57,886
Total unrestricted funds	73,475	429,897	(401,709)	(3,470)	98,193
Total funds	163,333	744,536	(697,219)	-	210,650

Transfers between funds

Transfers made from general funds serve the purpose of covering overspend from restricted funds.

The transfer made from the Ministry of Justice - Teeside Reform Prisons restricted fund is due to an under-allocation of eligible staff time and overheads in the prior year in order to fairly state the balance at 31 March 2018.

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For the year ended 31 March 2018

14. Movements in funds (continued)

Purposes of restricted funds

Nesta Open Government Network	This was a grant to support the development and coordination of the UK Open Government Network from September 2016 to August 2017.
Potter Open Government Network	This was a grant to audit the openness of UK government and agree the advocacy priorities of the Open Government Network.
Wellcome Young People and Mental Health	The MH:2K pilot project has developed an innovative, youth-led model for influencing research and decision-making around youth mental health prevention, support and services.
Ministry of Justice - Teeside Reform Prisons	This Ministry of Justice-funded project has enabled us to work with two Reform Prisons in North East England, to support them to become more open and accountable organisations.
Big Lottery Fund (via Scottish Council for Voluntary Organisations)	This was a grant, in partnership with the Scottish Council for Voluntary Organisations, Welsh Council for Voluntary Action and Northern Ireland Environment Link, to build the capacity of citizens and civil society across the United Kingdom to contribute and input to policy-making and service delivery in progressing the UN Sustainable Development Goals (SDGs).
MH:2K Mental Health Project - Round 2	An innovative, youth-led approach to influencing decision-making around youth mental health prevention, support and services, in four areas in England.
The Building Change Trust - Deliberative Democracy Training	Delivery of training on deliberative public engagement for public sector and civil society organisations in Northern Ireland.
The Building Change Trust - Citizens' Assembly for Northern Ireland	The Citizens' Assembly for Northern Ireland will put Northern Irish citizens at the heart of decision making on an important regional issue. The Assembly will consist of 50 to 100 citizens selected to be broadly representative of the Northern Irish population. It will meet over two weekends in Autumn 2018 to consider and give recommendations on an issue of regional significance (to be selected in due course).
Citizens Assembly on Social Care	An assembly of just under 50 English citizens, selected to be representative of the broader population, which considered the best way to sustainably fund adult social care in England in the long term.
Purposes of designated funds	
Stability fund	This fund enables Involve, if necessary, to close down the organisation in an orderly and honourable manner.

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Notes to the financial statements

For the year ended 31 March 2018

14. Movements in funds (continued)
Prior period comparatives

	At 1 April 2016 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2017 £
Restricted funds					
Omidyar UK Open Government Partnership	4,712	12,899	(17,611)	-	-
NHS Citizen	-	168	(168)	-	-
Nesta Open Government Network	-	8,000	(4,963)	-	3,037
Potter Open Government Network	-	13,500	-	-	13,500
UK Civil Society Engagement	-	1,000	(1,000)	-	-
Wellcome Young People and Mental Health	-	34,795	(24,138)	-	10,657
Ministry of Justice - Teeside Reform Prisons	-	80,618	(19,680)	-	60,938
Big Lottery Fund (via Scottish Council for Voluntary Organisations)	-	9,240	(7,514)	-	1,726
Total restricted funds	4,712	160,220	(75,074)	-	89,858
Unrestricted funds					
<i>Designated funds:</i>					
Stability fund	64,619	-	-	(24,408)	40,211
<i>Total designated funds</i>	<i>64,619</i>	<i>-</i>	<i>-</i>	<i>(24,408)</i>	<i>40,211</i>
General funds	163,127	250,237	(404,508)	24,408	33,264
Total unrestricted funds	227,746	250,237	(404,508)	-	73,475
Total funds	232,458	410,457	(479,582)	-	163,333

15. Operating lease commitments

The charity had operating leases at the year end with total future minimum lease payments as follows:

	2018 £	2017 £
Amount falling due:		
Within 1 year	-	6,000
Within 1 - 5 years	-	-
	<u>-</u>	<u>6,000</u>

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Notes to the financial statements

For the year ended 31 March 2018

16. Related party transactions

Transactions with trustees

Julie Mellor, trustee, is also a trustee of NESTA, from whom Involve received £nil (2017: £8,000) in the financial year ending 31 March 2018.

Julie Mellor, trustee, is also a trustee of The Young Foundation, from whom Involve started renting office space during the financial year ending 31 March 2018. During the year, Involve paid for goods and services from The Young Foundation amounting to £16 (2017: £nil) and has accrued expenditure amounting to £10,113 (2017: £nil) for backdated and ongoing rent costs.